

Our Business

WHAT DID WE ACHIEVE TOGETHER?

Move from transactions to relationships. We built meaningful connections that provide solutions and generate value for all our stakeholders.

6 million

customers shop daily in our stores in Mexico and Central America

Our ambition, to become a **Regenerative Company**



I am María
Walmart customer

"I look for practicality,
good price and quality
for my family"

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



We would like to begin this message with a sincere thank you to our associates, customers, suppliers and other stakeholders.

Once again, in 2022 we proved that TOGETHER we are stronger: we continued to serve our customers and members, and our purpose of helping people save money so they can live better mattered more than ever. This was, without a doubt, a good year for us.



This year also marked the end of the extraordinary measures related to COVID-19. During this period, we prioritized taking care of our associates, customers and community, as well as our operations, while continuing to execute our strategy. Again, thanks to you all, as we know it was not easy.

This pandemic period came to an end, and another one began: that of inflation. Once again, we took care of our customers and members by continuing to deliver on **our commitment of Every Day Low Prices.**

In Mexico, customers responded to our efforts, which was reflected in sales growth, and for the ninth consecutive year we were able to grow above the formal market as measured by ANTAD. Being sensitive to the challenging environment, **we expanded our price gap by 100 basis points**, in addition to substantially improving our NPS.

In Central America, we maintained customer preference and loyalty and improved our **self-service market share by 80 basis points**. We continued to serve customers better through our win in discount initiatives, increasing our Private Brands' share in 200 basis points. In addition, we laid the groundwork for the omnichannel ecosystem and tripled the size of the online catalog; as a result, our NPS increased by 400 basis points.



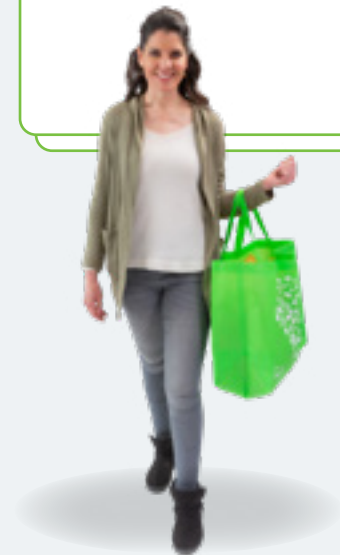
In recent years we have strengthened our business strategy, as you will see in detail throughout this annual report, and we continue to focus on our three strategic pillars:

- **Win in discount:** we are leaders in low prices, with a unique positioning thanks to our self-service stores, especially our Bodega Aurrera and Palí formats.
- **Lead in omnichannel:** this year, our eCommerce share in total sales increased to 5.1% and our NPS increased by 470 basis points.
- **Ecosystem of choice:** we offer solutions and generate greater value for our customers and their communities. In 2022 we had over 13 million total Bait and Cashi users combined.

We rely on four **enablers** to execute and leverage our strategy: Customer Centricity, Supply Chain, Technology and Data, and Best Talent. In 2022, we focused on providing good jobs and career opportunities for our associates: we created more than 6,300 new jobs, promoted more than 27,700 associates, and increased our talent with disabilities by 14%.



We have the ambition to become a Regenerative Company by 2040. This means going beyond compliance and doing the right thing to have a positive socioeconomic and environmental impact, while maintaining the highest standards of ethics and integrity – which ultimately contributes to improving the well-being of people, communities and the planet, creating shared value for all our stakeholders.



We know we still have the opportunity to make life easier for our customers and members, so we will continue to transform, strengthen and expand our business in Mexico and Central America.

*Thank you for your trust
in our company!*

Guilherme Loureiro
President and Chief Executive
Officer Walmart de México y
Centroamérica



Judith McKenna
Chairman of the Board
of Directors Walmart de
México y Centroamérica

President and CEO,
Walmart International

Judith McKenna





Relevant Figures ↗

WIN IN DISCOUNT



100 bps

self-service price gap expansion in Mexico

80 bps

increase in Private Brands penetration in Mexico

260 bps

increase in Private Brands penetration in Sam's Club

200 bps

increase in Private Brands penetration in total self-service in Central America

LEAD IN OMNICHANNEL



17%

eCommerce sales growth in Mexico

19%

GMV growth Mexico

~1,000

On Demand stores in Mexico

72%

increased the number of SKUs (Stock Keeping Unit) in Extended Assortment

ECOSYSTEM OF CHOICE



5.6 million

Active Bait users

5.4 million

Cashi users

1 million

customers collect remittances through our network

+4,500

Omnichannel campaigns in Walmart Connect

ENABLERS



6 million

customers shop in our stores every day
5 million in Mexico
1 million in Central America

+1.5 billion

pesos saved in Mexico through Smart Spending project

32

distribution centers
21 in Mexico
11 in Central America

233,594

associates
196,572 in Mexico
37,022 in Central America

FINANCIAL



819.2 billion

pesos consolidated revenue
11.3% growth

11.0%

consolidated net income growth

79.8 billion

pesos cash generation
9.6% growth

20.2%

Return on Invested Capital (ROIC)

Relevant Figures ↗



OPPORTUNITY

40,887

suppliers in the region¹

83.49%

of goods sold in Central America
are **purchased in the region**
89.12% in Mexico

27,773

associates promoted,
55% were women¹

6,313

jobs created¹

SUSTAINABILITY

77.37%

progress in our
zero waste goal¹

475.37

tons of virgin plastic
eliminated in 2022, in Mexico

100%

of canned tuna with MSC
certification in Mexico

54.57%

of total electricity consumption
comes from renewable energy¹

COMMUNITY

2,491 million

pesos channeled
to social impact programs¹

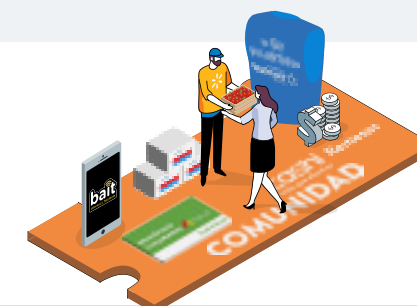
1,956,925

beneficiaries¹

38,547.54

tons of food donated¹

117

foodbanks
supported¹

ETHICS AND INTEGRITY

-7.31%

reduction of associates accidents¹

21,051

hours of training in
our Code of Conduct¹

36%

of the Members of the Board
are women

45%

of the Members
of the Board are independent

1. Mexico and Central America

OUR STRATEGY

Strategic priorities and enablers
that accelerate growth

STRATEGIC PRIORITIES



**WIN IN
DISCOUNT**

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**LEAD IN
OMNICHANNEL**

[GO TO CHAPTER](#) 



**ECOSYSTEM
OF CHOICE**

[GO TO CHAPTER](#) 

ENABLERS



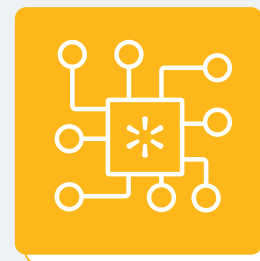
**CUSTOMER
CENTRICITY**

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**SUPPLY
CHAIN**

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TECHNOLOGY

[GO TO CHAPTER](#) 



**BEST
TALENT**

[GO TO CHAPTER](#) 



Regeneration and Trust

[GO TO CHAPTER](#) 

Every Day Low Prices



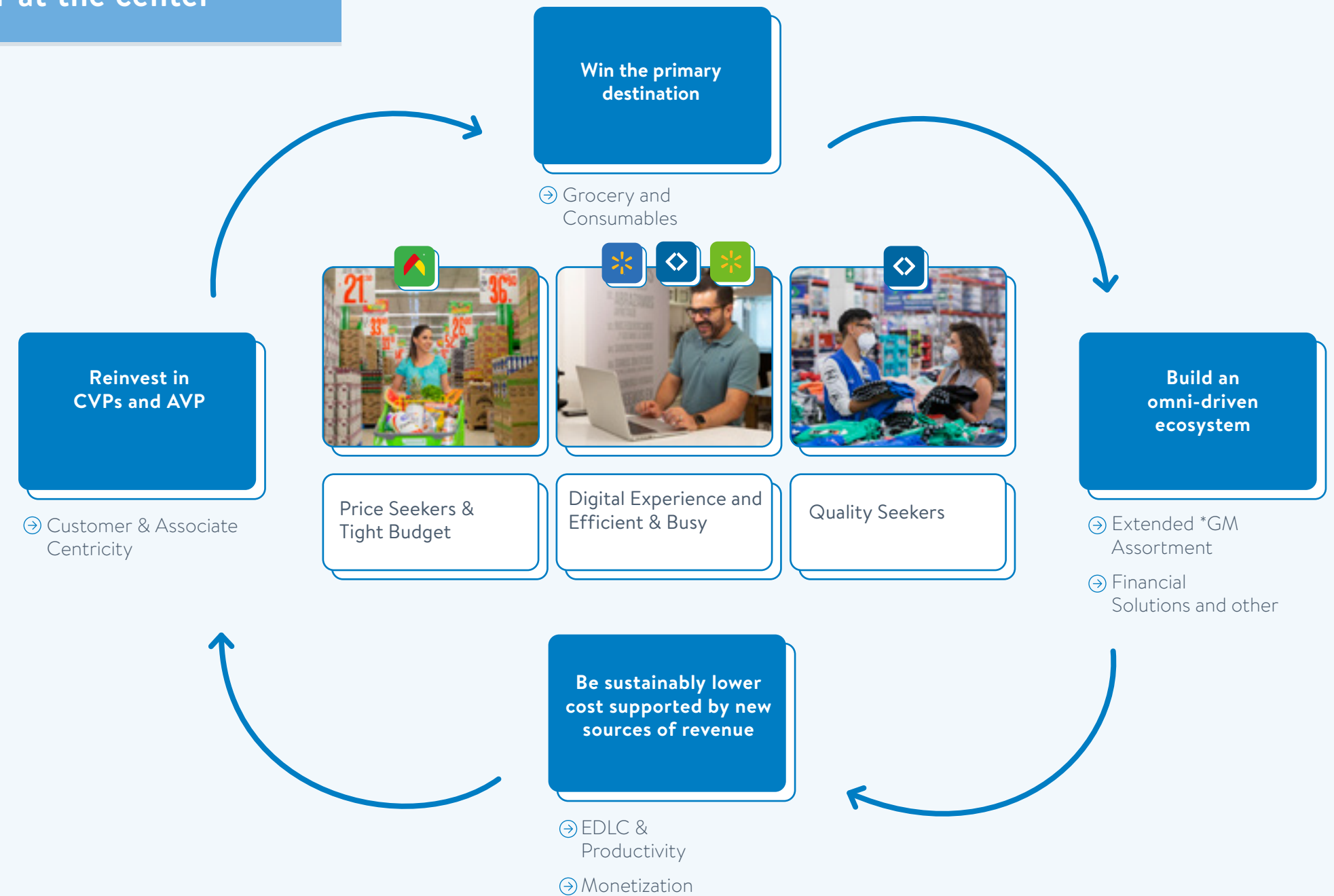
FLYWHEEL

Our core business, the stores, is strong and is fueling the ecosystem, while the new businesses we create drive customer loyalty and reinforce the core business so that it grows, strengthens and remains resilient.

Our strategy is summarized by this flywheel of capabilities and assets that mutually reinforce each other



Our flywheel places the customer at the center



*GM: General Merchandise
 AVP: Associate Value Proposition
 CVP: Customer Value Proposition

REGENERATIVE COMPANY

GRI 2-22, 2-23, 2-24



Doug McMillon

President and CEO
of Walmart Inc.



"I am committing Walmart to become a Regenerative Company, one dedicated to placing nature and humanity at the center of our business practices

Regenerating means restoring, renewing and replenishing in addition to conserving. It means decarbonizing operations and eliminating waste along the product chain. It means adopting regenerative practices in agriculture, forest management and fisheries while advancing prosperity and equity for customers, associates and people who participate in our product supply chains. And, working with our suppliers, customers, NGOs and others, we hope to play a part in transforming the world's supply chains to be regenerative."

In 2020, we made public our ambition to become a Regenerative Company

Regenerative Company Pillars

We are aware of our commitment to society and the planet. Becoming a Regenerative Company is the most solid path to take actions to **maintain, restore, conserve and regenerate** the well-being of nature and humanity. Therefore, during 2022 we continued with our ambition to become a Regenerative Company by 2040, placing nature and humanity at the center of our decisions through our four pillars: **opportunity, sustainability, community, and ethics and integrity.**

We are aware of our commitment we have with society and with the planet

OPPORTUNITY

[Go to chapter](#)


We develop opportunities for our associates and suppliers, in order to contribute to **improve their quality of life.**

TO LEARN MORE ABOUT HOW WE IMPLEMENT THE REGENERATIVE COMPANY STRATEGY [CLICK HERE](#)



ETHICS AND INTEGRITY

[Go to chapter](#)


Our operating model is based on transparency and integrity in everything we do to **maintain stakeholder trust.**

SUSTAINABILITY

[Go to chapter](#)


We work on three environmental priorities: Climate Change, Circular Economy and Natural Capital to design strategies that translate into concrete actions to **conserve and recover our ecosystems** and natural resources.

COMMUNITY

[Go to chapter](#)


We create value in the communities where we operate through programs that help them thrive, **providing access** to products and services at the lowest, safest, and highest quality prices.

