

GRI 2-5

SUPPLY CHAIN

One of our greatest strengths is the supply chain capacity we have developed, an enabler that supports and streamlines our operations

We transformed the way we operate to connect with our formats' value propositions, achieving very good results in terms of merchandise flow, coverage and omnichannel.

Our supply chain network is one of the most extensive in the country, covering nearly one million square meters, moving more than 1.4 million boxes annually and operating with more than 18,000 associates. We are developing our operating models and investing in state-of-the-art technology to increase our efficiency and productivity.

*I am Gastón
VPS Real Estate
& Supply Chain*



The expansion and modernization of our supply chain strengthens us to better serve our customers and accelerate the company's growth



Our supply chain network has

1 million

m²

Moving more than

1.4 million

boxes annually

Operating with more than

18,000

associates

Integrated omnichannel network

We actively work to turn our infrastructure into a world-class omnichannel operation network that is able to adapt to our business needs, shaping an integrated supply chain of distribution centers, stores and facilities that allows us to improve productivity and

offer our customers a seamless shopping experience,

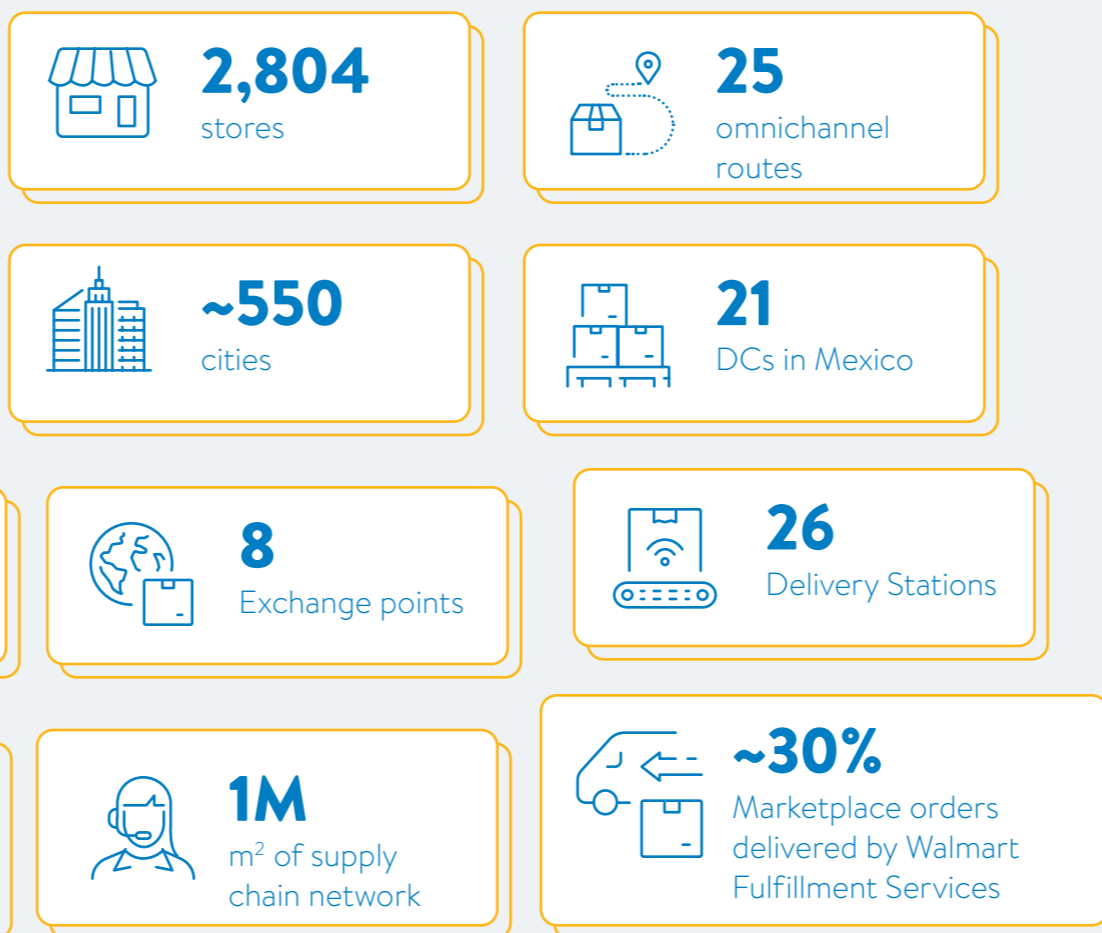
so they find what they want, when they need it and how they need it

Leveraging our distribution network allows us to reach our customers faster, drive efficiencies and thus expand our price gap, creating a virtuous circle. We have a transportation network that supplies more than 2,800 of our stores and clubs from our distribution centers every week.

This year, we have enabled 9 omnichannel routes that handle approximately 30% of Extended Assortment 1P's orders, reducing delivery times and shipping costs by 12%

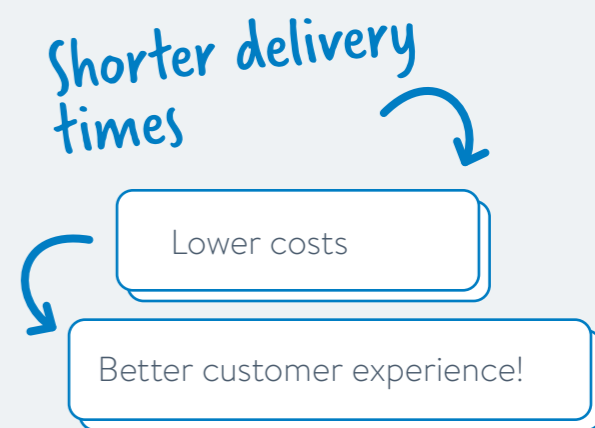


Our omnichannel business is backed by one of the most extensive supply chains in Mexico

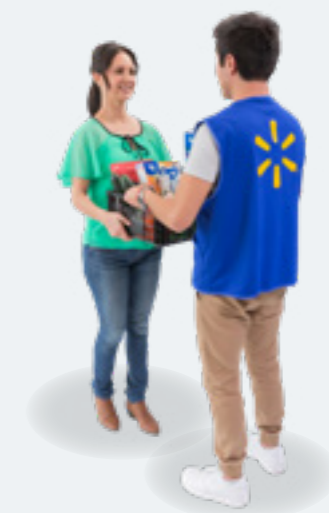


We visit **+2,800** of our stores every week

This year, our distribution network was awarded the National Logistics Award "Galardón Tameme"



We increased the Supply Chain's NPS by 700 bps, reaching an all-time high



Growth

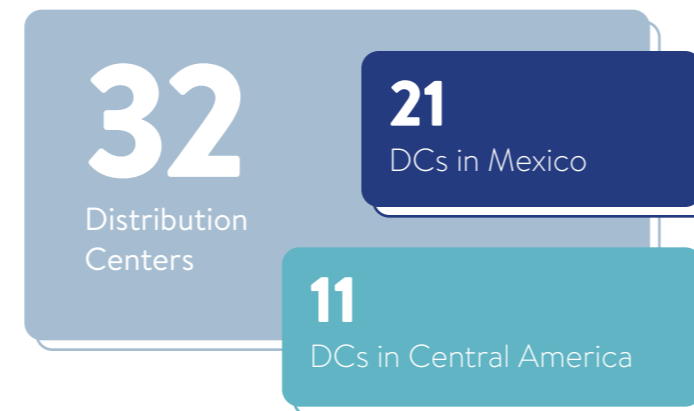
We invest heavily in initiatives to expand and strengthen our infrastructure.

This year we were able to expand our omnichannel network, reaching 21 Distribution Centers in Mexico and 11 in Central America. In doing so, we reinforce our commitment to help our customers and members save money and live better



In June 2022, we inaugurated the Villahermosa Perishables Distribution Center in the state of Tabasco, Mexico, with a total **investment of two billion pesos**. Its supply reach includes stores and clubs located in Campeche, Chiapas, Oaxaca, Quintana Roo, Tabasco, Veracruz and Yucatán, and the capacity to move more than one million boxes per month. This DC handles more than 10% of the perishable goods volume and generates around **1,200 direct and indirect jobs**. Furthermore, thanks to technological innovation in its refrigeration systems, no greenhouse gases are emitted from its operations, contributing to our goal of becoming a regenerative company by 2040.

We are also excited to share that we continue to make progress in the construction of our Tlaxcala and Bajío Distribution Centers. The Bajío DC will have a world-class automation level, making it one of the most modern in Latin America.



Last mile model

We continue to invest and make progress in implementing new delivery models and leveraging our transportation to reach our customers and members at an ever faster pace

This year we were able to expand our capacity to deliver Extended Assortment merchandise on the same day in **the top 16 cities in Mexico**, where we can deliver items within 24 to 48 hours.

We extended our On Demand service, reaching **almost 1,000 stores currently offering this type of service**.

At present, 80% of our Walmart Supercenter and Walmart Express stores are enabled with the 60-minute express delivery model



To date, we have **26 Delivery Stations and eight Exchange Points** as part of an Extended Assortment model that allows us to deliver merchandise to our customers' homes in less time.

Walmart Fulfillment Services

Walmart Fulfillment Services (WFS) is the service through which sellers within our Marketplace can deliver their orders quickly and efficiently by leveraging our supply chain, resulting in greater customer satisfaction.

About 30% of Marketplace orders are fulfilled through Walmart Fulfillment Services



We are focusing on simplifying our business and boosting productivity, and this continues to pay off

Our supply chain is moving into the omnichannel space, and that is a huge competitive advantage. Its evolution continues endorsing the good results

We continue to innovate and work on automating this service to further increase its reach and scale it

The new Extended Assortment Fulfillment Center for Sam's Club began operations in April 2022, serving 32 states in Mexico and over 32,000 zip codes.

This initiative allowed us to grow together with our sellers and help them generate more profitable sales on a larger scale.

