

GRI 2-7

Enablers

WHAT DID WE ACHIEVE TOGETHER?

Make forward-looking decisions based on enablers that enhance our strategy. Customer centricity, the use of technology and data, our supply chain and our talent.

233,594

Associates
196,572 Mexico and 37,022 Central America



32 DCs

21 Mexico
11 Central America

I am Juan Carlos
DC Associate
"What I love most about my job at Walmart is realizing the importance and value I bring"



CUSTOMER-CENTRICITY

I am María
Walmart Express customer



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

I am Carlos
Walmart customer



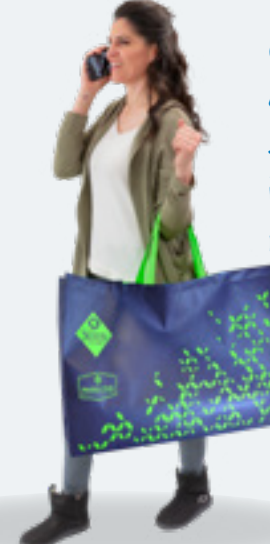
"I look for quality in the products I buy either in store or online when I need to save time"

I am Andrea
Bodega Aurrera customer



"I have a tight budget. I take every opportunity to save"

I am Lucy
Sam's Club member



"I am looking for an experience that will give me quality, freshness and different items in the most most practical way"

Customer centricity is the incorporation of our customers' data and behaviors into our commercial and operational processes to accurately segment our stores and products in a timely manner. This enabler allows us to better understand the needs and habits of our customers and members, identify pain points in their shopping experience, provide them with comprehensive solutions and offer them a seamless experience that matches their preferences.

Placing our customers at the center of all our decisions translates into an increasingly closer and more personal shopping experience. Their loyalty and preference contribute to making us a more efficient, profitable and sustainable business.

In order to permeate this culture in our operations, it is necessary to consider our customers' feedback and provide solutions promptly and efficiently, based on empathy at all times. Therefore, our solutions are carefully aligned with this feedback, helping us enhance and strengthen our business strategy.

Our customers and members are of the utmost importance to us. In order to provide them with the best service, we are constantly transforming ourselves and implementing actions to improve their shopping experience through continuous and empathetic listening.

Earning our customers' loyalty by offering an omnichannel experience generates efficient, profitable and sustainable growth

Customer Office

Customer-centricity is embedded in all Walmart de México y Centroamérica operations and is an area in which we are constantly innovating based on global best practices. **In line with the transformation strategy and with the objective of providing a better experience to our customers and members, the Customer Office was created in 2022.**



This new tribe aims to generate comprehensive solutions to serve our customers and members, as well as to join all efforts to achieve customer centricity within the company and follow up on its implementation. In doing so, we are able to take an omnichannel approach to understanding our customers' and members' key needs, leveraging this information to make decisions and provide a seamless shopping experience.

We are confident that through this effort to drive member and customer-centric culture using data and technology-based solutions, we will continue our purpose of helping people save time, money and live better.

By identifying our customers' pain points in their shopping experience, we provide comprehensive solutions that generate well-being for families in Mexico and Central America

Customer Office Structure

We focus our efforts in four areas that allow us to efficiently execute initiatives aligned to improve our customers' experience:

Customer Knowledge & Experience

It integrates all sources of customer information within the company: indicators, quantitative and qualitative studies. Based on this, we identify the customer's main concerns and define the best approach to generate solutions.

Marketing

Its task is to understand who our customers are, develop strategies and value propositions, define commitments as a brand, manage them and establish what we want to communicate.

I am Tomás
Chief Customer
& Data officer



Omnichannel Customer Care

It is the first point of contact for our customers when they have a problem or require assistance. We also seek to be omnichannel in our communication with them, to provide them with a better service and solve all the issues that arise from a single approach.

Data Analytics & Product

This area develops solutions and defines the way in which the company's technological processes are leveraged to provide a better customer experience. It also works by connecting ecosystem data through different analytical models to provide such solutions.

Living customer-centricity within the company generates excellent results and allows us to provide the best shopping experience

We improve our customers' and members' experience

2022 was a year of evolution for the customer-centric culture within Walmart de México y Centroamérica



We are in a process of transforming, perfecting and creating initiatives to **improve our customers' and members' shopping experience**, and even creating and designing some new ones.



We are moving forward on this path by working on **updating our customer and member profiles to improve our satisfaction measurement methodologies**, such as the NPS (Net Promoter Score), which allows us to identify indicators to determine customer loyalty.



We also launched the first pilot of the Customer Advocacy Program (CAP), through which we ensure to work on the root causes of the pain points in our customers' shopping experience in order to prevent their recurrence.

This year, we defined our Customer Data Strategy proposal, an initiative that seeks to propose a methodology to leverage and harness our customers' data and apply this information to several lines of action.

We also developed a **Price Perception Model**. This allowed us to understand which variables have the greatest impact on the perception of our most price-sensitive customers and to define, together with other areas, a plan to counteract these variables and implement changes in our communication according to the findings.

We measure customer satisfaction

We implement innovative digital tools that allow us to measure our customers' level of satisfaction and analyze this information to improve their experience:

- Customer Experience Index
- Member Experience Index



24,578,999

surveys applied to customers and members in the region

These monitoring tools are found in 100% of our stores in the region. They are also available via email and social media.

RESULTS

Mexico

Omnichannel

7% increase in overall recommendation rate of our customers

Self-Service

Bodega Aurrera increased its NPS in 11% vs 2021

Mi Bodega increased its NPS in 6% vs 2021

Walmart increased 5% its NPS vs 2021

Walmart Express increased in 1.4% its NPS vs 2021

Mi Bodega was highest rated format in general satisfaction in self service

Sam's Club

Increased our members recommendation rate

4.8% increase in membership renewal intention in members that buy at Clubs



Central America

Hypermarkets Walmart was the best evaluated format in general satisfaction

eCommerce

3.8% increase in client recommendation rate

Increased 11.9% the NPS of online purchases vs 2021

Communication channels

We provide our customers and members with different means of communication through our Corporate Contact Center:



Social media



Telephone number



Email

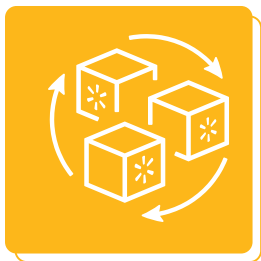


WhatsApp



Corporate site chat





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



2,804
stores



25
omnichannel routes



~550
cities



21
DCs in Mexico



6.6M
m² of sales floor



8
Exchange points



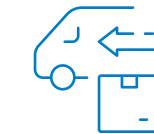
26
Delivery Stations



1.4M
boxes moved annually



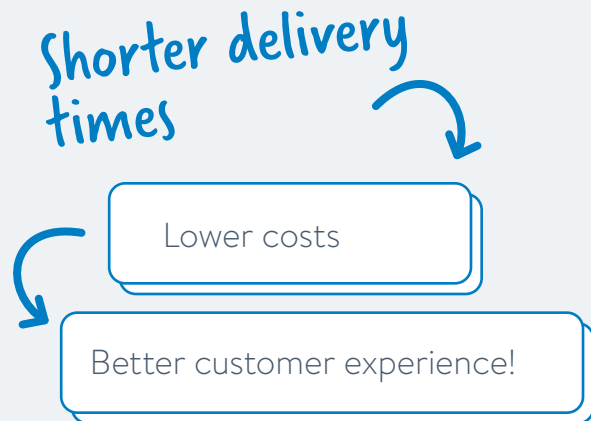
1M
m² of supply chain network



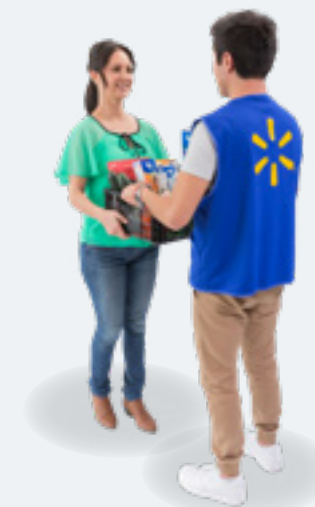
~30%
Marketplace orders delivered by Walmart Fulfillment Services

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

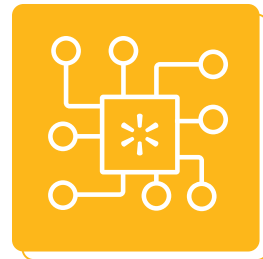
Our supply chain is moving into the omnichannel space, and that is a huge competitive advantage. Its evolution continues endorsing the good results

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.

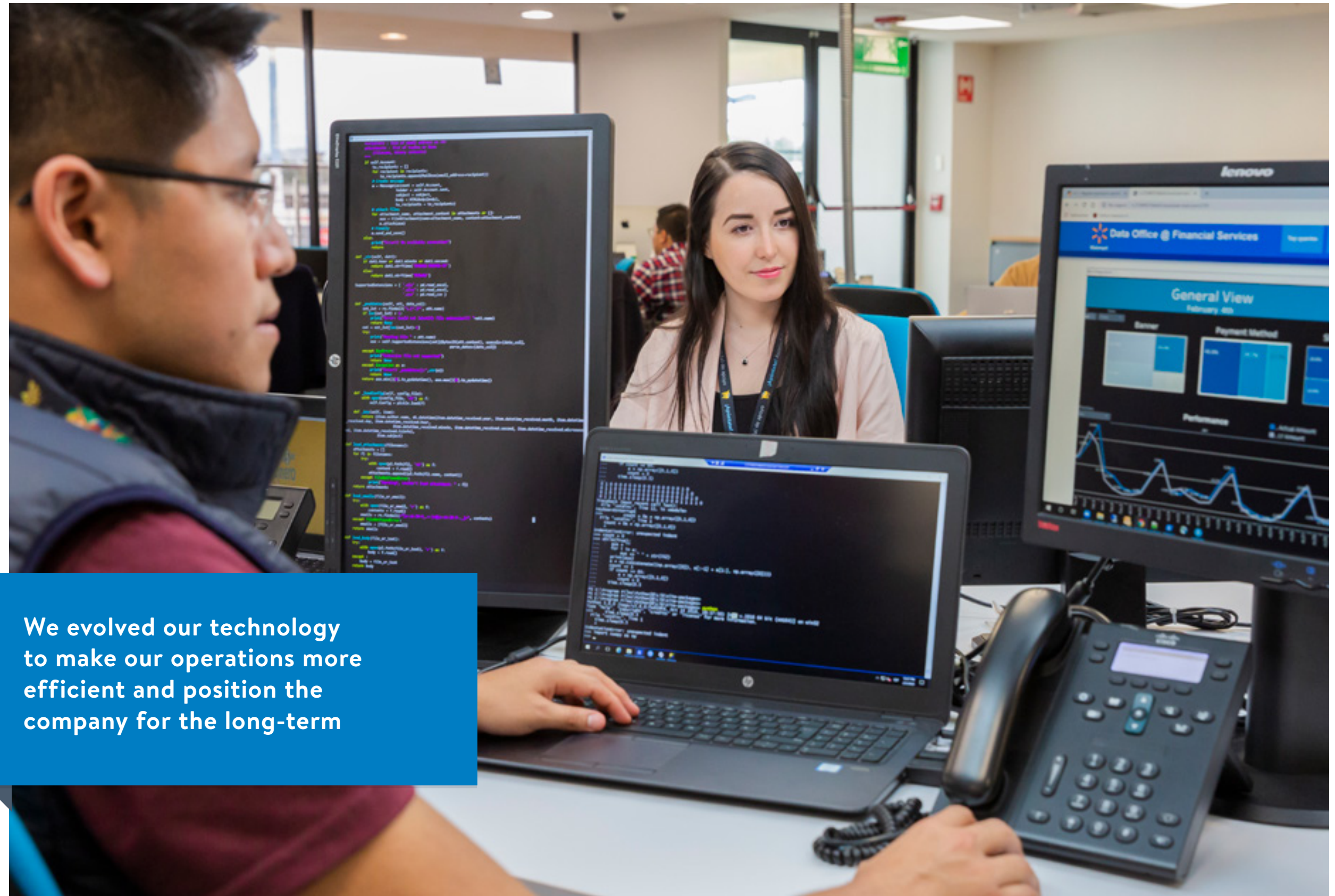




TECHNOLOGY AND DATA

Through the use of technology and data we support our strategy, accelerate its growth and facilitate business decisions that contribute to the optimization of our operations.

To meet the technological requirements of the company, throughout this year we foster the modernization of the infrastructure and constantly invested in the development of new capabilities.



We evolved our technology to make our operations more efficient and position the company for the long-term

Data-Driven Decisions

By using data, we are able to drive innovation in our operations, which has become a key enabler for business growth

Our tools allow us to better understand our customers by generating relevant information from the data collected, resulting in better decision making for strategic projects, and allowing us to streamline our operations.



We continue to drive initiatives that increasingly simplify our operation

We made progress in our Smart Spending program, which leverages our data analysis capabilities to optimize administrative and operating costs through a zero-based budget that allows us to generate savings. Through this initiative, **we were able to generate more than 1.5 billion pesos in savings that we invested in our strategic enablers such as Talent, Technology and Supply Chain.**

We also use predictive models, from authorized customers' data, that allow us to know their consumption preferences and habits, and analyze the impact of macroeconomic trends and variables on them. Based on this, we generate information to evaluate our strategies and make better decisions that benefit not only our company, but each of our customers.



We use technology to help our associates do their jobs more easily



Operation Optimization

This year, the company's operational activity increased substantially, therefore, the technology requirements increased in the same way.

We were able to meet these needs by delivering 146 initiatives for all business areas, providing more robust, secure and reliable services, maintaining technological support and making it much more efficient

In addition, we were able to create an initiative to digitize the monitoring of our perishable goods within our distribution centers (DCs), along with a second initiative to promote our supply chain automation strategy. By modernizing our app integration through APIs and microservices, we were able to reduce maintenance and data processing costs by eight million dollars. We enabled SAP CAR (Customer Activity Repository) technology in nearly 140 stores. This data repository system helps streamlining the closing process, making it easier for our associates.

We developed the Price Gap and Compass Evolution tools, which contribute to our Win in Discount strategic initiative. We delivered initiatives such as new remote payment methods enabled through POS (Point of Sale) terminals, to improve the shopping experience of our home delivery customers by facilitating the collection process, thus contributing to our priority of Leading in Omnichannel.

At the same time, we teamed up with a new commercial partner to handle remittances and implemented controls to prevent money laundering, resulting in increased security and a higher number of remittances collected. This type of efforts allows us to be the Ecosystem of Choice for our customers.

Walmart
México y Centroamérica



Technology and Systems

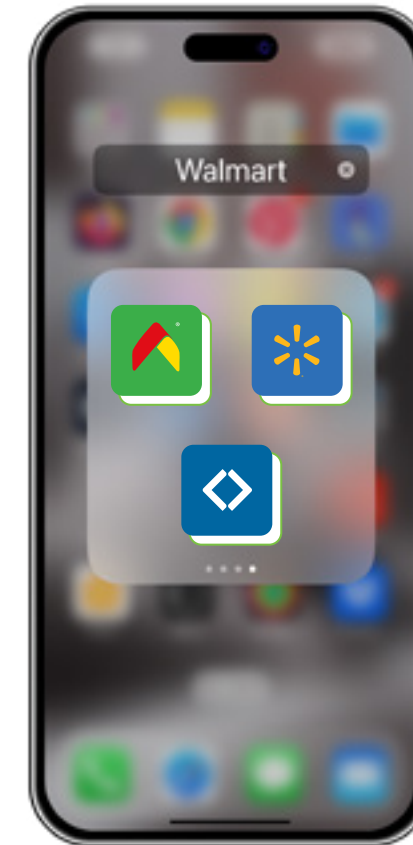
2022 required us to redefine our connectivity, prompting the need to rethink our technology to make it more flexible, secure and efficient



We designed initiatives that gave greater stability to our digital ecosystem, facilitating our evolution, strongly accelerating our technological transformation and providing support to our company's operations

We successfully implemented our **SDWAN** (Software Defined Wide Area Network) project, through which we delivered eight times more bandwidth to **1,471 stores without increasing costs**. This allowed a greater number of people to connect at the same time, enjoying greater speed to perform all the operations that are carried out online.

This initiative allowed us to redefine the company's connectivity, in addition to developing new capabilities for strategy execution and incorporating more secure and resilient technologies.



We also made progress in **modernizing our application ecosystem**, migrating its infrastructure to the cloud, which allowed us to reduce costs and increase data security and control. The evolution of the business and the need for support translates into the modernization of connectivity in stores and DCs.

We are using innovative technologies and migrating to more efficient, lower cost and better supported cloud schemes

Through our Operational Excellence Program, we contribute to the improvement of customer satisfaction indicators

Improving communication channels, response times and incident response

We achieved a **“first call resolution” for 51% of incidents**, leading to significant improvements in customer satisfaction

We also continued to work on reinforcing cybersecurity schemes, improving defenses and capabilities to protect our information and that of our customers, **reducing vulnerability remediation time by 47%**. For the second consecutive year, we obtained the PCI certification with no observations.

TO LEARN MORE ABOUT THE YEAR'S RESULTS IN CYBERSECURITY, PLEASE SEE THE **INFORMATION SECURITY CHAPTER**



Our modernization projects have been recognized by **Hewlett Packard, Google, Nutanix and Avaya as the most relevant in the industry**

Through our **Powered by Walmart** strength, we are able to learn from industry best practices in other markets and countries where we operate and apply them in the context of Mexico and Central America. This allows us to keep up to date with the latest methodologies and innovations in order to continue modernizing our technological and digital infrastructure.



2022 was a year of much development that has facilitated our evolution as a business. We continue to invest in our technological capacity and strengthen our operation through the use of data that will allow us to be increasingly assertive in our decision making.



BEST TALENT

We recognize our associates' value for our company's success; therefore, we focus on them, by leveraging their own talent as a key enabler for our strategy.

LEARN MORE ABOUT OUR TALENT IN THE **OPPORTUNITY** CHAPTER



I am Eduardo
Chief People
officer



Provide the best opportunities for our associates and suppliers, in a diverse and inclusive environment