



## DEVELOPMENT FOR SUPPLIERS AND LOCAL ECONOMIES

GRI 2-6, 204-1  
SASB FB-FR-000.C, FB-FR-000.D

The scale of our company allows us to provide access to our suppliers to more than 6 million customers and members who visit our stores or eCommerce sites on a daily basis. Therefore, our size and scope are tools to promote and develop our suppliers, as well as to provide support to small farmers who are in vulnerable conditions.



### Inclusive Supply Chain

Our suppliers help us meet the needs of millions of customers every day with products and services that are responsibly produced and distributed. That is why we are committed to creating economic and development opportunities for all the people who work along our supply chain: suppliers, the people they employ and their communities.

40,887

suppliers

25,400

Mexico

15,487

Central America

4,948

new suppliers

3,783

Mexico

1,165

Central America

92%

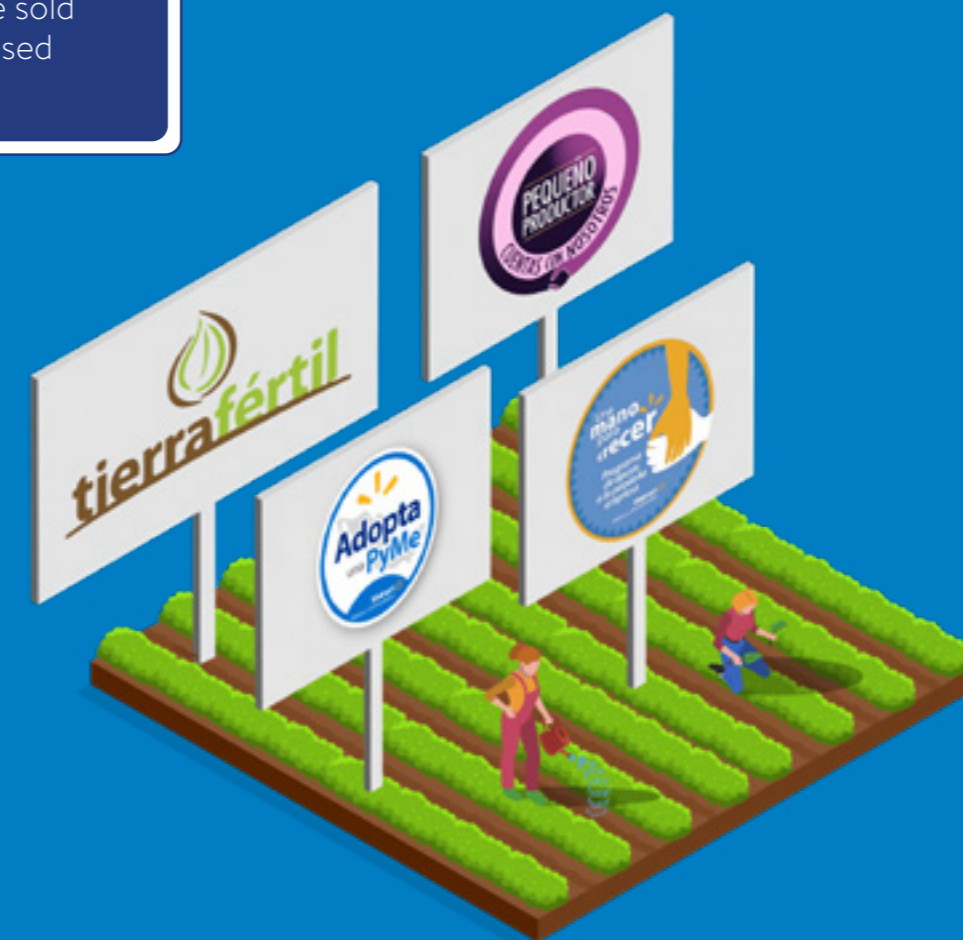
of our suppliers in Mexico are SMEs

83.49%

of the merchandise sold in Central America is purchased within the region

89.12%

of the merchandise sold in Mexico is purchased within the country



## Direct purchasing from local suppliers

In order to promote the development of local economies, we promote direct purchasing from local suppliers

DIRECT PURCHASING FROM LOCAL SUPPLIERS OF OUR PRIVATE BRANDS

■ Mexico ■ Central America



SELF-SERVICE SUPPLIERS WHICH ARE NATIONAL



SALES ARE FROM NATIONAL SUPPLIERS



## Direct purchase from local suppliers of perishables

■ Mexico ■ Central America

### SEAFOOD

PURCHASING OF NATIONAL/REGIONAL PRODUCTS

25.52%

32.80%

BUYING DIRECTLY FROM FARMERS

63.55%

11.71%

BUYING FROM SUPPLIERS

54.20%

National

45.80%

Imports

51.08%

Regional

48.92%

Imports



### FRUITS AND VEGETABLES

PURCHASING OF NATIONAL/REGIONAL PRODUCTS

87.09%

72.70%

BUYING DIRECTLY FROM FARMERS

50.69%

58.29%

BUYING FROM SUPPLIERS

79.03%

National

20.97%

Imports

75.66%

Regional

24.34%

Imports



## Direct purchase from local suppliers of perishables

■ Mexico ■ Central America

### MEAT



PURCHASING OF NATIONAL/REGIONAL PRODUCTS

93.23%

54.57%

BUYING DIRECTLY FROM FARMERS

39.06%

24.43%

BUYING FROM SUPPLIERS

99.95%

National

0.05%

Imports

65.29%

Regional

34.69%

Imports

### POULTRY

PURCHASING OF NATIONAL/REGIONAL PRODUCTS

91.86%

93.29%

BUYING DIRECTLY FROM FARMERS

91.65%

63.30%

BUYING FROM SUPPLIERS

97.85%

National

2.15%

Imports

76.98%

Regional

23.02%

Imports



## Development platforms

GRI 204-1



### Adopt an SME

**Adopt an SME** is a business acceleration program for small and medium-sized companies in Mexico, aimed at contributing to their operational, financial and logistical development in order to increase their sales, as well as to promote a broader and more strategic vision of the business.

**Over the course of 18 months, suppliers receive training in commercial, logistical and strategic aspects,** with the support of expert Walmart associates. In addition, the Category Manager offers them personalized advice to build a sales growth plan.

In addition, suppliers participating in this program are exempt from the *Promotoría Eficiente* (Efficient Promotion - a service that includes receipt, filling and shelving of merchandise) charge at Bodega Aurrera Express, Mi Bodega, and Walmart Express stores nationwide. Our small and medium-sized suppliers are encouraged to invest resources in their strategies and operations, once they have learned how to leverage them.

From 2014 to date, we have supported more than 350 suppliers, who have had a 33% cumulative increase in sales

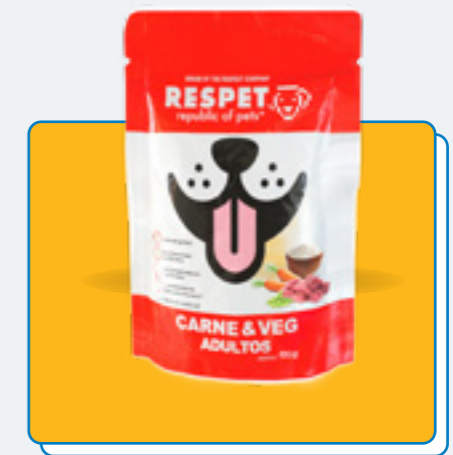
25 SMEs supported in 2022

**12.44%**  
increase in sales, we reached our 2022 goal by 68.7%

**+170**  
million pesos in sales

In 2022, we celebrated the eighth generation of the program, bringing together 25 SMEs, who additionally benefited from the support of **Walmart Connect**, our omnichannel platform, to gain access to massive advertising opportunities.

With the Adopt an SME program, Walmart de México y Centroamérica reinforces the importance of our supply chain as a core piece of our business, contributing to the strengthening of our suppliers and the development of our country and families throughout Mexico.





### A Helping Hand to Grow

Our **A Helping Hand to Grow** program promotes the growth and development of manufacturing SMEs in Central America and ensures product quality for our customers. It is worth mentioning that many of the suppliers participating in this program are women, as we have a special interest in the economic empowerment of women in the region.

Upon becoming a regular supplier, for the following three years, SMEs receive preferential treatment in promotional activities, centralization services, free training, business performance monitoring and, in some cases, technical assistance.

462 SMEs supported



33%

are led by women

11,306

families benefited

7,306

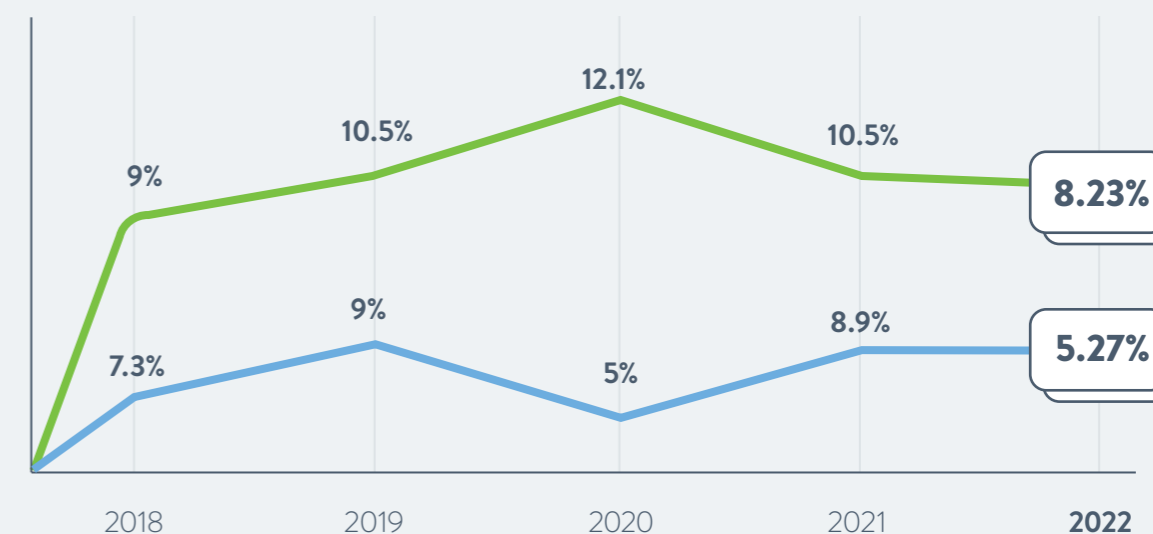
direct jobs



### RESULTS OF A HELPING HAND TO GROW PROGRAM

Percentage increase in 2022 vs. 2021

■ Sales ■ Purchases





## Fertile Soil

**Fertile Soil** is our support program for small and medium-sized farmers in Central America. Through this program, we seek to promote sustainable agricultural practices, long-term business relationships, growth in innovation, sales and markets for our suppliers, as well as to ensure a secure market, direct purchases, technical advice and specific investments including the purchase of equipment and supplies.



The program consists of three main aspects:

1

### Direct purchase from farmers

It allows access to competitive pricing by avoiding intermediaries and ensuring timely payment.

2

### Ensuring access to technology and know-how

Donations of goods made directly or through projects that facilitate access to tools, equipment, agricultural technologies and direct investment resources.

In addition, advice is provided on:

- Clean farming and low levels of agrochemicals
- Disease and pest control
- Plant nutrition and care
- Soil management
- Rational use of resources



3

### Training and technical assistance

We provide advice on topics such as:

- Seed quality
- Crop rotation
- Post-harvest handling
- Responsible use of agrochemicals
- Responsible use of water
- Good Agricultural Practices (GAP)
- Good Manufacturing Practices (GMP)
- Basic administration and finance

## Fertile Soil Festivals

During 2022, six festivals were held in 136 stores, with the objective of providing our farmers with different commercial concepts, such as: planting plan and post-harvest handling, among others.

### OUR GOAL

By 2025, we have set ourselves the goal of **increasing sustainable market access** and improving the livelihoods of our small farmers

## New Fertile Soil App

In order to reduce the digital gap for farmers, in 2022 we launched a new application that provides information to 246 participants of the program to improve the yield and productivity of their crops. Likewise, the app **allows them to know the benefits they can obtain by being part of a digital world**, since through any mobile device they have access to training calendars, weather information, news from their country and technical requirements of the crops.

Currently **90%** of Walmart Costa Rica's farmers use this app



During 2022, we achieved 62% of sustainable market access and improved livelihoods for our small farmers. By 2025, we have set the goal to increase by 90%.

**691**

people trained, of whom 75 are women

**684**

farmers supported, of which 73 are women

**11,555**

families benefited

**1,984.92**

million pesos purchased from farmers

**102**

technical training

**10,844**

current direct jobs

## Opportunities for SMEs in Central America

### Management development for SMEs

In order to improve the competitiveness of SMEs, during 2022 we implemented the *ACTIVATE* project together with FUNDES Costa Rica, where **more than 40 suppliers were trained in market analysis matters**. This resulted in a 9.7% increase in sales compared to 2021.

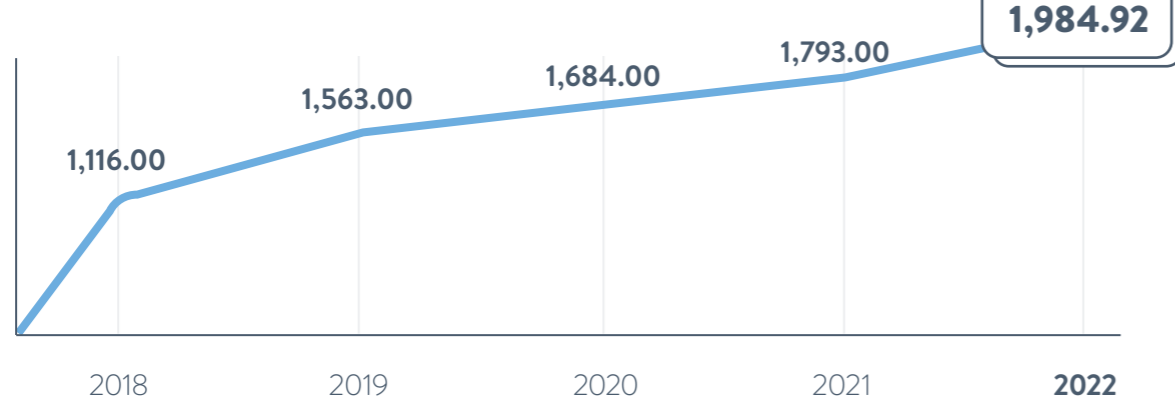
### Generating business opportunities

Through the *El Mercado PyMes de Walmart* (Walmart's SME Marketplace) initiative, **the sale of products from 70 SMEs was promoted simultaneously in five stores in the region during two weekends** in September and December, in order to strengthen their ties with the community.

### RESULTS OF FERTILE SOIL PROGRAM

Million pesos

Purchases







## Small Farmers

GRI 413-1

In order to help Mexican producers increase their productivity, improve their income, create more jobs and promote the inclusion of young people and women, in 2011 the Walmart de México Foundation created the **Small Farmers** program, which offers training on agricultural production processes, related to logistics and business issues. In this way, we promote the local and sustainable economy.



In 2022, our goal was to continue increasing the impact of the program

Continue providing the members of **Small Farmers** with the necessary training, guidance and support to facilitate their integration from cultivation, harvest and post-harvest.

In addition to the logistical and administrative processes they need to manage as farmers and agribusinesses.

In 2022 we achieved:

**3,844**

farmers benefited

**586.31**

million pesos in purchases from small farmers

**78.90%**

increase in income

**685**

female farmers benefited

**7,319**

current jobs

**26,294.36**

tons commercialized



**Amir Tapia Sánchez**

Legal representative  
Frutos de la Llanura  
Costera SPR de RL

For me, it has been a great experience and a lot of learning, since, in order to sell the product directly to commercial lines, we have learned that quality responsibility is greater, as well as responsibility in delivery and the documentation that this entails. In order to become part of this level of commercialization, a comprehensive logistics system is needed, covering production, harvesting, processing, shipping and sales.