



ENABLERS

GRI 2-7

CUSTOMER FIRST

our strategy is based on and empowered by our enablers

237,605
associates

32
Distribution Centers
21 Mexico
11 Central America

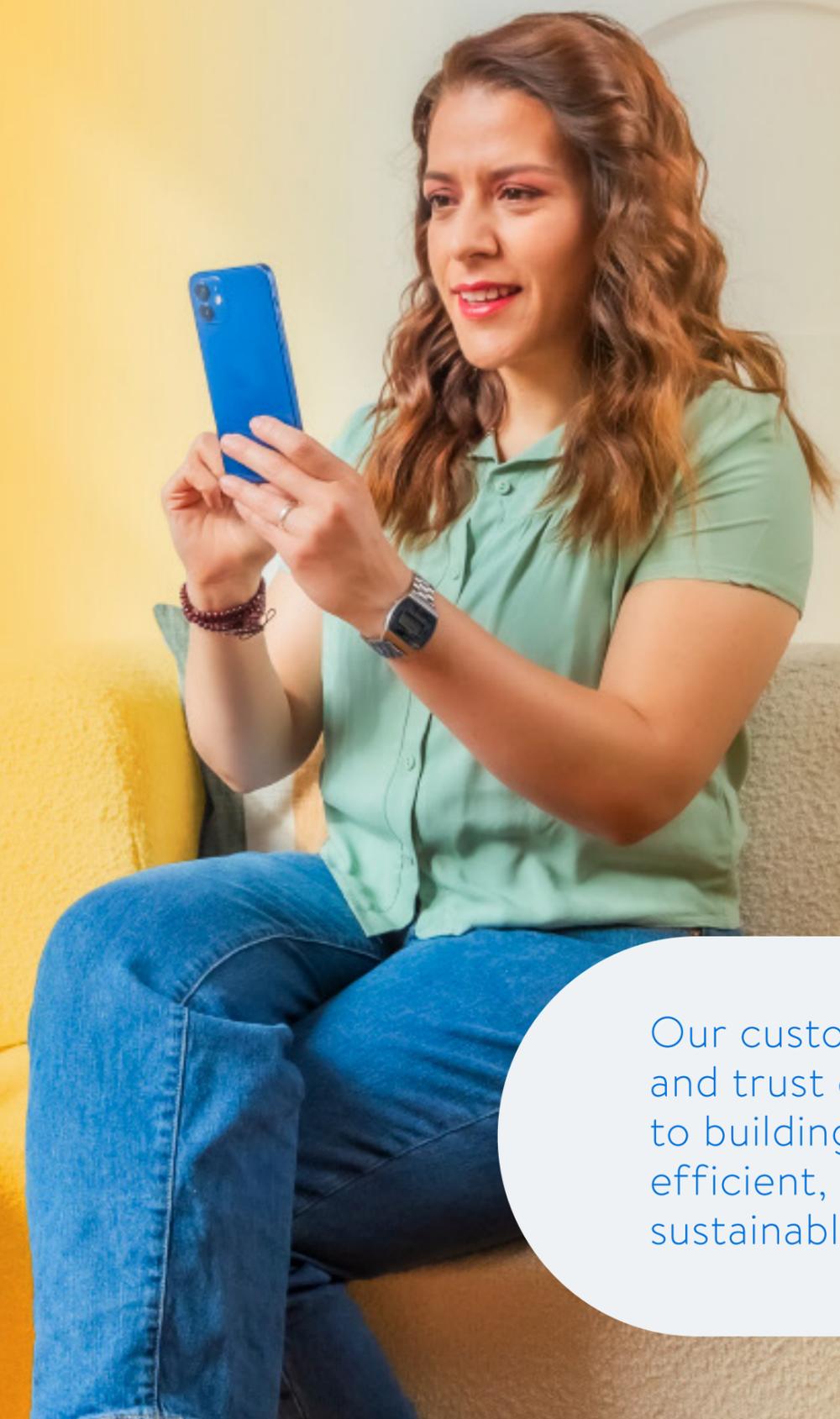


CUSTOMER CENTRICITY

At Walmart de México y Centroamérica we place our customers and members at the center of our strategy. By integrating data derived from their choices into our processes, we can effectively segment our stores and products, thus offering comprehensive solutions within a more robust and reliable ecosystem.

Our goal is to earn our customers' loyalty and trust by focusing on increasing our NPS (Net Promoter Score), improving price perception, increasing our brand value, and fostering product adoption. Through this approach, we have three strategic priorities:

- 1 Strengthening analytical and innovation capabilities to better serve our customers and members.
- 2 Driving a customer- and member-centric culture.
- 3 Accelerating marketing that builds meaningful connections and increases customer loyalty.



Our customers' loyalty and trust contributes to building a more efficient, profitable and sustainable business



To achieve this, we rely on the following factors to facilitate our strategy:

- 1 In-depth knowledge of the customer
- 2 Outstanding talent
- 3 Collaborations
- 4 Servant leadership

We renovated our stores to enhance the shopping experience and highlight our broad omnichannel offering.

At Walmart de México y Centroamérica we created the Moments of Care (MOC) training program for associates who interact directly with our customers, with the goal of creating more memorable and pleasant experiences, taking care of them during their shopping journey.

This has led us to consistently improve our processes so that customer centricity becomes a company-wide practice.





CUSTOMER OFFICE

In 2022, as part of our transformation strategy to improve the customer and member experience, we created the Office of the Customer. With a year of experiences, change, and development under our belt, we are very proud to deliver comprehensive solutions to benefit our customers and members, providing a seamless shopping experience while maintaining their trust in 2023.

Driven by a customer- and member-centric culture and backed by data and technology solutions, we reaffirmed our commitment to helping families in the region save time, money and live better.



Customer Office structure

We focus our efforts on four key areas to execute initiatives aimed to improve our customers' experience

1.  **Customer Knowledge and Experience**

Through indicators and quantitative and qualitative studies, we are able to identify their main concerns in order to develop strategies that deliver effective solutions.

2.  **Marketing**

Based on our customer knowledge, we develop strategies, manage brand commitments and build clear and effective communication.

3.  **Omnichannel Customer Service**

As the first point of contact for customers with problems or queries, we seek to develop an comprehensive omnichannel communication strategy which addresses their concerns holistically.

4.  **Data and Product Analysis**

This team leverages the company's technological processes to improve the customer experience. In addition, it employs data and analytical models to deliver effective solutions.

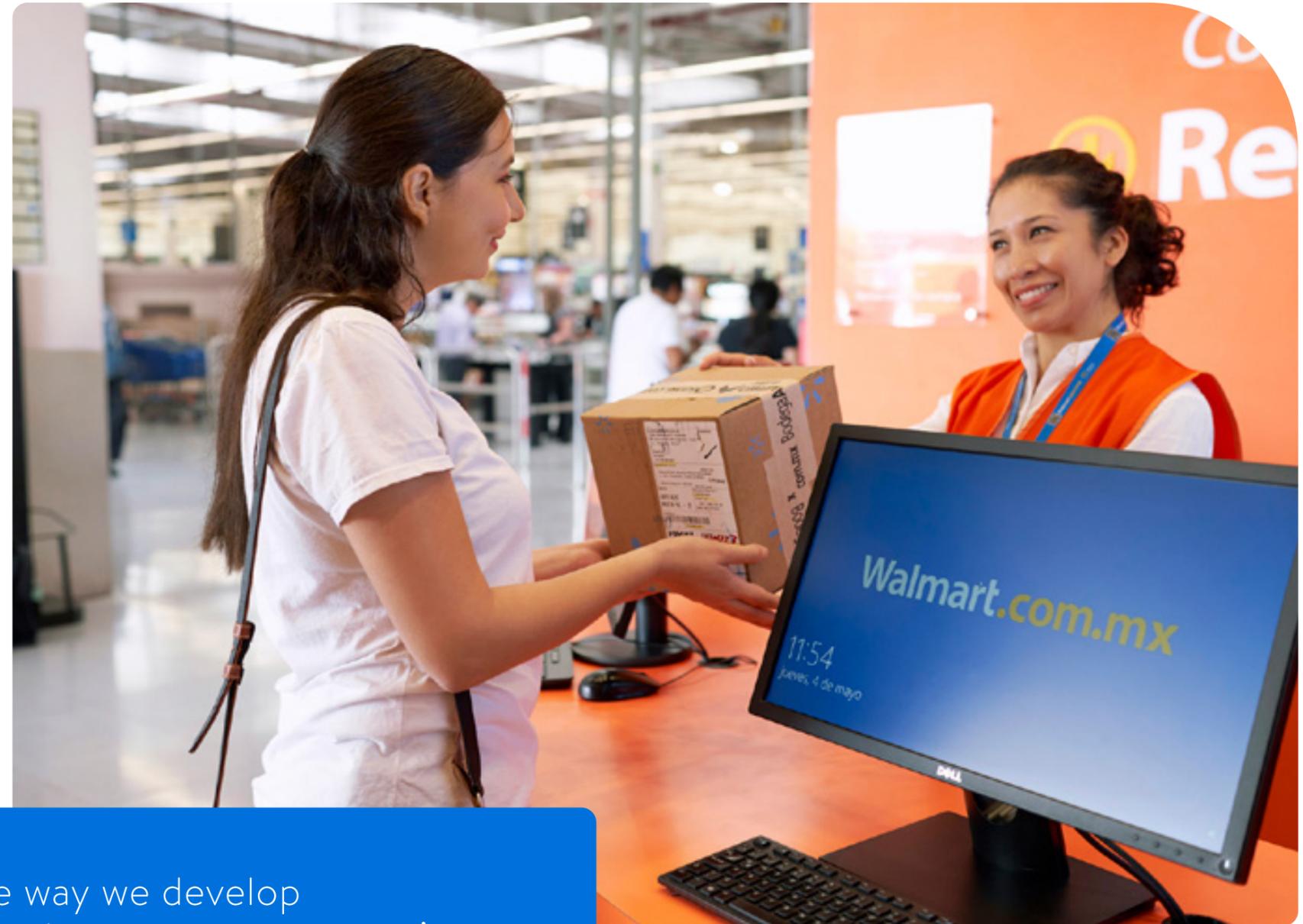


Customer-centric product methodology

We consolidate data from across the Customer Office in order to prioritize our customers' and members' preferences, improving their experience while increasing operational efficiency.

Throughout the year, at Walmart de México y Centroamérica, we consolidated our way of working using the "4-in-a-box model" (multidisciplinary teams), which unifies product, technology, data and user experience to meet the needs of our customers and members.

We highlight success stories in our portfolio, such as SCO (Self-Checkout), which increased NPS consolidating our commitment to low prices and Omni Returns, which enabled in-store returns for online customers, reinforcing our omnichannel model.



We changed the way we develop products by focusing on our customers' and members' needs and expectations.



We improved our customers' and members' experience

We are working to enhance our customers' and members' shopping experience, which includes developing and designing new loyalty assessment methodologies.

The Operational Excellence Program has led us to improve customer satisfaction indicators by optimizing communication channels, response times and incident management.

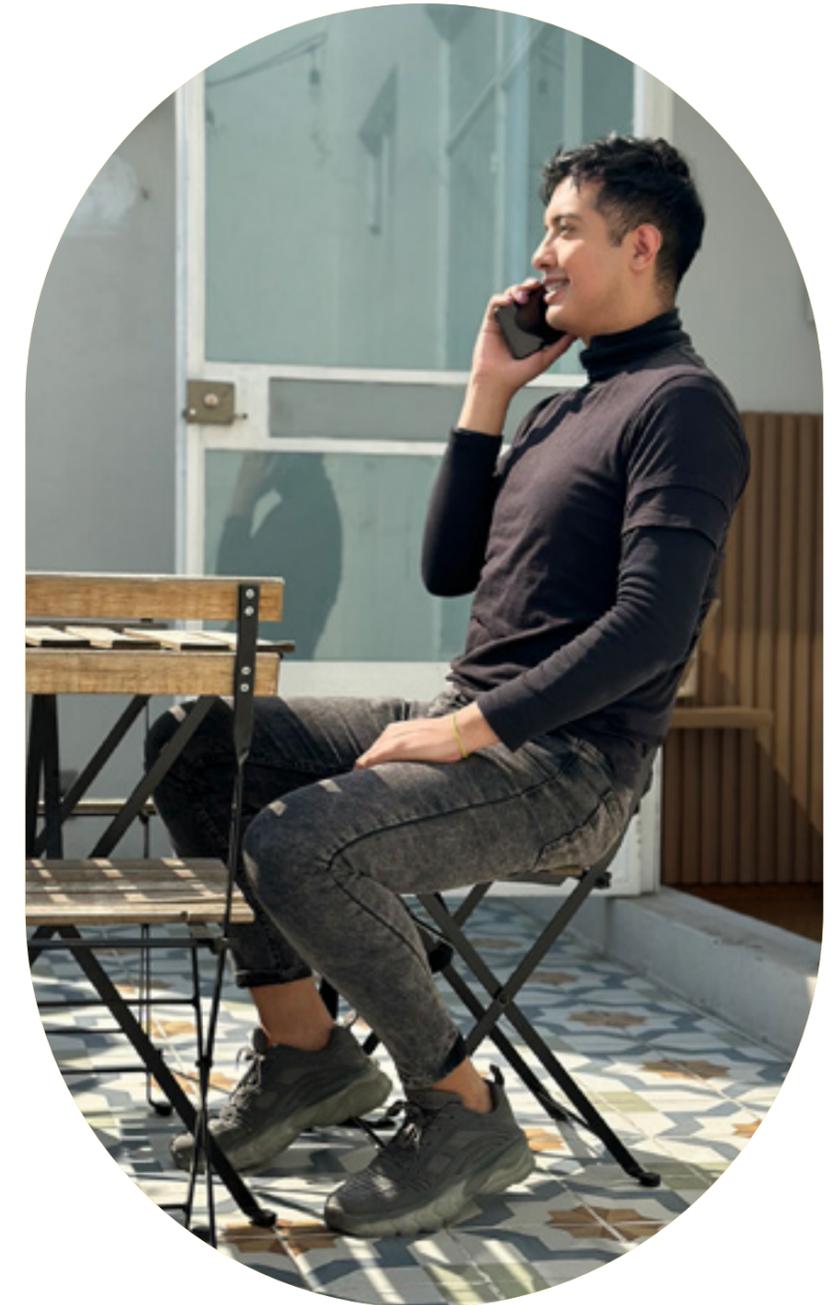


We have also strengthened customer communication, working to reduce our complaint contact rate, an indicator of the percentage of orders that result in complaints and queries. In this way, we remain committed to customer satisfaction and customer service excellence.

In 2024, we will improve both the quality and quantity of feedback received from our customers and members, in order to improve their experience. Additionally, we will implement new methodologies to track experiences in different formats and verticals, resulting in order to improve our customers' experience.

Day by day, we work to listen to our customers and improve their experience.

We also use a Price Perception Model, to understand how we influence our customers' perception, especially among those most sensitive to price changes. Throughout the year, we conducted a Price Perception analysis of our business formats, collecting nearly 50,000 surveys to better understand the factors influencing this metric. This resulted in a deeper understanding of the business, which in turn allows us to continue to offer competitive and transparent pricing that builds greater trust among our customers.





We measured customer satisfaction

We use innovative digital tools to measure and analyze our customers' and members' satisfaction, involving the following key indices:

- Customer Experience Index
- Member Experience Index

These monitoring tools are available via email and social media and have extensive coverage of all our units.



8,586,867

customer shopping experience Index surveys throughout the region

During 2023, we changed the methodology used to obtain survey responses in Mexico, therefore we will publish the corresponding growth comparisons in 2024.



NPS RESULTS

Central America

We increased our total omnichannel NPS by **475 bps** vs. 2022

We increased our omnichannel NPS by **471 bps** vs. 2022 in Maxi Palí/Maxi Despensa

We increased our omnichannel NPS by **307 bps** vs. 2022 in Walmart.com

We increased our omnichannel NPS by **749 bps** vs. 2022 in Palí/Despensa Familiar

We increased our omnichannel NPS by **345 bps** vs. 2022 in Más X Menos/Paiz/La Despensa de Don Juan/ La Unión





Communication channels

During 2023, we optimized our communication channels to deliver greater benefits to our customers. We standardized phone numbers and made distinct menus for every kind of purchase, whether it was made in-store, online, or through the extended assortment. We also included QR codes in each of our stores to make it easier for our customers to access our contact information. As a result, we were able to increase our in-store customer contacts.

We also improved our customer engagement by implementing NPS 2.0. We redesigned our surveys, making them more accessible to customers and members, and incorporated new features like QR and SCO codes to collect their feedback.

This breakthrough allowed us to pinpoint our customers' and members' pain points and develop a close the loop system with ultra-detractor alerts, addressing their concerns in less than two hours.



In addition, we have reengineered our text analysis to improve our capacity to understand and transform input from customers and members into concrete actions. This approach enables us to meet their expectations while continuously improving our value proposition.

We participate in many stages of our customers' journey, providing them with detailed information on products, specials and schedules to help them make purchasing decisions. Subsequently, we extend our support during the after-sales process, managing order tracking, invoicing, warranties and other relevant aspects.

We keep detailed records of our interactions with our customers throughout these interactions.

In this way, we offer our customers and members of all our formats and verticals a variety of communication channels through our Customer Care Center:

- Social media
- Telephone number
- E-mail
- WhatsApp
- Corporate site chat

In 2023, in line with our strategic priority to lead in omnichannel, we began consolidating all contacts through a single communication channel: 01 800 WARMART. As a result, our customers and members will be able to request information or address any type of problem in one place, providing them with a seamless experience.



SUPPLY CHAIN

GRI 2-6

Our impact lies in driving a forward-thinking operation connected to the business transformation, prioritizing digitalization and productivity.

The strength of our robust distribution network lies in our more than 3,900 stores, leveraging the omnichannel capabilities of Distribution Centers and physical stores, and backed by middle- and last-mile infrastructure.

32
DCs

21
Mexico

11
Central America





We continue to strengthen our supply chain, which makes us stand out through its capacity, enhancing and optimizing our omnichannel operations. This makes it a critical enabler for the execution of our strategy, whose efficiency has been fundamental in allowing us to offer Every Day Low Prices. This strength is paired with our advanced logistics network, a pioneer in its kind in Mexico.

Our supply chain is among the most extensive in the country.

The efficiency of our logistics network is key to offering our customers Every Day Low Prices.

+1.2 million
of square meters

+1,500 million
boxes moved annually



+3,000
stores leveraging the omnichannel capabilities of DCs and brick and mortar stores in Mexico.

+18,000
associates operate our supply chain in Mexico.



INTEGRATED OMNICHANNEL NETWORK

In line with our vision of continuous improvement, we are working to transform our infrastructure into a world-class omnichannel network that nimbly adapts to the needs of our customers and members. Our integrated supply chain connects Distribution Centers and stores, and aligns to our goal of a forward-thinking operation connected to the business transformation through productivity and digitalization.

Our commitment to innovation positions us as a leader in supply chain optimization.

We leverage our distribution network to reach our customers more efficiently, allowing us to increase our price gap and create a virtuous circle. In Mexico, we have a transportation network that delivers to over 3,000 stores and clubs weekly from our Distribution Centers.

We also reached an important milestone by surpassing 100 person-hours per box, a record we had not achieved for several years, resulting in a 57% improvement in our logistics productivity in the last eight years. As a result of these efforts, we boosted omnichannel distribution levels, with volumes reaching double-digit growth.



57%
increase in productivity in our logistics network

We increased our supply chain NPS by 860 bps.



We have one of Mexico's most automated and extensive omnichannel supply chains, which helps us focus on innovation.



The National Customs Agency (*Agencia Nacional de Aduanas, ANAM*) recertified us as an Authorized Economic Operator for two more years, thanks to our compliance with customs and security standards. In this way, we guarantee security in the foreign trade logistics chain.



GROWTH

GRI 2-6
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This year we made a significant effort to strengthen our omnichannel infrastructure, with the firm purpose of helping our customers and members save money and live better.

We are excited to continue strengthening our network of Distribution Centers in the region, a key enabler for our company to offer the best omnichannel solutions to our customers and members. This year, we began building our new Distribution Center, the 33rd in the region, located in Tlaxcala, Mexico. This facility will be able to serve over 680 stores and clubs throughout Mexico City, Hidalgo, Oaxaca, Puebla, Tlaxcala, and Veracruz, creating over 896 permanent direct jobs.

Thanks to the trust of our customers and members, and the talent of our associates throughout the region, we are able to continue to grow and remain true to our purpose.

The new Distribution Center in Tlaxcala will join the 21 currently operating in Mexico and the 11 in Central America.



+680

stores and clubs throughout Mexico City, Hidalgo, Oaxaca, Puebla, Tlaxcala, and Veracruz, will be served by this DCs, creating over 896 permanent direct jobs



LAST MILE MODEL

We continue to invest and make progress in the implementation of innovative delivery methods, as well as the optimization of our transportation system, in order to provide our customers and members with a faster and more efficient experience.

To this end, we have invested in the opening of two Delivery Stations in Querétaro and Puebla. These will enable us to internally control the last mile, substituting third-party logistics, ensuring better service and total control over the operation.

Simultaneously, we opened a 400 m² Delivery Station at our Chalco Distribution Center, which can handle 1,000 packages every day. Similarly, we established a second Delivery Station operated by our associates at one of our Walmart Supercenter stores in Toluca, State of Mexico, with a daily capacity of over 1,500 packages.

Another achievement in 2023 was the conversion of the Chihuahua, Mexicali and Villahermosa Distribution Centers to omnichannel Distribution Centers, enabling them for last-mile deliveries. These accomplishments are a testament to our continued commitment to improving our services and meeting the needs of both our customers and associates. Furthermore, it enables us to deliver goods to our customers' homes more quickly, cutting down on delivery times.



Four Delivery Stations openings

Delivery station

DCs transformed to omnichannel





WALMART FULFILLMENT SERVICES

We are improving our technological capacity and optimizing our logistics to streamline deliveries.

Walmart Fulfillment Services (WFS) continues to grow and has become an essential model for delivering high quality service to our customers. Currently, 20.9% of all orders in our Marketplace are delivered through WFS, and these orders reach customers in half the time compared to regular Marketplace orders.

On the other hand, the adoption of the Goods to Person automated process—which involves a robot delivering the items needed for an order to the picker—helped us increase efficiency in our Fulfillment Center in Mexico City.

This year we continued to expand the coverage of our Extended Assortment Fulfillment Centers to serve all 32 Mexican states and more than 31,000 zip codes, focusing especially on the central and metro regions.

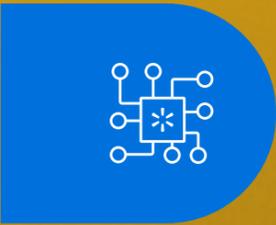
Some of the year's innovations included:

- The Mexico **Fulfillment Center** started the X-Ray proof of concept with the objective of reducing the risk of shipping wrongly high-value items.



- We opened a new warehouse for big items in Tepozpark, using Atlas, Walmart US new **Warehouse Management System**, which will allow for a more efficient operation.





TECHNOLOGY

We use technology to support our strategy, accelerate growth, and facilitate business decisions that streamline our operations. We drive infrastructure modernization and invest continuously in initiatives, programs, and projects to create new, more efficient, and secure capabilities that satisfy the company's requirements in terms of innovation and technology.

Walmart is a people led, tech powered omnichannel retailer, dedicated to helping people save money and live better.





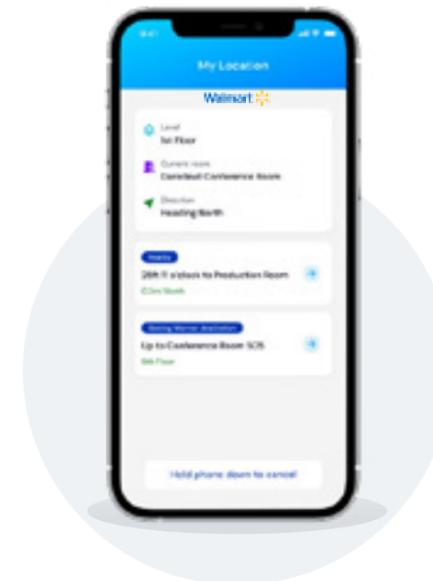
INFRASTRUCTURE AND SECURITY

In 2023, we strengthened the stability of our digital ecosystem, allowing us to evolve and accelerate our technological transformation.

Leveraging our Powered by Walmart strength, we incorporated industry best practices from other markets into our operations in Mexico and Central America. This strategic approach keeps us at the forefront of the latest methodologies and innovations, fostering the constant modernization of our technological and digital infrastructure. The data center infrastructure streamlining has resulted in a significant improvement in availability and stability, reducing major incidents by more than 20% in Mexico compared to 2022.

In our ongoing pursuit for efficiencies, we completed a full upgrade of our stores' and Distribution Centers' infrastructure, resulting in maintenance cost savings of over 20 million pesos. Similarly, we upgraded the local area network in six Distribution Centers, solidifying our position as the industry leader in innovation and efficiency.

Furthermore, Walmart de México y Centroamérica worked with GoodMaps to launch a pilot version of GoodMaps Explore, an application that offers inclusive and infrastructure-free indoor navigation for complex spaces. The app uses LiDAR imaging (optical sensors that transmit laser beams) and precise camera positioning to offer detailed real-time navigation directions to products and services in stores, allowing the visually impaired community to shop independently.



Our collaboration with GoodMaps made it possible for us to be honored with the "Most Innovative" award in 2023, awarded by Netmedia.

20%

reduction in incidents due to optimization of data center infrastructure in Mexico

20 million

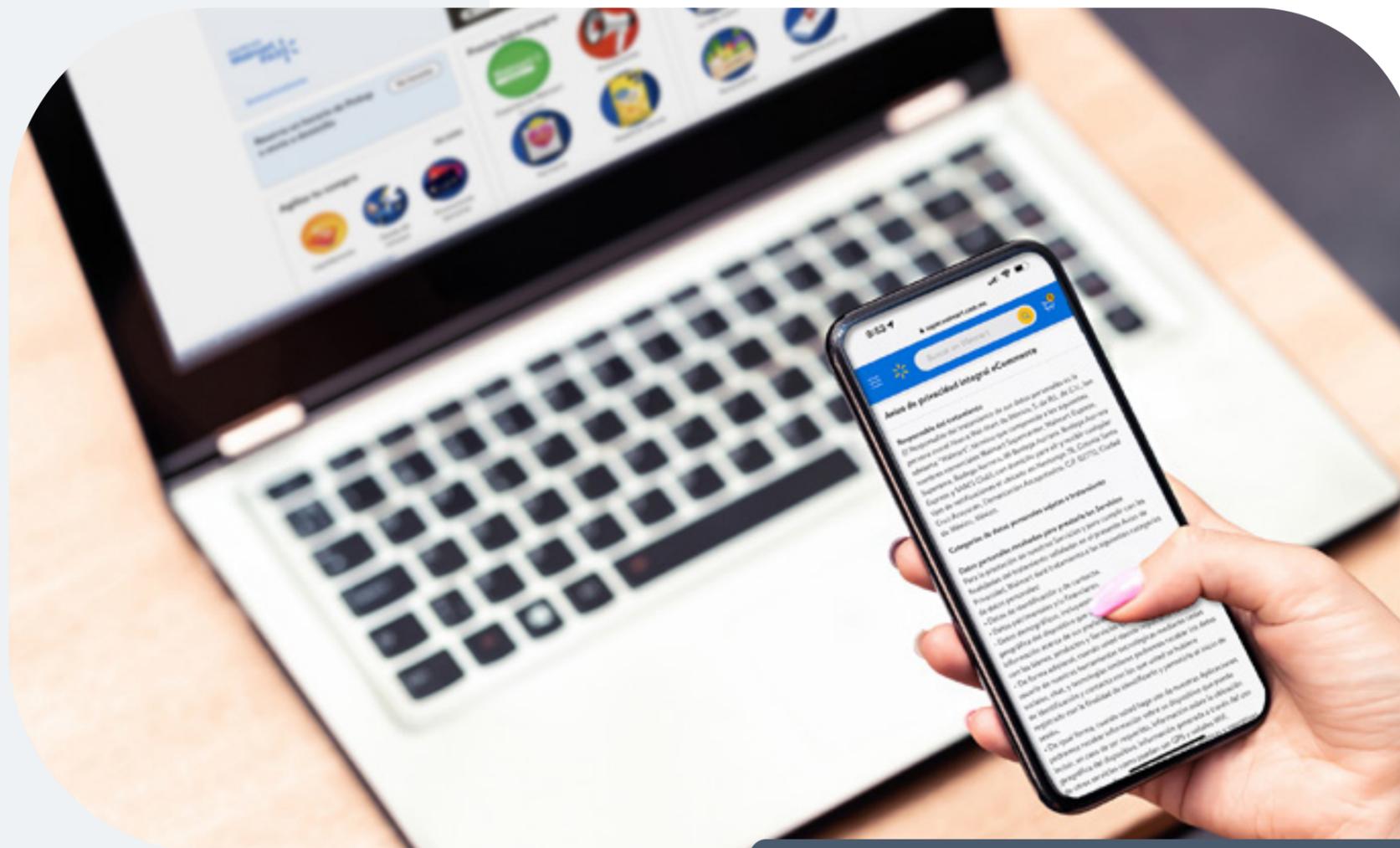
pesos saved in costs due to the comprehensive modernization of our store and DCs infrastructure



In 2023, we intensified our efforts to strengthen cybersecurity systems, improving both defenses and capabilities to protect our own and our customers' information, with prevention as the first line of defense.

Our Technology team identified key areas for this year to support our security and stability plan, including updating our technology and data platforms to decrease technical debt and enhancing our business continuity and disaster recovery capabilities. We also strove to constantly improve our information security capabilities.

Timely delivery of our programs and initiatives in our portfolio is crucial to improve our current position and ensure the protection of our ecosystem and data. We have mitigation plans in place to ensure short-term stability and long-term actions that improve our safety and risk basics.



LEARN MORE ABOUT CYBERSECURITY IN THE INFORMATION SECURITY CHAPTER 

Our IT risk profile is managed holistically to keep us constantly evolving.





OPERATION OPTIMIZATION

This year, we continued to pursue operational optimization and were able to respond effectively by delivering initiatives in all business areas, strengthening the robustness, security, and dependability of our technology services, while streamlining support and increasing efficiency.

We upgraded our private cloud architecture by transitioning from a traditional data center infrastructure to a PaaS (Platform as a Service) model, which is more flexible and scalable. This initiative helped us double both our computing and virtualization capacity, resulting in:

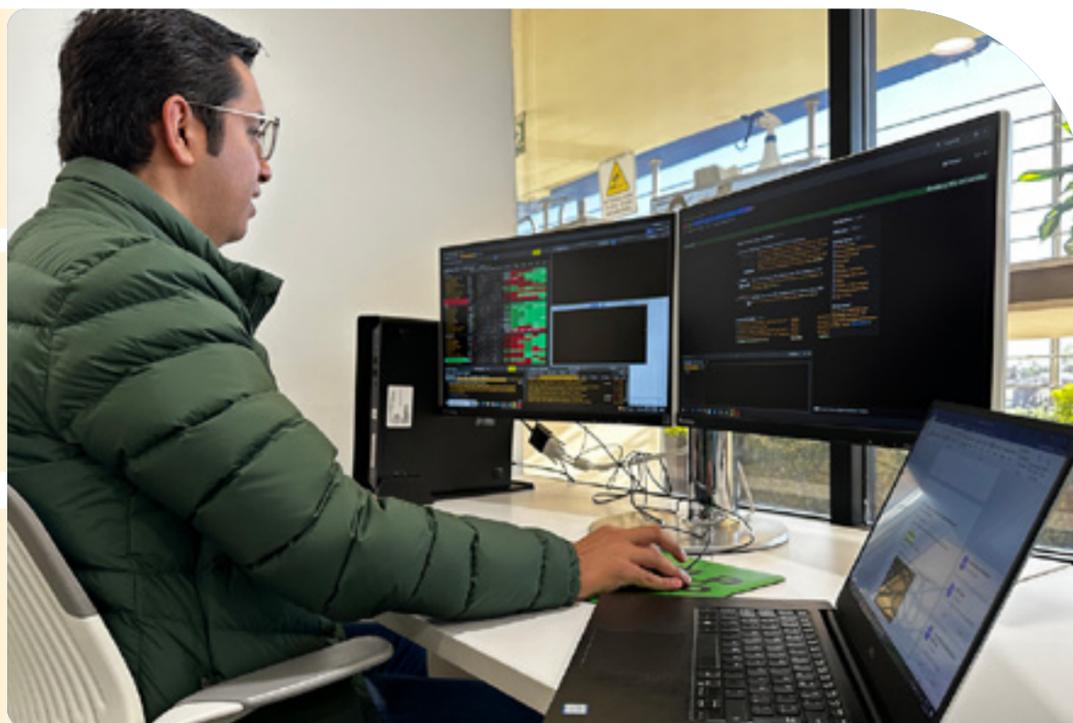


Our initiative to evolve our private cloud has been acknowledged as one of the most innovative projects in Latin America, as awarded by Hewlett Packard Enterprise.

5,000 physical servers in stores were removed.

30% savings in energy costs and a 28% reduction in CO₂ emissions.

+400 million pesos in projected savings over the next three years.



These projects are a clear example of our technology enablement strategy for delivering the omnichannel capabilities our business requires.

Throughout the year, we also worked to modernize the structure of our data centers, increasing bandwidth capacity across the company by at least eight times.

These improvements in our platform are critical to the success of the Distributed Cloud Project.



We continued to update our platforms by implementing a new architectural framework that leverages Application Programming Interface (API) and microservices technologies under the Walmart Cloud Native Platform (WCNP). This initiative has positively impacted 80 applications, enabling operational efficiencies in mainframes thanks to its ability to process billions of calculations and transactions in real time, while ensuring security and dependability. As a direct result, we have saved over 45 million pesos in data processing and maintenance costs.

We successfully migrated to Google Cloud Platform (GCP), which stores our operation's data and provides powerful analytical capabilities. In this way, we successfully transitioned 39 products, 650 tables, over 11,000 jobs, and 4,000 flows in a timely manner. This accomplishment has reinforced our technology infrastructure while resulting in significant annual savings of around 170 million pesos.



We continued to improve and modernize our processes. This year, we effectively updated the revenue cycle. A number of manual processes were formerly used, starting at the point of sale and ending with the storing of the financial consolidation. These are being replaced by a SAP-based infrastructure, which not only allows us to drastically cut the time required for daily store closing, but also provides us with greater control and efficiency over our operations. This evolution in our procedures contributes directly to greater trust in our internal systems and processes.

170 million
pesos saved annually by reinforcing our technological infrastructure

Updating our processes through technology enables us to devote less energy to internal processes and more energy to developing stronger relationships with our customers and members.



BEST TALENT

GRI 2-7

At Walmart de México y Centroamérica, the talent of our associates is a key enabler for success of our company. Therefore we create opportunities for development that contributes to improving their quality of life.

Everyday we seek to encourage belonging, diversity, equity and inclusion, in an environment where each associate can be, grow and belong.

LEARN MORE ABOUT OUR TALENT IN THE OPPORTUNITY CHAPTER.

