



A leading and Socially Responsible company

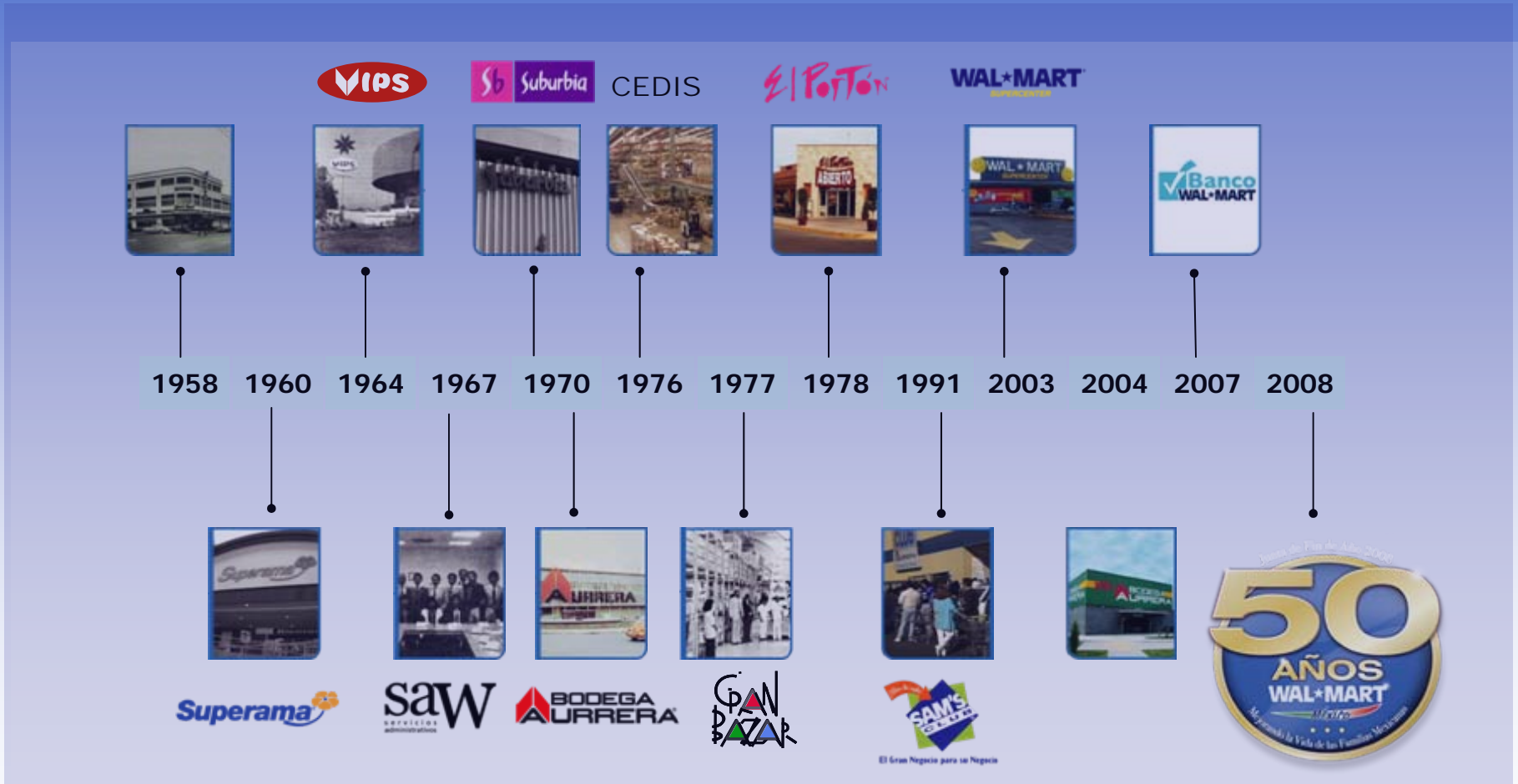
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History

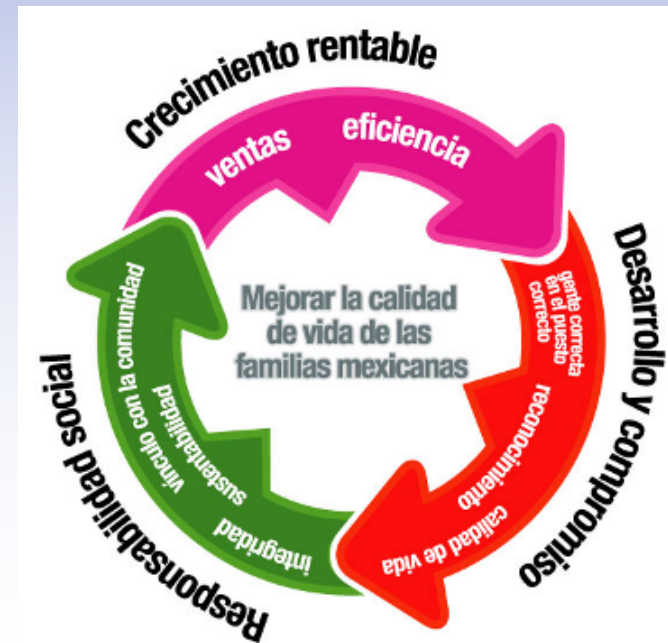


Wal-Mart Mexico



What does it mean to be a SRC?

- Low costs = savings for customers
- Corporate governance, ethics, and integrity
- Associate Development and opportunities
- Supplier Support
- Community Support
- Environment Protection



World Trend

- Reporting is now the norm, not the exception
- Out of the world's 250 largest companies
 - 80% prepare SR reports (vs. 50% in 2005)
 - 188 companies have:
 - CSR strategies with defined objectives
 - GRI methodology

Mexico Trend

- From philanthropy to comprehensive strategy
- Out of Mexico's 100 largest companies
 - 10 in financial reports
 - 7 in SR reports
 - Out of the existing 22 trade and retail companies
 - Only two issue reports



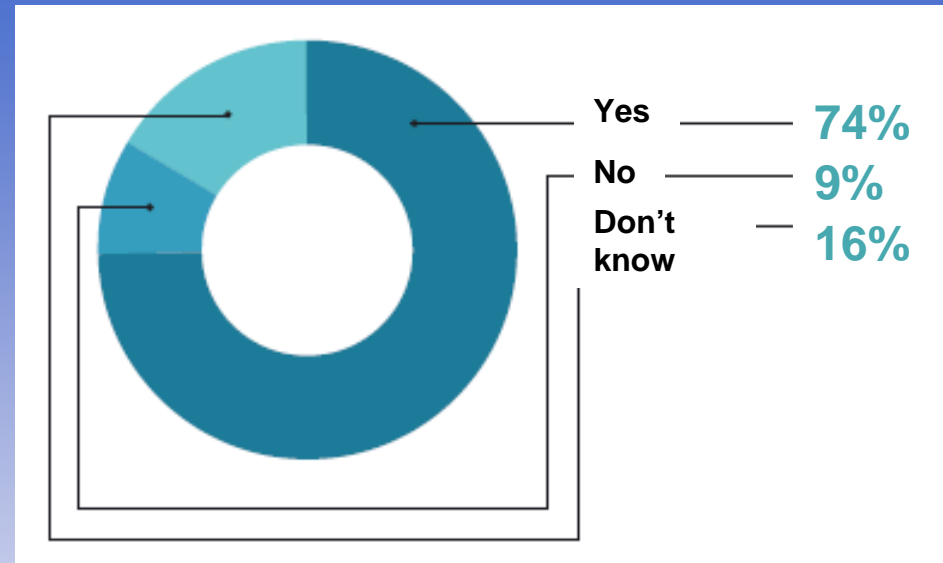
* 2008 KPMG International Survey of Corporate Responsibility Reporting



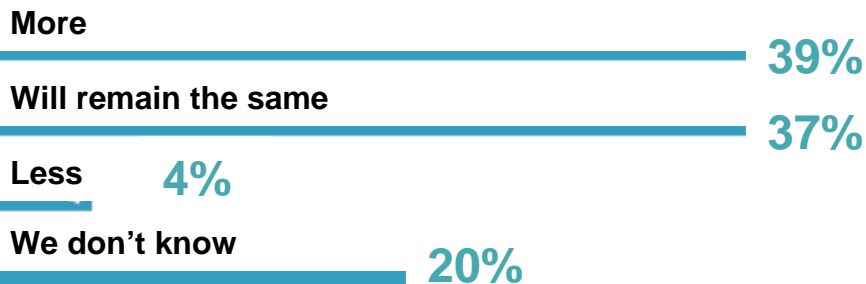
Benefit

Support company's bottom line:

✓ 74% said yes



Future perspectives



In five years more will be invested in SRCs:

✓ 39% more

Always Ahead



Always Ahead

- 5th CSR Report
 - 2nd year with GRI methodology
 - Only 7 Mexican companies with GRI
 - Only retailer
 - 66% indicator increase vs. 2007
 - C Self-statement
- GRI (Global Reporting Initiative)*:
 - Most widely accepted report standard
 - With indicators in three areas:
 - Economic
 - Social
 - Environmental
 - Continuous improvement by standardizing reports through indicators



Business Ethics

- Sound **culture** based on **integrity** that includes **3 main values**:
 - Respect for the Individual
 - Customer Service
 - Striving for Excellence
- **Corporate Governance** Foundations:
 - ✓ Transparency and free competition
 - ✓ Timely information
 - ✓ Sustainable development and ethical management
 - ✓ Dialog among the public, private and social sectors
- The **Statement of Ethics** and the **Compliance Program** are examples of how we try to make sure that integrity cascades down the value chain.

Social Responsibility and Sustainable Development

- Recognize customer trust
- Foster associate talent
- Share accomplishments with suppliers
- Feed a better future in our communities
- Protect the environment

Recognize customer trust

Boost efficiency to provide low prices

- Contribute towards improving the quality of life for Mexican families
- Generate savings for customers
- Offer several purchasing options

Recognize customer trust



2008*:

- Investment for 182 units: **\$11,316**
- Customer savings: **\$7,378**
- Medi-Mart Savings: **\$1,689**

vs. '07

↑ 0.48%

↑ 27%

↑ 57%

Social Responsibility and Sustainable Development Report

- Recognize customer trust
- Foster associate talent
- Share accomplishments with suppliers
- Feed a better future in our communities
- Protect the environment

Foster Associate Talent

We foster associate development and quality of life

- Boost job creation
- Offer same opportunities for all
- Growth and development

Foster Associate Talent



2008:

- Total associates: **170,014**
- Percentage of women: **53%**
- Promoted associates: **23,879**
- Relocation closer to home: **6,278**
- Turnover decrease in the last ten years: **23%**

vs. '07

↑ 8%

=

↑ 9%

↑ 37%

Social Responsibility and Sustainable Development

- Recognize customer trust
- Foster associate talent
- Share achievements with suppliers
- Feed a better future in our communities
- Protect the environment

Feed a better future in our communities

Support the development of communities suffering from food poverty

- 
- A wide-angle photograph of a rural landscape. In the foreground, four people are standing on a grassy slope, looking towards the camera. They are wearing traditional, colorful clothing. The middle ground shows a cluster of buildings, including a large white barn and several smaller houses, surrounded by green fields. The background features rolling hills covered in dense green trees under a clear blue sky.
- Channel resources
 - Build alliances
 - Opportunities for social small and medium-sized companies

Feed a better future in our communities



2008:

- Channeled resources **\$365 (million pesos)**
- Food donations: **over 900 tons each month**
- Sale of community products: **\$1.3 million pesos**
(1,570 craftspeople)
- Volunteering associates: **52,563**
- Benefited people: **2.9 million**

vs. '07

↑ 9%

↑ 665%

↑ 63%

↑ 45%

Social Responsibility and Sustainable Development

- Recognize customer trust
- Foster associate talent
- Share achievements with suppliers
- Feed a better future for our communities
- Protect the environment

Protect the environment

We align economic growth to environmental protection



- We supply 100% of renewable energy
- Generate 0 pollutant water discharges
- Generate 0 waste
- 25% of our catalog is made up by sustainable items

Protect the environment



2008:

- Energy savings: **22.3 million kWh***
- Water savings: **33.8 million liters***
- 147,608 tons** of recycled wastes
- Marketed green items: **1,142**
- Eco-friendly stores
- Reusable bags

Social Responsibility and Sustainable Development

- Recognize customer trust
- Foster associate talent
- Share accomplishments with suppliers
- Feed a better future in our communities
- Protect the environment

Share accomplishments with suppliers

We support our business partners growth and development



- Increase supplier efficiency
- Opportunities for small and medium-size companies
- Drive local trade

Share accomplishments with suppliers



2008:

- For sale merchandise purchased in Mexico: 94%
- Produce purchased in Mexico: 99%
- Meat purchased from Mexican producers: 73%
- Adopt a PYME Program Sales: \$556 million

vs. '07

↑ 3%

↑ 4%

↑ 26.5%

Organic Products in Mexico

“In an environment with decreasing purchasing power customers still care about eating healthy.”

- Mexico is one of the countries with the largest purchase percentage of fresh organic products (meat, produce, eggs)
- The largest purchase percentage of fresh organic products is in produce, even more so than in meat, eggs and poultry
- In packaged products, the purchase percentage of the organic version drops significantly vs. fresh products

Why people buy organic foods?

- They're healthier
- They're healthier for my children

Why people fail to buy organic foods?

- Foods are not sold where I shop
- People don't believe foods with organic labels are really beneficial
- Products have poor quality

- People, however, don't consider that these products are better for the environment, and that they protect animals.



* Source: Nielsen, from a survey among 21,261 internet users in 38 countries, 2005.



Organic Products in Mexico

“We are aware of the positive impact of organic products that is why we support their sale in Walmart Mexico”

- Processed Organic Product Catalog:
 - ✓ 16 suppliers
 - ✓ 127 items
- Top items:
 - ✓ Coffee
 - ✓ Milk
 - ✓ Juice
 - ✓ White rice
 - ✓ Whole rice
 - ✓ Sugar
 - ✓ Olive Oil
 - ✓ Honey



- Soon there will be an **event to drive organic products sales**, with special signing at stores so that customers are able to see product quality, price and benefits.
 - ✓ **95 Walmart and 643 Superama stores**

XUAJIMEPA Organic Products



For sale at Walmart
Total Purchase = **140,700.00**
People benefited = **3600**
Families benefited = **720**

- Product Description: *Organic Jamaica flower*
- Production Capacity: *Five tons annually*
 - Price: MXP\$30 per 250 g bag
- How many stores can we serve if we ask for one case of this item?
10 stores in the states of Guerrero, Morelos and Mexico City
- Seasonality: **Jamaica is collected in January and February. While inventory lasts. The product has a shelf life of two years.**

Share Experiences

- **Wal-Mart Mexico:**

- SRC for the ninth consecutive year
 - One of ten companies
 - The only retailer
- 50 companies with the highest CSR in Mexico
- Best Corporate Governance in Mexico
- 2008 CLARES Award for CSR
- Gender Equality Model
- Environmental Compliance Certificate

- **Walmart Mexico Foundation:**

- Second most important foundation
- One of the largest food donors
- 2008 CSR Best Practice Award (Ties with the Community)
- National Award for Philanthropy Ties in Child Nutrition





Committed to
tomorrow

