

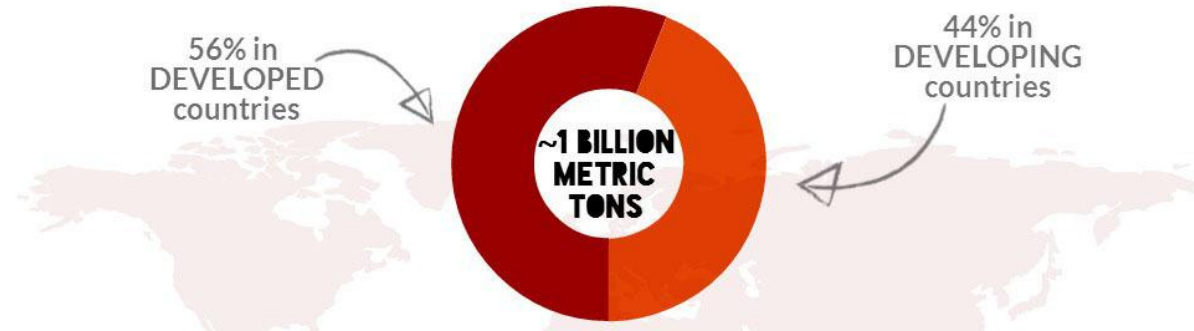
November 9th, 2016

Food Waste reduction strategy at Walmart Mexico



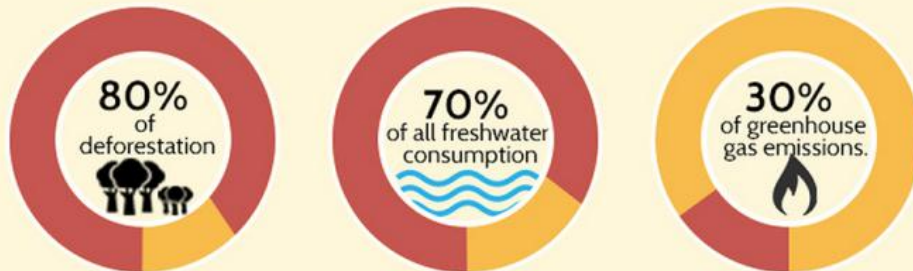
1/4 TO 1/3 OF ALL FOOD PRODUCED FOR HUMAN CONSUMPTION IS LOST OR WASTED

HERE'S THE BREAKDOWN:



Loss of resources

Food production is the largest singular cause for the loss of world biodiversity. Food production is responsible for,



ONE IN EIGHT PEOPLE GOES TO SLEEP HUNGRY EVERY DAY



Walmart priorities and approach



Opportunity

Enhance economic opportunity

Priorities

- Inclusive economic mobility
- Inclusive small business growth

Business Impact

- Associate engagement
- Productivity

Societal Impact

- Frontline workforce mobility
- Job creation



Sustainability

Deliver low true cost

Priorities

- Energy and emissions
- Zero waste
- Natural resources
- Food security
- Product transparency, quality
- Worker dignity

Business Impact

- Cost of goods, opex
- Supply security

Societal Impact

- GHG, natural capital
- Worker safety, livelihoods



Community

Strengthen local communities

Priorities

- Disaster resilience
- Community development

Business Impact

- Sales, license to operate
- Associate engagement

Societal Impact

- Social cohesion
- Disaster mitigation

Food Waste Prevention / Diversion Strategy



Sell At Full Price



Prevent Food Waste



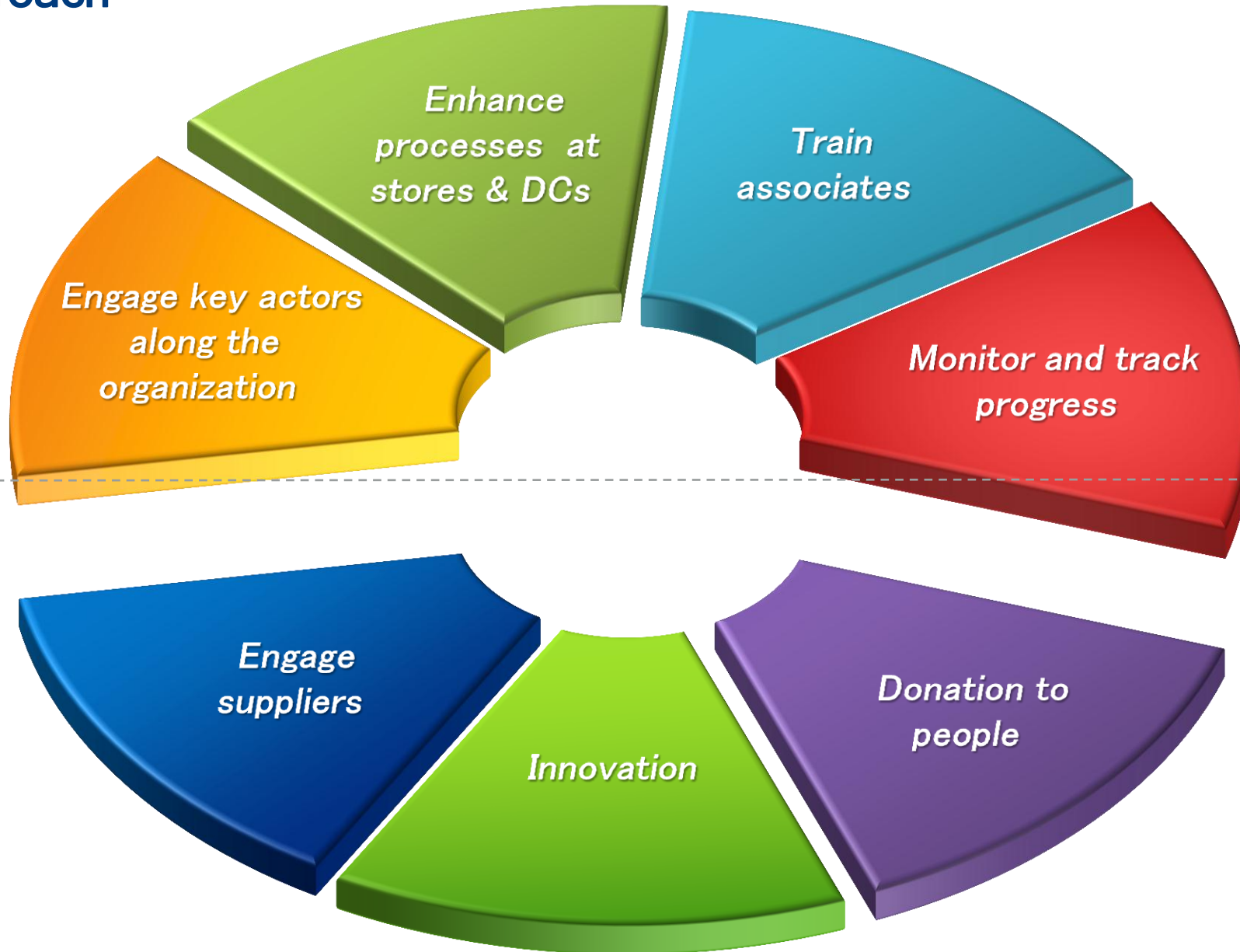
Donate



Recycle / Animal Feed

Prevent Food Waste at the first place *and* Send Zero Food Waste to Landfill

Our approach



Engage key actors along the organization - Freshness committee

Objective

Multidisciplinary committee dedicated to building actions that reduce food waste in store and DCs operations.

Working Groups

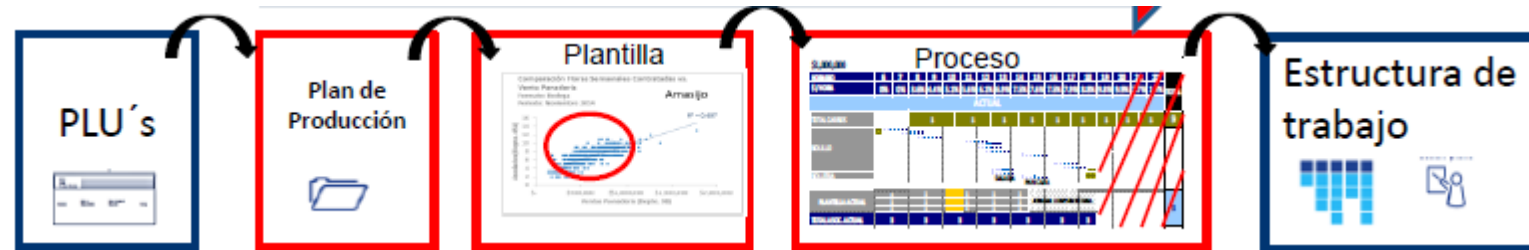
- Inventories
- Forecast
- Low Touch
- Merchandising guides
- Data input
- Production
- Packaging
- Cold chain
- Logistics

Members

Merchandising, Logistics, Operations, Assets Protection, Sustainability, Compliance, Productivity, Procurement, Maintenance


Enhance processes at stores & DCs -

- 5s implementation in fresh areas and Sam's Café.
- Improvement of motion and time in refrigeration areas.
- Process reengineering in bakery
- Match sales and production.
- Rescheduling initiative to plan production and number of bakers.



Enhance processes at stores & DCs

- Production plan tool for meat and rotisserie process areas.
- Production forecast by store and item.
- 3.4% sales increase
- 0.77% food waste reduction

<div>  <div>Planes de Producción - Carne</div> </div>																							
region				Semana				Tienda				Unidades											
(All)				50				1032				Kilos											
Artículo	PLU	Descripción	Sab	OH	Total a Prod.	Dom	OH	Total a Prod.	Lun	OH	Total a Prod.	Mar	OH	Total a Prod.	Mier	OH	Total a Prod.	Jue	OH	Total a Prod.	Vier	OH	Total a Prod.
9303532	1044	PIERNA DE POLLO	22			34			31			32			18			8			20		
9313185	1342	SIRLOIN ASADOR	9			16			9			13			8			5			5		
9313557	1234	MOLIDA DE TERNERA	17			20			21			23			11			11			12		
9315213	1370	BISTEC DE RES	3			6			6			7			1			9			5		
9316411	1070	CHAMBARETE CON HUE.	1			5			6			10			0			1			1		
9317670	1040	PECHUGA CON HUESO	39			60			60			124			39			28			26		

Train associates

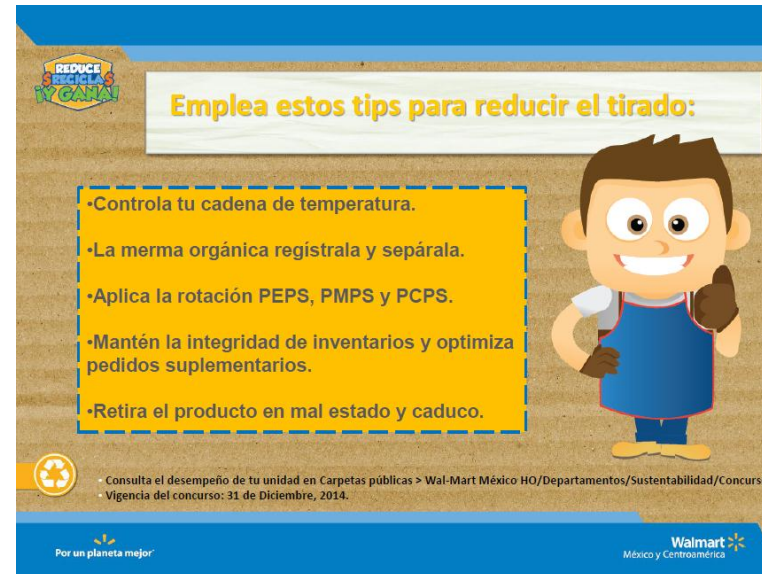
Fresh academy.

- Develop experts in fruits & vegetables in all stores.



Reduce, Recycle & Win

- Contest among stores to reduce foodwaste.
- Implementation of best practices to reduce food waste.



Monitor and track progress - Fresh in action

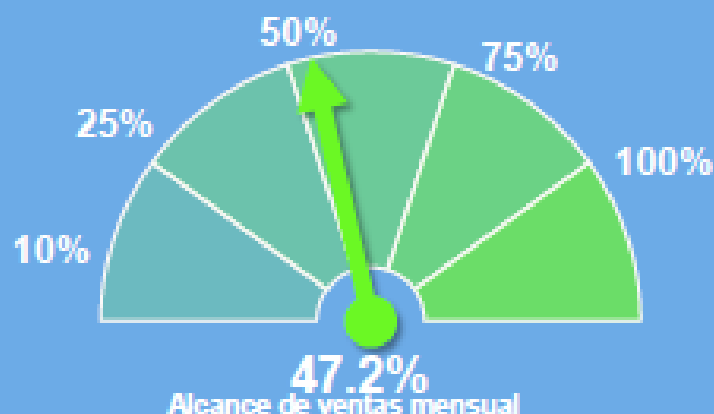
Región 3
Distrito 16

PERECEDEROS EN ACCION 94 FRUTAS Y VERDURAS

#DET: 1032
SUPERCENTER LOMAS VERDES
DEPTO: 94 FRUTAS Y VERDURAS
FECHA: miércoles 14/05/14

VENTAS

Muestra el alcance al plan de ventas mensual por tienda/dub.



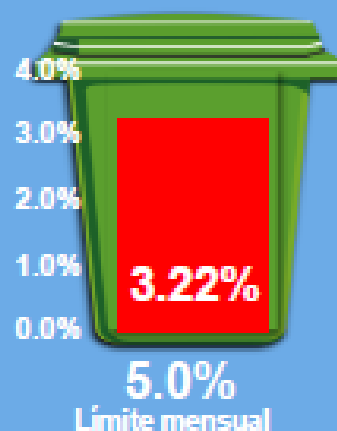
Ventas de ayer:
Ventas: \$355,404
Plan: \$57,174
Dif: +\$298,230

Acumulado Mensual:
Ventas: \$1,557,788
Business Plan: \$3,300,778
Diferencia: -\$1,742,990



TIRADO

Asegúrate de retirar y registrar el producto en mal estado para garantizar que nuestra clienta/socia siempre tenga productos frescos.



Tirado de ayer:
\$7,685
2.16%

Acumulado Mensual
\$50,175
3.22%



DIAS DE INVENTARIO

Los artículos de tu departamento tienen una vida útil limitada. Al reducir los días de inventario le das a nuestra clienta/socia más tiempo para disfrutarlo en su casa.



Margen de Utilidad Acum: 26.3%

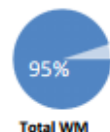
Perecederos en Acción | Informe de Uso | Septiembre 1 - 30



Participación por formato

Formato	Tiendas	Consultas
SAMS	157	157
SUPERAMA	93	93
SUPERCENTER	245	243
BODEGA	439	395
	934	888

SAMS	100%
SUPERAMA	100%
SUPERCENTER	99%
BODEGA	90%



Tiendas que más consultan la página

Top Bodega	Director	Vta	Tir	%Tir
PLAZA CHURUBUSCO	Santiago Sapiña	3.1 M	79	2.6%
CUAUTLA	Martha Luna	4.0 M	165	4.1%
CONVENCIÓN	Juan Carlos Lozano	2.4 M	92	3.9%
SANTIAGO TIANGUISTENCO	Juan Carlos Lozano	1.7 M	41	2.4%
MATILDE	Santiago Sapiña	1.7 M	60	3.6%
		12.8 M	437	3.4%
Top Superama	Subdirector	Vta	Tir	%Tir
PROVIDENCIA	Irma Lidia Barrios Mira	3.6 M	310	8.5%
XALAPA	Arturo Barrera Rico	4.0 M	315	8.0%
HOMERO	Mario Kotasek Ramirez	6.9 M	359	5.2%
CENTRO ATN A DOMICILIO	Carlos Carreño Rodriqs	1.9 M	197	10.5%
LOMAS VERDES	Mario Kotasek Ramirez	3.0 M	129	4.3%
		19.3 M	1310	6.8%
Top Supercenter	Director	Vta	Tir	%Tir
MIGUEL ALEMAN	Ramon Hernandez	6.3 M	343	5.5%
ANGELÓPOLIS	Carlos Valenzuela	5.5 M	150	2.7%
TABASCO 2000	Maria Eugenia Espinos	6.6 M	209	3.2%
AV. DE LOS MAESTROS	Ramon Hernandez	3.4 M	97	2.9%
AVE. REFORMA	Ramon Hernandez	3.9 M	221	5.7%
		25.6 M	1020	4.0%
Top Sams	Director	Vta	Tir	%Tir
CÓRDOBA	Sergio Borrayo	3.9 M	164	4.2%
CUERNAVACA	Sergio Borrayo	5.0 M	203	4.0%
PLAYA NORTE	Sergio Borrayo	1.7 M	47	2.8%
SALINA CRUZ	Sergio Borrayo	1.4 M	92	6.5%
CHETUMAL	Sergio Borrayo	3.2 M	265	8.3%
		15.2 M	771	5.1%

Tiendas que menos consultan la página

Bottom Bodega	Director	Vta	Tir	%Tir
EL MOLINITO	Juan Carlos Lozano	1.3 M	67	5.1%
LA PIEDAD	Juan Carlos Lozano	1.4 M	64	4.5%
CIUDAD INDUSTRIAL	Martha Luna	2.1 M	148	6.9%
MARIANO OTERO	Juan Carlos Lozano	1.2 M	70	5.6%
AV. NACIONAL	Santiago Sapiña	1.2 M	65	5.5%
		7.3 M	413	5.7%
Bottom Superama	Subdirector	Vta	Tir	%Tir
SANTA ANITA	Alfredo Cañete Vargas	2.1 M	168	8.0%
CAMPESTRE	Alfredo Cañete Vargas	3.0 M	271	9.1%
INS. LA JOYA	Arturo Barrera Rico	4.8 M	278	5.8%
OLIPLAZA	Marco Antonio Rodriqs	2.3 M	279	12.2%
LILAS	Irma Lidia Barrios Mira	6.1 M	368	6.0%
		18.3 M	1364	7.4%
Bottom Supercenter	Director	Vta	Tir	%Tir
LOS ATRIOS	Carlos Valenzuela	4.1 M	198	4.8%
PLAYA DEL CARMEN	Maria Eugenia Espinos	5.6 M	232	4.1%
BLVD. DELTA	Ramon Hernandez	3.7 M	175	4.7%
CIUDAD JUDICIAL	Carlos Valenzuela	3.0 M	148	4.9%
FRANCISCO VILLA	Ramon Hernandez	4.8 M	169	3.5%
		21.3 M	922	4.3%
Bottom Sams	Director	Vta	Tir	%Tir
TEPEYAC	Sergio Borrayo	6.7 M	135	2.02
LEÓN	Federico Arceo	3.4 M	96	2.79
MATAMOROS	Federico Arceo	2.0 M	148	7.40
PALOMAR	Federico Arceo	1.6 M	132	8.50
LOS CABOS	Federico Arceo	0.4 M	134	37.51
		14.0 M	644	4.6%

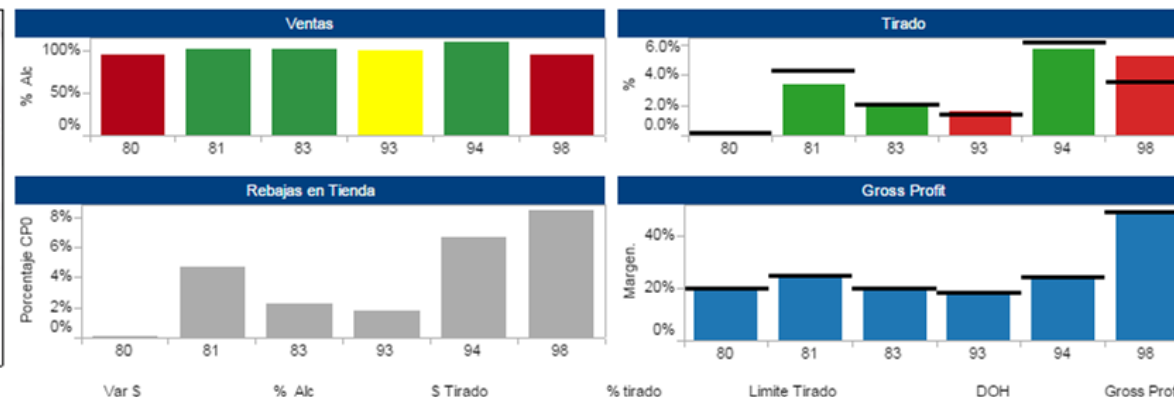
Nota: Los resultados mostrados corresponden a Autoservicio, depts. 81, 83, 93, 94 y 98 | Sams, categorías: 56, 72, 76, 77 y 79.
Los datos de venta están en millones de pesos y los de tirado en miles de pesos.

PerecederosEnAccion@email.wal-mart.com

<https://share.wal-mart.com/sites/Perecederos>

Formato (Todos) Region (Todos) Distrito (Todos) Determinante (Todos) Dep (Todos)

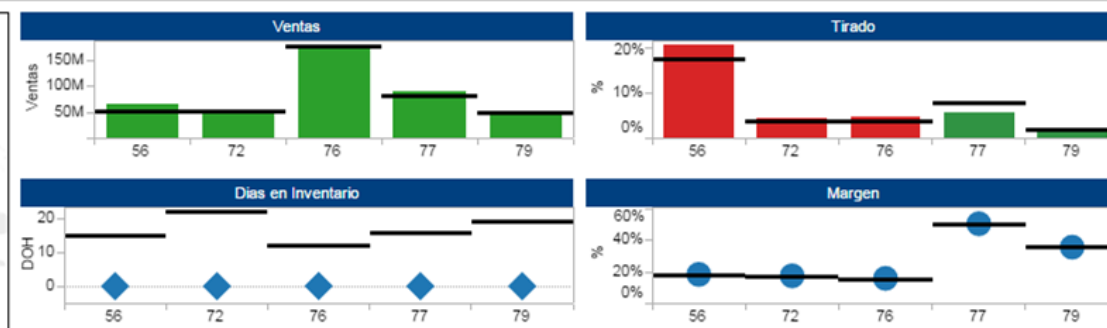
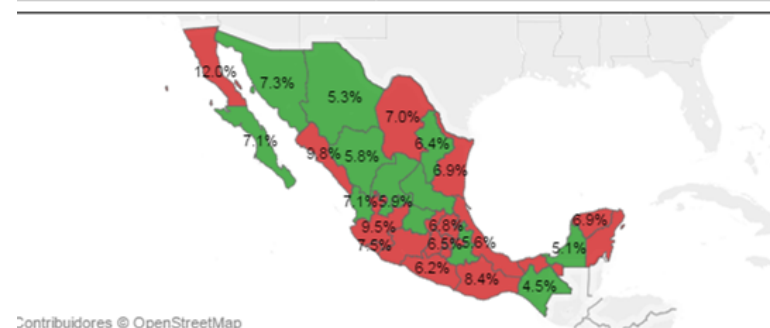
Ventas	% CR	Plan	Var \$	% Alc	\$ Tirado	% tirado	Limite Tirado	DOH	Gross Profit
3,332,277,517	6.58%	3,296,666,169	35,611,348	101.08%	108,246,961	3.25%	3.05%	0	25.11%



Formato Ventas % CR Plan

Region (Todos) Distrito (Todos) Club (Todos) Categoria (Todos)

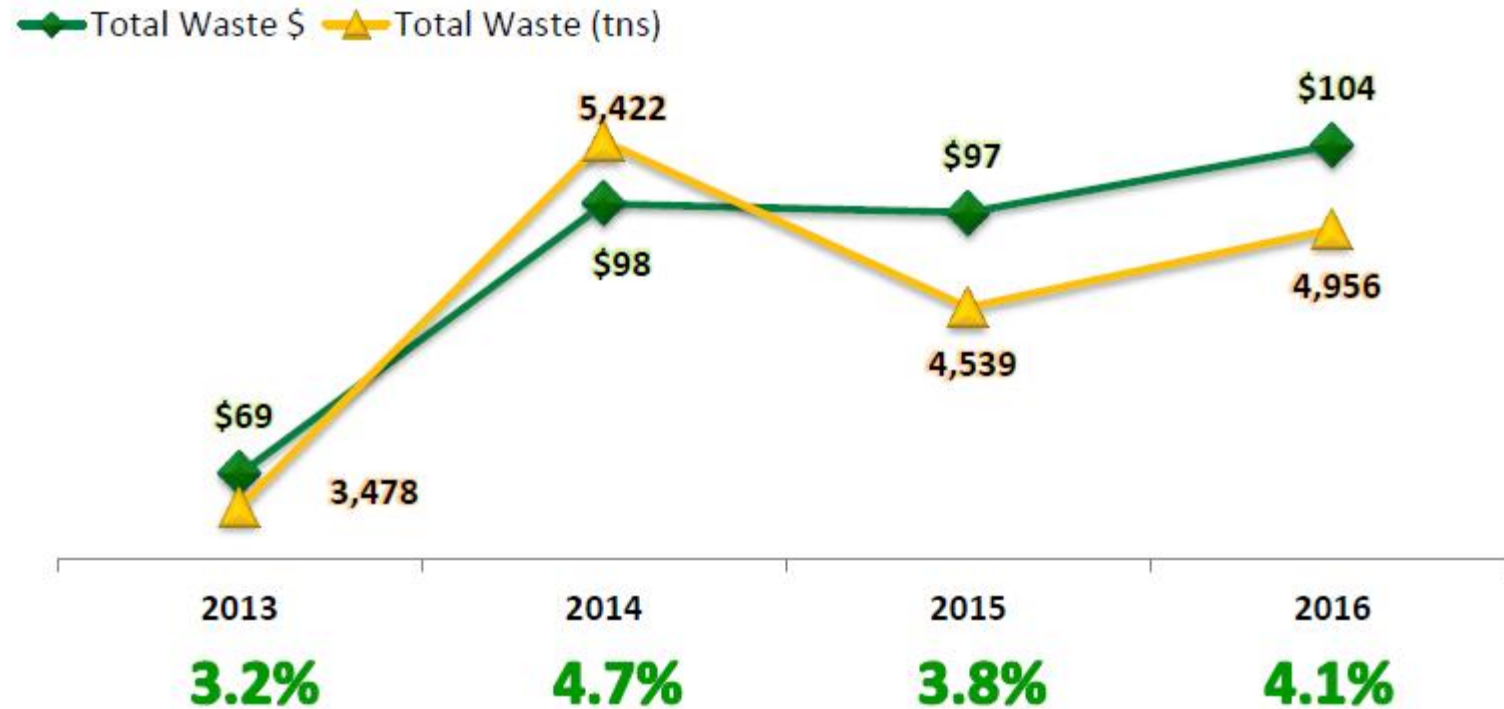
Ventas	% CR	Plan	Var \$	% Alc	\$ Tirado	% Tirado	Limite Tirado	DOH	Margen
439,497,836	10.28%	406,918,303	32,579,533	108.0%	29,983,226	6.82%	6.12%	0	25.53%



Region	Ventas	% CR	Plan	Var \$	% Alc	\$ Tirado	% Tirado	Limite Tirado	DOH	Margen
1-Federico Arceo Arceo	196,372,954	14.58%	178,558,539	17,814,415	109.98%	14,506,879	7.39%	6.5%	0	26.48%
2-Carmen Kingston	243,124,882	7.03%	228,359,764	14,765,118	106.47%	15,476,347	6.37%	5.9%	0	24.76%

Engage suppliers

Total waste evolution (value and volume)



Engage suppliers



Innovation

Green box

- Simpler system than previous.
- Flexible container, reduce mechanical friction.
- “One use” container, transparent.



Improving cold chain

- Remote metering temperature sensors.
- Tracking of temperatures along the routes.
- Benchmark of transport suppliers.



Donation to people

- 7.6% Increase food donation vs 2014
- 20,809 metric tons donated.
- New system implemented for controlling donations.
- Donations in all states.
- 122 institutions receive donations.
- 600,000 persons benefited.

Food waste reduction 2015

-22% (baseline 2010)

-7.5% (vs 2014)

Thanks!

