

CHINA

Serving Customers In Diverse Ways

History

Walmart China began in 1996 with the opening of a supercenter and Sam's Club in Shenzhen.

To date, Walmart China operates a Global Sourcing Office, China's Global eCommerce headquarters and stores under multiple banners.

Quick Facts:

- 427 retail units*
- ~100,000 associates**

*As of October 31, 2016

**As of October 2016



eCommerce

The **China eCommerce market is strong and growing**, having nearly doubled since 2010 to more than **RMB 475 billion** (USD \$74.3 billion) and is **on pace to surpass the U.S. by 2016**. For the first time, people in rural China have access to a wide assortment of products at prices they can afford.

Walmart and JD.com, China's largest eCommerce company by revenue, announced a strategic alliance to better serve consumers across China through a powerful combination of eCommerce and retail.



Economic Impact

Walmart China works directly with more than **7,000 suppliers in China, accounting for more than 95% of the merchandise in local stores**.

Walmart's Global Sourcing offices in Shenzhen and Shanghai employ more than 900 associates who identify and facilitate the export of Chinese goods such as apparel, electronics, footwear and toys to Walmart retail markets around the world.



Products

Since October 2012, Sam's Club has offered chilled and frozen foods online, with select same-day delivery service in Shenzhen, Guangzhou, Shanghai, Beijing, Suzhou, Dalian and Tianjin.



Giving and Community

In collaboration with the **China Women's Development Foundation**, Walmart China has donated a total of RMB 11.34 million (USD \$1.25 million) to the Revolving Fund for Mothers' New Ventures project. The project was launched in rural areas spanning nine provinces and supported more than 4,000 women and their families, helping more than 10,000 farmers out of poverty and provided jobs for more than 19,000 people.

Walmart China launched the Retail Training Camp program in partnership with CCFA and Youcheng Foundation. The aim of this new program is to provide retail skills training for low-income women, helping them acquire career and business opportunities in the retail industry. An investment of RMB 33.13 million (USD \$5.04 million) will be made in total for the project by the end of 2016, providing training to 45,000 participants in ten provinces, municipalities and autonomous regions, of which 36,000 being women.

In partnership with Youcheng Foundation and as part of the Retail Training Camp project, Walmart China launched a course on new venture creation through eCommerce for Chinese women in poverty who are dedicated to retail business. This project aims to realize target-oriented poverty alleviation so that more rural women get to learn and master eCommerce, which is an innovative online retail skill, and that rural women in poverty may benefit from this poverty alleviation project through eCommerce.





Opportunity

- More than 65% of Walmart China retail business associates are female and about 45% of those women are at management level.
- Walmart China offers schedules to meet the needs of our associates – part-time vs. full-time; those who want to grow with the company vs. those who are looking for supplemental income.
- Jobs are offered to those who are retired and there are part-time opportunities for students.



Supplier Development

On May 8, 2015, the Walmart Foundation announced an RMB 5.4 million (USD \$844,542) grant to **The Sustainability Consortium (TSC)** to expand their recent efforts to support Chinese businesses in identifying and capturing sustainability improvement opportunities in Chinese product supply chains. Using the Walmart Foundation grant, TSC China will engage industries, universities and other experts to form a global network of leaders improving sustainability in consumer goods, and will provide tools and resources to help suppliers become more sustainable and competitive.

In May of 2014, the WEConnect International China hosted the 2014 Training Module & Advisory Council Launch in Beijing. With the support of Walmart China and Walmart Foundation, WEConnect China will host the global rollout of a series of 10 training modules, which have been developed to assist women entrepreneurs to build capacity, becoming more competitive suppliers to WEConnect International corporate members.



Environmental Sustainability

In 2015, Walmart continued to successfully implement its energy management program across all its China facilities, resulting in a 7 percent energy reduction for comp stores over the previous year.

Overall, the China market has saved up to RMB 62.2 million from January to September (after depreciation) (USD \$9.7 million) and reduced their usage by 76.8 million kWh over the previous year. Walmart China continues to invest in technologically advanced solutions that improve energy efficiency and aims to deploy the following solutions in 2016:

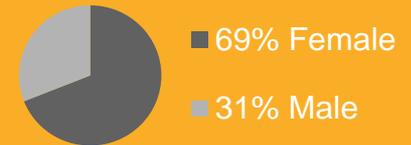
No	Project	Planning Stores
1	Digital smart meter	20
2	AC Automatic control	20
3	AC cool tower anti-noising room retrofit	32
4	AC fresh air	80
5	T5/T8-LED (non-sales area)	72
6	T5-LED (over 7 years) 1	67
7	T8-LED in multi-deck case	288
8	Refrigeration efficiency improve	100
9	AC VSD	59
10	Air cool AC chiller retrofit water cool	10



Our Customer

The Walmart China customer profile:

- 56% are employed full or part-time
- 57% hold a bachelors degree or above



- Average age is 37
- 23% make less than RMB 10,000 (USD \$1,610) per month

70% →



of the market walks, bikes or takes public transportation to the store