

AFRICA

Serving Customers In Diverse Ways

History

Walmart purchased a majority of shares from Massmart Holdings Ltd., in 2011. Massmart serves customers in diverse ways in South Africa and other sub-Saharan countries.

Banners

- Builders Express
- Builders Superstore
- Builders Trade Depot
- Builders Warehouse
- Cambridge Food
- CBW
- Dionwired
- Game
- Game Foodco
- Jumbo
- Makro
- Rhino

Quick Facts

- More than 400 retail units*
- Approximately 38,800 associates**

* As of May 31, 2017

** As of January 31, 2017

QUALITY

Whether it's grapes from Chile or wine from South Africa, Massmart sources merchandise from all over the world to bring new products at low prices to customers, while at the same time continuing to provide local products customers know and love.

Private label has a number of benefits to Massmart - it builds trust, supports Everyday Low Cost (EDLC) and drives differentiation. We are continually searching for new products, brands and initiatives that both fulfil our customers' needs and give Massmart private label a sustainable advantage.

INNOVATION

In South Africa, active eCommerce solutions have been implemented at Makro, DionWired and Builders.

Following the successful launch of "Makro Pick-Up Lockers" in 2014, customers can now order liquor online and collect it at the lockers. The Builders Online store has been rolled out to the broader customer base across South Africa. The platform is seen as a new sales channel where innovation opportunities can be explored before being sent to stores.

Massmart

COMMUNITY

In African markets, primary school nutrition, early childhood development and school maintenance and infrastructure projects remain a high priority. There are currently 300 mobile kitchens in place across South Africa, which were supplied by the Walmart Foundation as part of the Nelson Mandela 94 initiative, and 80 more were provided by Masscash.

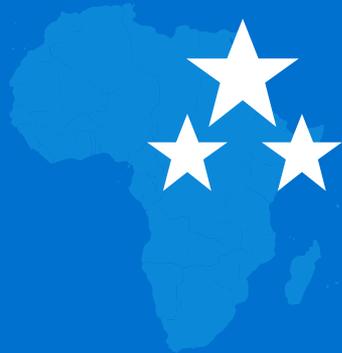
For the last eight years, Massmart has, through Game and Masscash, provided primary school children across South Africa with the opportunity to receive a hygienically prepared, hot, nutritious meal everyday.

In 2016, we invested R24.1 million in CSI initiatives focused primarily on nutrition, early childhood development and school maintenance and infrastructure.

In addition to the donations made by our operating divisions and emergency relief aid provided in association with the Gift of the Givers, we donated a total of R1.5 million to the Council for the Advancement of the South African Constitution (CASAC), the Helen Suzman Foundation and Section 27 for the purpose of constitutional rights advocacy.

SUPPLIER DEVELOPMENT

Launched in 2012, Massmart's Supplier Development Program (SDP) represents a R240m (USD \$21.3 million) investment in the development of South African-based manufacturers. The SDP portfolio consists of 32 suppliers, eight of whom are female-owned businesses. We have seen encouraging sales through the program, with the total surpassing R139 million in 2016, 10 times more than the R13.8 million achieved in our first full year of operation.



OPPORTUNITY

- Part-time roles for students, housewives and retirees – any person seeking flexible working hours is encouraged.
- Career opportunities in retail for productive, engaged employees who see themselves as “career retailers” or professionals in their area of expertise.



SUSTAINABILITY

Water: We have continued to prioritize water conservation across our standalone facilities, expanding rainwater and condensate harvesting initiatives to a total of 85 Builder Warehouse and Makro stores. To identify further opportunities to minimize our water usage, we have rolled out independent water meters to 27 more sites. We estimate that Makro and Builders Warehouse saved approximately 20 million liters of water in 2016.

Energy: In 2016, 18 additional stores transitioned to LED lighting solutions, and 10 others installed daylight harvesting modules and building management systems. These initiatives, along with improved operational energy monitoring, resulted in group electricity efficiency improving by 10%.

Recycling: 89% of all stores are actively engaged in separating and recycling their waste, resulting in an estimated 25,000 tons of waste being diverted from landfills in 2016. During the year, Makro and Massbuild negotiated national waste management contracts that reduced waste service providers by 86%. In Makro, associated cost savings have amounted to approximately R2 million.



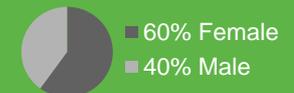
OUR CUSTOMER

Masswarehouse:



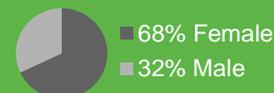
Average 3.4 people per household

Massdiscounters:



Masscash Retail:

45 Average Age



Average 4 people per household