

# ECONOMIC CONTRIBUTION

**SINEBAHIA**  
SISTEMA DE INTERMEDIÇÃO DE MÃO DE OBRA

- Pesquisa para Emprego
- Seguro Desemprego
- Qualificação Profissional
- Carteira de Trabalho

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— ECONOMIC FOSTERING  
— COMMUNITY STORE  
— PRODUCERS' CLUB

## ECONOMIC CONTRIBUTION



The wide offer of generics expands the population's access to medicines.

# Economic drive

## Operation leverages small and mid-sized suppliers

**W**ith operations in 18 Brazilian states and in the Federal District, Wal-Mart contributes with the economy across the country by creating thousands of direct and indirect jobs, by fostering production, sales of regional products and incentive to export. In total, 74,456 people work at the group, and the network of service and product suppliers account for 8,469 companies.

The growth of the company itself throughout its 13 years in Brazil represents an important distribution of resources. In the last four years alone, the company invested over R\$ 3 billion in the chain expansion and modernization. In 2008 investments reached R\$ 1.2 billion, with the opening of

42 stores - 34 new stores and 8 reformatted units -, and the generation of over 7.1 thousand direct jobs.

With the policy of Low Price Every Day, the company offers differentiated savings to customers. In the daily budget of any family, reduced expenses mean more resources and increased expenditure choices.

### GENERICS

With the generic prescription program, Wal-Mart expands the population's access to medicines. All 166 pharmacies in the group offer a list of 300 to 500 generic drugs, depending on the region, with ceiling price of R\$ 9.90. In the program's first year, celebrated in June, the initiative represented customer's savings of as much as R\$ 12 million in medicine purchases - by the year end, it reached R\$ 21.5 million, according to our own estimates.

In 2008, the chain created another benefit: with the purchase of three continuous use generic items, the customer receives a 50% discount in the third. The discount is applicable only to medicines that require continuous use.

The program encourages more people to follow correctly their prescriptions and finish treatment to the end. According to the World Health Organization, over 50% of the population once had to abandon a treatment due to the cost of medicines.

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### INVESTMENTS AND BENEFITS IN 2008

# R\$ 1.2 billion

### CHAIN EXPANSION AND MODERNIZATION

# R\$ 21.5 million

### CUSTOMER SAVINGS IN GENERICS

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## ECONOMIC CONTRIBUTION



Community Store at Maxi in Salvador

# Services for the community

## Some services available\*

- **Document issuance:** identity card, taxpayer's registry, work and social security card, and good conduct certificate
- **Medical attention:** consultation in general practice, obstetrics, gynecology, pediatrics, and laboratory exams
- **Social insertion:** professional courses; formation of young people and digital inclusion held by the project Com. Dominio Digital (a partnership of Wal-Mart Institute and Aliança Institute)
- **LAN house:** use of the internet for school works and submission of resumes
- **Brazil's Popular Bank:** opening and maintenance of checking accounts, payments, receipt of social security benefits, insurance and micro-credit

\*services may differ depending on the Store

In a pioneer project in Brazil, Wal-Mart launched a new model of supermarket: inside the store there is a Community Center for easier access to services such as document issuance, professional courses and medical attention. *Loja da Comunidade*, its name in Portuguese, aims at offering services that the community usually has no access to.

Around R\$ 18 million were invested in the three pilot-stores. All units in this first stage were opened in the Northeastern region, with the brands *Todo Dia* and *Maxxi Wholesale*. About 26 thousand people will be served per month. Services are offered either for free or at reduced prices.

Before opening a Community Store, the company conducts surveys and discusses the region's needs with local leaders, and results may differ from region to region. On this line, the services provided at the community center meet the needs of the region where it is installed.

At the first inaugurated unit, for instance - *Todo Dia Pernambuco*, in Salvador (BA) -

## COMMUNITY STORE FEATURES BANK BRANCH, DOCTOR, LAN HOUSE AND FACILITIES FOR COURSES

there is a unit of SAC (Service of Attention to Citizen) of the Bahia State Government, offering document issuance services, a branch of the Brazil's Popular Bank, a medical clinic, a LAN house for social inclusion, and facilities for professional courses in partnership with Senac (National Service for Commercial Training). Everything in a single place, therefore ensuring comfort and convenience for those who need the services. At that same space, social projects supported by Wal-Mart Institute are held, such as *Com.Dominio Digital*, benefiting young people from the community.

In 2008, other two Community Stores were opened. They are *Maxxi Pau da Lima* (BA) and *Todo Dia Afogados* (PE).

# Producers' Club

**Productivity for suppliers, quality for customers and commercial success for the company**

**T**he Producers' Club is a sustainable business model as it provides social, economic and environmental benefits. The program guides small and medium producers on production techniques, logistics, good labor practices, environmental care and marketing. Participants supply about 850 quality-proven farm items to the sections fresh produce, butchery, seafood, bakery, delicatessen and grocery.

Products are shipped to distribution centers or directly to specific stores. In the case of fresh produce, time span between harvest and display may be as short as three hours, therefore providing customers with very fresh food at low prices.

The program was expanded throughout 2008, from 1.3 thousand farmers to over 2.8 thousand, and sales volume increased by 21.3%. The served area has also increased and the program serves now six states after the inclusion of two Northeastern states – and the growth shall continue in 2009.

Since 2005, when the program was established, Wal-Mart has been promoting annual audits for product certification. Monitoring involves all production stages in topics such as environment, hygiene, food safety, employee relations, legal and tax aspects. In addition to the quality assured by the Producers' Club Label, products receive special signage at stores with highlights to social, environmental and economic aspects. ★

## Industrial production, colonial flavor

Ever since Evandro Andreazza joined the Producers' Club, family businesses have only grown. He and his wife Marinês produce strawberries, blackberries and raspberries in Caxias do Sul (RS), and are now making fruit preserves to make use of production surplus. The differentiated product quality – with flavor and touch of delicacies from old colonial times – was the passport to enter Wal-Mart. The partnership boosted the enterprise. "With incentives and guidance to meet strict rules, we grew slowly, but continuously and consistently", highlights Andreazza.

Today, Wal-Mart is their main customer, with produces that supply the chain stores in Rio Grande do Sul, Santa

Catarina, Paraná and Sao Paulo. To meet the increased demand, daily production jumped from 100 kg to 800 kg and personnel increased from one to 30. The assortment was also expanded – from 3 to 16 different fruit preserves – and involves other fruit producers in the region.

Economic development was followed by concerns about social and environmental issues. "In addition to fulfilling all Wal-Mart requirements, we use our own traceability methods which allow us, for instance, to identify farmers involved in the production of each lot", he explains. Andreazza says he intends to further professionalize and expand production, whilst not neglecting the colonial flavor of products.

