



Behind every decision, are our standards of ethics and transparency

Commitment to honesty

[Ethics and Compliance](#) | [Corporate Governance](#) | [Risk Assessment](#)



106,205 training

hours on our Ethics' Statement



10% reduction

in associate accidents in Mexico and
24% in Central America

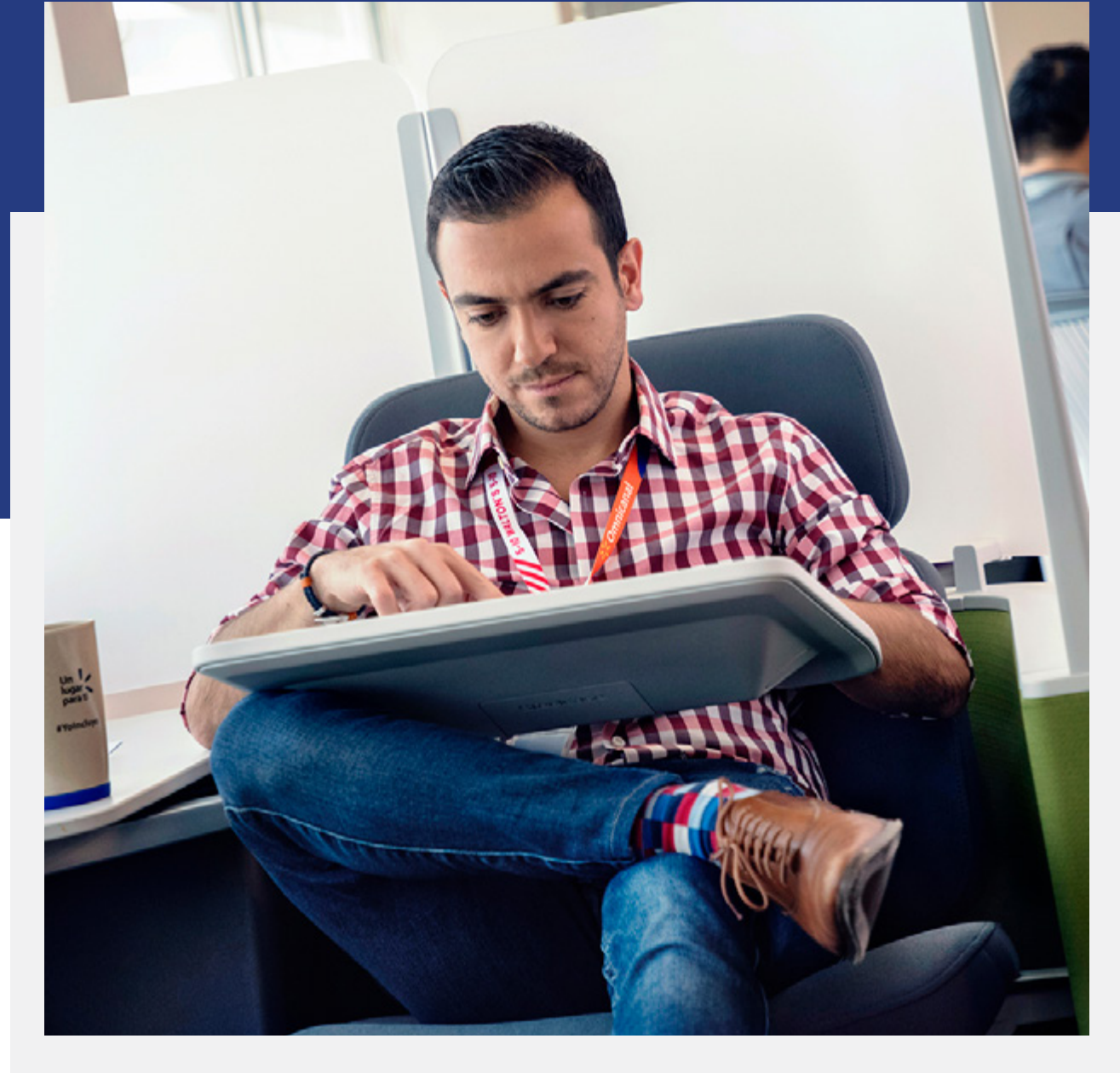


International

certification of three Distribution
Centers in BRC with a score of AA

Ethics and Compliance

At Walmart we are proud that this program has matured to the point where our company is recognized as a leader in Ethics and Compliance.





Digital Citizenship

We are rapidly transforming the experiences of our customers and associates. This is why a new global area called Digital Citizenship was created. It will focus on how Walmart uses data and technology in a way that supports our goal of being the most trusted omnichannel retailer.

This Digital Citizenship function will advise the company on issues related to privacy, ethical use of data and data governance, emerging technologies, cyber security, and records management.

They will advise us not only on whether we can legally use data or technology in a particular way, but also on the effects that data use would have on our relationship of trust with our customers and stakeholders.



Ethics and Compliance

GRI 102-17

We have been remodeling the Ethics and Compliance program over the past five years. We established an integrated global structure to improve transparency and accountability. We developed processes, with the help of innovative technological systems, to ensure that acting in the right way is part of the company's culture. And we are taking similar steps to promote integrity with our business partners, particularly those who interact with governments on our behalf.

It is a good time to look back, review what we have learned and make plans for the future.

Our Ethics and Compliance Program is dynamic and effective, and is designed to prevent, detect, and respond to any failure to comply with applicable laws, policies, and internal procedures. This program provides the guidelines that all associates must follow in order to act correctly and in accordance with the company's fundamental values and principles, to contribute to being the most trusted omnichannel retailer for our customers and suppliers.

Since 2014, we appointed a Vice President of Ethics and Compliance in Mexico and Central America, in

charge of a dedicated team, divided into: 14 different areas, ranging from anti-corruption to food safety. In order to provide the necessary knowledge and expertise, we appointed Subject Matter Experts for each of the 14 risk areas by retail market, and designated 14 Global Subject Matter Leaders, who work together to identify and coordinate common standards and procedures, share best practices, and provide training, monitoring, and support on their subjects. These individuals report directly to the Vice President of Ethics and Compliance in each of the business units.

We have a Global Compliance Responsibilities Matrix, which details misconduct that Walmart considers a serious violation of its compliance policies. Disciplinary measures for each violation are determined after carefully reviewing the severity of the offense, relevant circumstances, existing laws, and disciplinary processes. This list is not exhaustive and associates may be disciplined for any reason consistent with applicable laws, policies, or in accordance with each Market's specific list of compliance responsibilities.

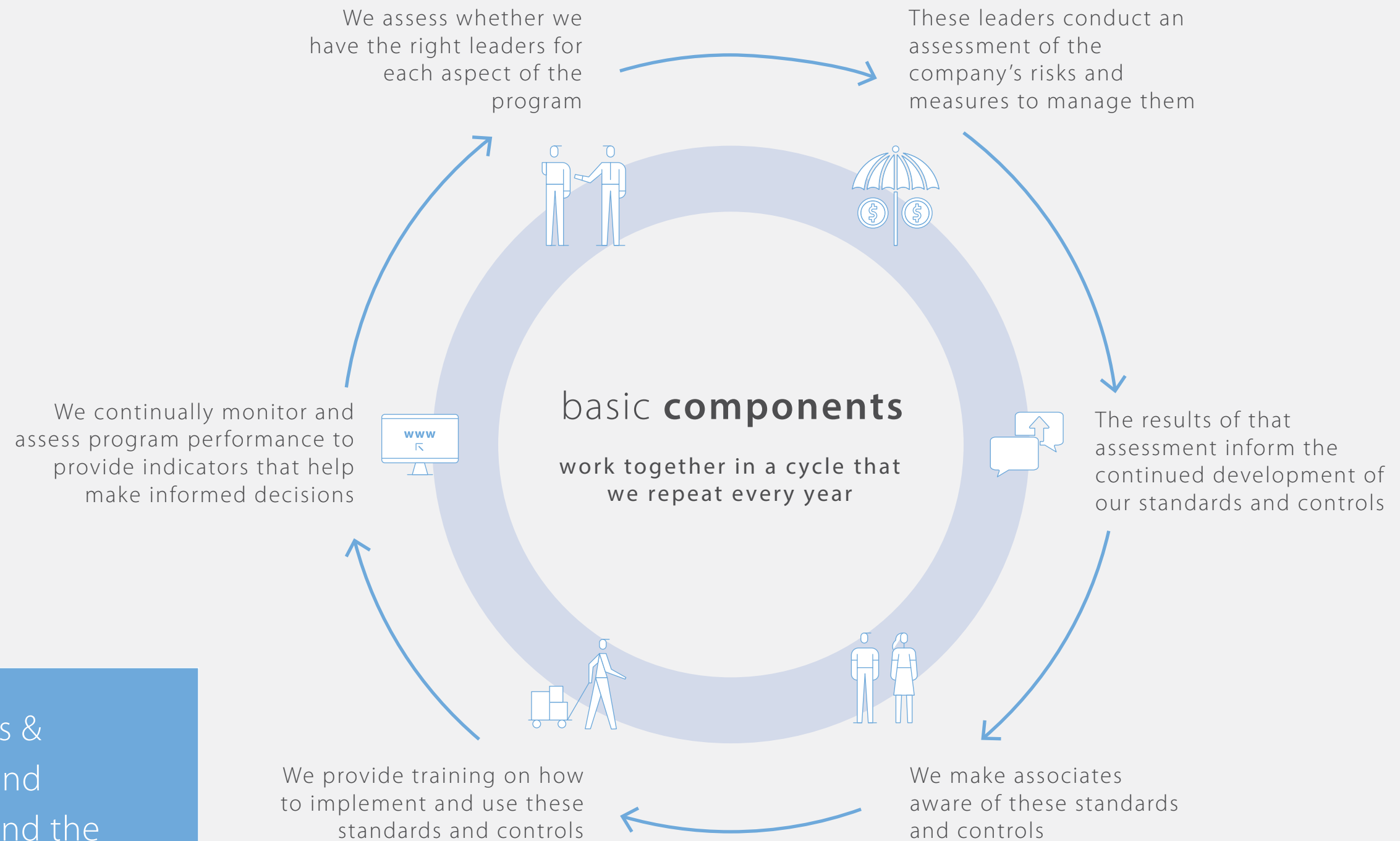


Integrity start with each of us.

Sam Walton

Finally, in response to a variety of guidelines provided by governments and private agencies, we developed six basic building blocks of our program:

- Leadership
- Risk assessment
- Standards and controls
- Awareness
- Training
- Monitoring and response



This process keeps our Ethics & Compliance program agile and responsive as our business and the external environment change.

The Ethics and Compliance program is made up of the following areas:



Ethics



Health and Safety



Anti-corruption



Food Safety



Privacy



Environmental



Health & Wellness



Anti-money Laundering Prevention



Licenses and Permits



Product Safety



Labor and Employment



Trade



Antitrust




Responsible Sourcing



Consumer protection

The most relevant results from each of the areas of Ethics and compliance:

Ethics

Through our ethical behavior, we maintain the trust of our customers, local communities, and ourselves. Our [Ethics Statement](#)  is the guide and daily resource for making honest, fair, and objective decisions when operating in compliance with all laws and our own policies. This Ethics Statement applies to all associates at every level of our organization around the world and all Board and Committee members.

Walmart de México y Centroamérica expects all suppliers, consultants, and contractors to act right and in a consistent way. Our associates receive various resources to help them promote and recognize ethical choices. These resources include:

Annual training to our associates

GRI 410-1, 412-2, 410: 103-1, 103-2, 103-3

In 2019, we provided more than 106 hours of training on our Ethic's Statement to operations associates and staff, covering 93.5% and 99.5% in México and 93% and 95% in Central America.

WalmartEthics.com

Website available in 14 languages and accessible worldwide. It provides a platform where stakeholders can ask questions, read our Ethics' Statement, raise ethical concerns, and follow up on previously reported concerns.

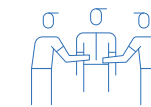
Integrity Awards in Action

Global recognition program for associates who are models of integrity or who encourage others to do so. Associates nominate candidates and Walmart recognizes the award winners at our shareholder meeting.

At Walmart, we are committed to maintaining an environment of integrity and respect in which everyone feels comfortable and free to express their concerns. As a result, associates can communicate their ideas or concerns and even report inappropriate behavior without fear of reprisal.



We have different formal complaint mechanisms:



The Open Door Communication process is the most direct way to express any concerns to a leader through open communication



Global Ethics Hotline We have local telephone numbers available that any person can dial to ask questions or concerns 24/7. This hotline is equipped to serve in the local languages of all the markets where we operate, including Spanish. This line is managed by an independent third party



Web site and e mail. All the mechanisms available in our [Ethics Statement](#)



Health and Safety

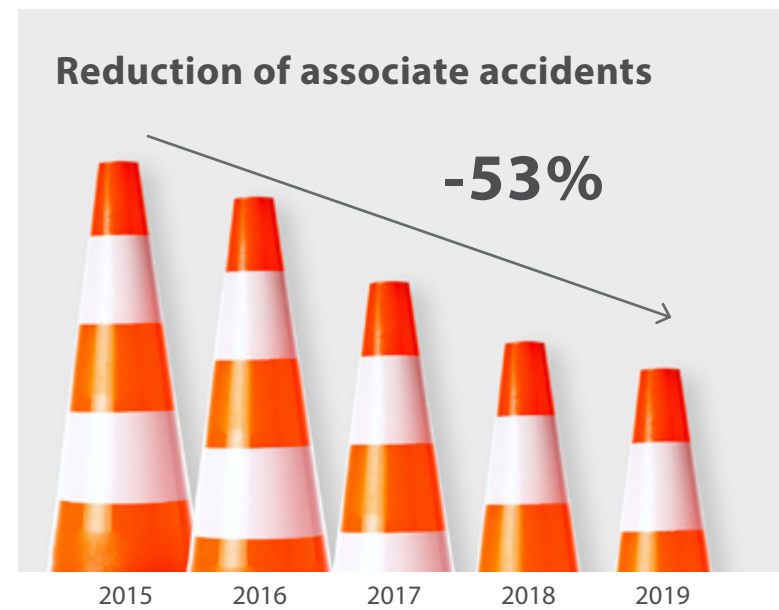
GRI 403-1, 403-2, 403-3, 403-4, 403-7, 403-8, 403: 103-1, 103-2, 103-3

Our vision: To be the safest company to buy and work, through the Zero Accidents Mission Initiative

We promote the care of our customers, members, and associates to avoid accidents. The pursuit of excellence to achieve an accident-free Walmart includes being 100% committed to taking care of each other and promoting risk-free productivity.

We ask our associates to remedy any unsafe acts or conditions immediately by notifying the responsible party. Likewise, encouraging and ensuring the use of personal protective equipment in the required positions is indispensable. As well as talking frequently with our associates, about how important security is to our company.

In Mexico, we have had great achievements in recent years, thanks to all the effort and attention of our associates:



By maintaining our commitment and encouraging safe behavior, we will have Zero accidents.



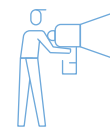
Our Business

Agile Transformation

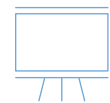
We Generate value

Commitment to Honesty

At DC, the Safety Training Program was a key element in achieving the 31% accident reduction percentage through:



Communication and awareness campaigns: Ergonomics video, “Yo te cuido, tú me cuidas” video, 10 fundamental capsules



Training courses: Introduction to Safety and Environmental Compliance for DC and Workplace Safety, with the participation of more than 17,000 associates

GRI 403-8

We also implemented a new program for associates and customers called 3x2, it focuses on preventing the three most recurring accidents in the back and waist.

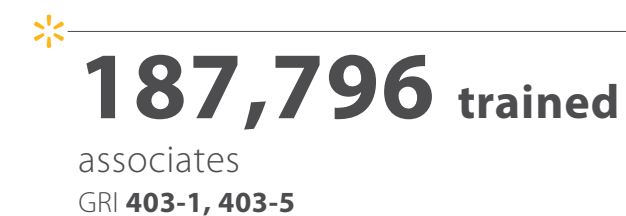
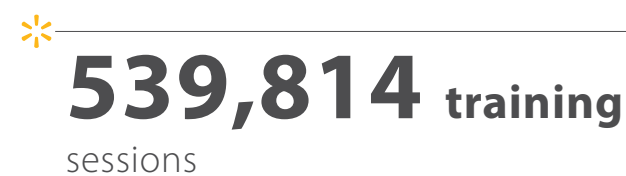
In Central America, we focused on creating a safety culture, so we launched 10 specific safety rules for each business unit. The Behavior-based Safety program for Cedis seeks to generate accident-free environments, based on the observation and correction of unsafe behaviors, focusing mainly on the six main causes of accidents in the region.

As part of the process to generate greater culture and safety awareness, we conducted a review of our current standards, finding opportunities to raise the level of safety, standardization, and their communication throughout the region. As a result, new security procedures were generated for previously uncontrolled risks: Safe unloading, safe use of machines, rules for the use of ladders, improvements in permits for dangerous work, a manual for contractors, etc.

Reduction of customers accidents

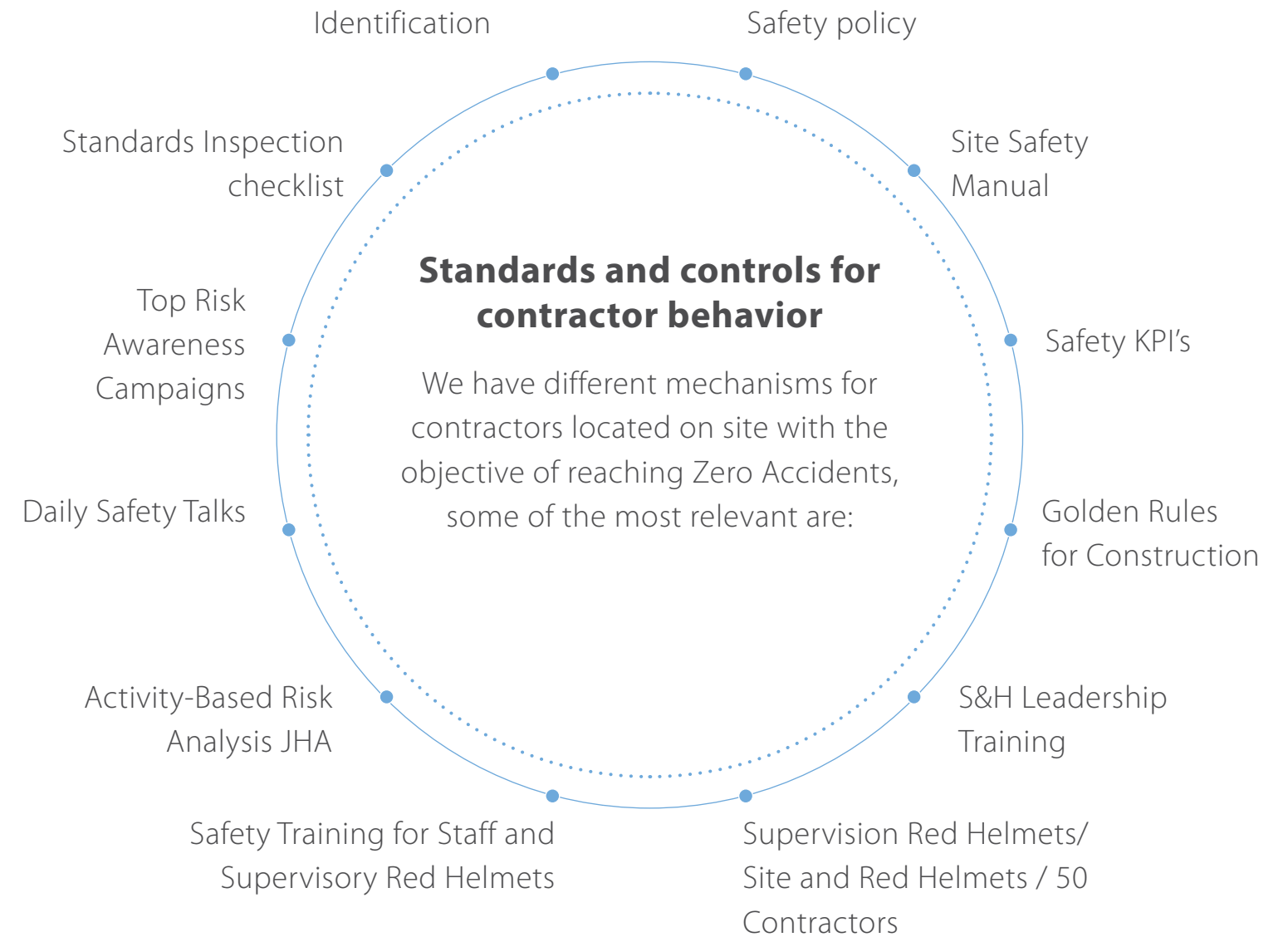


Reduction of associates accidents



Contractor Zero Accident Program

Our Zero Accidents policy is not only focused on taking care of our associates and customers, but also our suppliers. This year, we implemented a safety program focused on our contractors:



We work with suppliers to establish remediation plans.

We also have different sanctions to guarantee the safety of all people involved. Construction, remodeling, maintenance, special projects and design contractors have security clauses in their contracts, which details the type of sanction according to the fault and the severity of the accident, which may reach the termination of the contract or suspension of projects assignment for six months.



Anticorruption

GRI 205-2

We are committed to maintaining the highest standards of integrity and compliance, in accordance with the applicable laws of the markets in which we operate with our Global Policy and Global Anti-Corruption Procedures.

We always achieve our objectives with transparency, taking into account that we do not tolerate bribes, acts of corruption or dishonest practices of any kind. It is very important for us that in case our associates have any suspicions, information of violation of the [Global Anticorruption Policy](#) as well as the Company's AC Procedures, or have any information of improper requests (even if they are rejected), is reported immediately to the following Global Ethics contact points.

We provide anti-corruption training to 100% of our associates. It should be noted that AC training is valid for two years. In 2019, we trained 122,629 associates on anticorruption.

This kind of training is offered to the Board of Directors once a year.

We conduct an annual risk assessment to identify risks and allocate program resources accordingly. Our continuous improvement team regularly assesses and enhances the program's implementation, providing timely feedback and enabling early identification and problem solving. Additionally, the Global Internal Audit team performs periodic, independent audits of our program.

We use a customized electronic system to detect and conduct due diligence on external intermediaries seeking to represent us. Our contracts with external intermediaries require them to commit to our anti-corruption policy. Said process should be renewed at least every two years. Once approved, the supplier receives training on the Anti-corruption Policy to ensure their

awareness and adherence to it throughout the duration of their commercial relationship with Walmart. 595 suppliers completed or renewed their anticorruption training during 2019.

Each year, we proactively audit a sample of our third-party partners based on several factors, including the risks associated with the region where they operate and the type of service they provide. This process allows us to examine the way that third-parties respond to our anti-corruption program and identify areas where we can continue to improve our training and controls.



595 suppliers

completed or renewed their anti-corruption training during 2019

GRI 205-2

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Food Safety

GRI 416-1

We are committed to complying with all applicable food safety laws and regulations in the markets we operate in and to providing safe, high-quality food so that people can save money and live better lives. To do this, the Food Safety team is responsible for overseeing the comprehensive food safety management system. This includes creating and ensuring compliance with policies and procedures that help us buy, store, transport, prepare, and sell food in a manner that meets all regulations, as well as our own strict food safety standards.



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High Five Program

These principles are measured through a system of monthly Assessments in our stores with regular measurements and monitoring.

199 units have the H-Distinctive certification

Clean and healthy
Wash your hands when necessary
Not working with food when you are sick
Never touch ready-to-eat foods without gloves



Avoid cross-contamination
Do not store raw foods over cooked or ready-to-eat foods
Never prepare ready-to-eat foods on the same surface or with the same utensils used to prepare raw animal protein



It is based on five basic principles for the hygienic handling of food:



Wash, rinse, sanitize
Properly wash, rinse, and sanitize all food utensils and contact equipment
Properly store all equipment, utensils, and containers in designated locations
Keep the work area clean

Cook and cool

Cook the food until it reaches a suitable internal temperature
Quickly cool food to the temperature required by local law



Keep it cold, keep it hot

Keep cold/hot food at the temperature indicated by law



Food Fraud Program

Implemented in the reception area of Distribution centers to identify that the products we sell match the species we have declared in the packaging of our Private Brands products. This program includes a risk matrix by type of product, and and if we identify something not declared, we proceed according to the level of risk.



Analysis with certified external laboratories

* **154 analysis**
for the identification of species in meat raw material and ready-to-eat food

* **56 analysis**
to verify integrity of ingredients in Private Brands products (honey, milk, olive oil, 100% natural juices and coffee)

* **351 organic products**
Certificate validation

* **149 products**
Certificate validation for alcoholic beverages of (tequila/mezcal)

Pest control Program



Our goal is to protect associates and customers visiting Walmart's facilities by keeping pest activity under control. We use different Integrated Pest Management tools. We contribute to health care by acting against incidences of disease-transmitting insects (zika, chikungunya, dengue), as well as reducing the loss of products derived from pest damage or contamination.

We have a monthly-unannounced international audit for pest control risk assessment in all

stores and clubs, and a monthly-unannounced national audit for pest control risk assessment in all Distribution Centers. We also visit all units at least twice a month for inspection and chemical application (if required) to identify and mitigate any pest activity.

GFSI (Global Food Safety Initiative) Program

184 training hours to 27 safe food suppliers at GFSI school

We are members of the GFSI Mexico Local Group and all Private Brands suppliers are required to be certified in this type of system within a reasonable period of time if they do not have their own system certified.

Mexico

* **299 suppliers**

of Private Brands audited by GFSI and Global Markets certifiers

* **339 processing plants**

from certified suppliers, meaning, 95%

* **17 supplier processing plants**

with Global Market Audit

* **5 courses**

to 43 food suppliers

Central America

% GFSI Certificates

- Local private brand
- Import private brand
- Local Da-comanufactor
- Direct import



% Approved Global Market

- Small and developing supplier - pb - manufactor
- Small and developing supplier - pb - Da co-manufactor



In Central America, we developed a Training Plan for suppliers of Private Brands and national brands products of high-risk categories that have not achieved a GFSI or Global Market Intermediate certificate. They received free training and workshops on the topics that need to be reinforced in order to comply with the GFSI requirement requested by Walmart.



Audits

We have an intensive program of audits of our units, suppliers, plants, and Distribution Centers to ensure food safety in each of them:

Private Brands, Food-Mexico

Suppliers	299
Facilities	356
Audits	356
- Good Practices Global Markets	17
- Global Food Safety Initiative Certification (GFSI)	339
% certified facilities	95.2%
Audits of Good Practices in Storage and Distribution to Distribution Centers and deconsolidators of fresh products	34



Our Business

Agile Transformation

We Generate value

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Food Safety Program for POS



In Central America, this program allows us to maintain store Sanitary Status by ensuring the best practices for food handling, thus, contributing to our customers' health. Stores are audited under our five basic rules of food safety and Integrated Pest Management, which are implemented by the stores to guarantee safe food.

2019 was a challenging year in which, through teamwork with Operations, we improved our stores indicators and practices by reinforcing daily habits that allow us to perform more effective reviews and cleaning. In 2020 we will launch our "Cuida tu tienda como a tu casa" initiative.




Food Safety at Distribution centers

In 2019, we obtained the BRC international certification for three Distribution Centers, with a score of AA that guarantees the operational processes for food products handling. This was achieved thanks to:

-  Technical support and training of DCs staff in food handling
-  Procedure standardization
-  Reduced complaints and product damage due to cold chain opportunities, quality damage, or safety risks
-  Compliance with national regulations and internal policies on food safety and quality

This certification consists of:

-  Pre-assessment tours to comply with BRC standard requirements
-  Operational process documentation
-  Personnel training regarding standard requirements and operational process updates
-  Definition of KPIs and improvement actions
-  Conducting an audit with an external company to verify compliance with the GFSI BRC standard in food storage and distribution v3.



Privacy

GRI 418-1

We focus on raising awareness about privacy rights and practices, as well as personal data protection. We are committed to taking care of our associates, customers, members, and third parties' information at all times, in compliance with the law and our global policies. One of the keys to achieving this is through trust, which we can earn, strengthen and maintain by being transparent, and using personal information responsibly and ethically.

Without a doubt, new technologies open up a range of possibilities for us to take advantage of our customers' personal information, helping us to understand them better, customizing, and making their experience with us unique. That is why we must be careful in handling this information, to avoid failures that impact our goal.

We are transparent when communicating in our Privacy Notices how we may use and protect our customers', members', associates', and suppliers' personal information.

We have mechanisms in place for owners of personal data to make informed decisions about the use of their data, as well as the means for them to exercise their rights of access, rectification, cancellation, and opposition (ARCO).

We have formal channels for our associates or third parties to report any leaks of personal information, so take action to protect it, as well as protocols for responding quickly and effectively to information leaks, including an Incident Response Committee in place, with representatives from various key areas in the organization.

In 2019, we did not receive complaints about privacy violations or data leaks from our customers.



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Environmental

The Environmental Compliance area ensures that the company complies with applicable regulatory obligations during all its business activities, from prospecting, design, and construction of new stores to its operation. Implementing controls to comply with obligations relating to environmental impact, generation of non-hazardous and hazardous waste, wastewater quality, and air emissions

As a result, there were no significant fines in the region, namely those over 1 million pesos. Likewise, no water bodies were affected by discharges or runoff from spills. However in Superama Bonampak in Quintana Roo, we had a spill caused by the theft of diesel in the unit's emergency plant. The approximate volume spilled was 4,637 liters, of which a part reached natural soil, having had to remove the amount of 178,640 kg of contaminated soil. It was later refilled with clean soil.

In 2019, we had two projects with protected species:

GRI 304-1, 304-2, 307: 103-1, 103-2, 103-3, 307-1



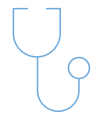
1. Bodega Aurrera Cabo Miramar (impacted surface 0.012763 km²). It was verified in the Environmental Impact Authorization that it will not cause significant adverse environmental impacts.



2. "Mi Bodega Tanquian de Escobedo" (impacted surface 0.004900 km²). In the Technical Opinion on Environmental Impact, it is determined that construction would not cause a significant environmental impact.

We have a project with a change of forest land use, Bodega Las Palmas. The surface for land use change comprises only vegetation composed of crasicaule scrub, which shows signs of disturbance and is used as a clandestine dumping ground for debris and solid waste, making it a risk or focal point for infection of the surrounding neighborhoods and communities. (surface area 0.013013 km²).





Health & Wellness

The purpose of the Health & Wellness area is to guarantee optimal functioning with respect to legal requirements and best market practices of our pharmacies and clinics. Currently, in Mexico we have more than 250 doctor's offices and more than 1,300 pharmacies where nearly 7,500 drugs, supplements, and medical devices are sold. The Health and Wellnes team establishes and implements regulatory controls to be met and works with the Operations team in supervising pharmacies to ensure compliance.

The team also participates in the validation of all products sold in our units to guarantee their quality and correct dispensing. During 2018, the Integral Pharmacy System was developed. The system will, improve medicine control in stores using digital solutions. An external review was to confirm the robustness of the program in relation to applicable legal obligations.



Medimart



31 suppliers



90 facilities



13 audits



95 analysis

with laboratories approved by Cofepris for quality parameters

Store Clinics



437 internal audits



6 external audits

Pharmacies



5,284 internal audits

In store



988 external audits

Cofepris

Medicines



31 suppliers



13 audits



Anti-money Laundering Prevention

At Walmart de México, we are committed to complying with all applicable Laws and Regulations to prevent, detect, and fight Money Laundering. We have policies, procedures, guidelines, and controls in place to prevent and detect acts or operations that involve resources of illegal origin and prevent criminal organizations from using the company to commit this crime..

We have technological tools that allow monitoring, analysis, and reporting of potential unusual transactions, based on risk. We train our associates to learn to identify and report warning signs regarding potential transactions with resources of illegal origin. In addition, we also have official channels for associates and third parties to report unusual activities. We keep track of our financial services to prevent and detect transactions with resources of illegal origin.

Representatives of different areas are part of an Anti-Money Laundering Committee that meets on a bimonthly basis where visibility is given on the main risks and decisions are made for mitigation.



Licenses and Permits

The GLM (Global License Management System) manages more than 20,000 licenses required to build and operate our stores. This allows us to reduce expiration risks and track licenses throughout their cycle from start to finish, including the request and monitoring payment of fees for procedures.

Within the standard procedures is the accompaniment of this area from the location of a new site, in which an expert assesses the feasibility of licenses before the authorization of a new project, in order to control the risk of low feasibility projects. Also, to begin construction and operation of a new business, a Licensing and Permitting Committee, consisting of experts other than those who manage, analyze all documents and assess whether the project is released or not.



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Financial and Corporate Responsibility Report 2019



Product Safety

Our goal is to comply with safety and regulations for products, cosmetics, consumables, apparel, footwear, and general merchandise sold by the company, in order to ensure product safety for our customers.

We have a monitoring protocol in place for high-risk products in our stores and clubs. A means of verifying compliance with safety and regulatory requirements are the certifications in the current standards delivered by the suppliers of products classified as high risk. It is also possible to verify compliance, through factory audits where, among other requirements, product safety is reviewed with emphasis on our Private Brands.



Textile and shoe inspections

* **17,803** inspections
to national suppliers at DC

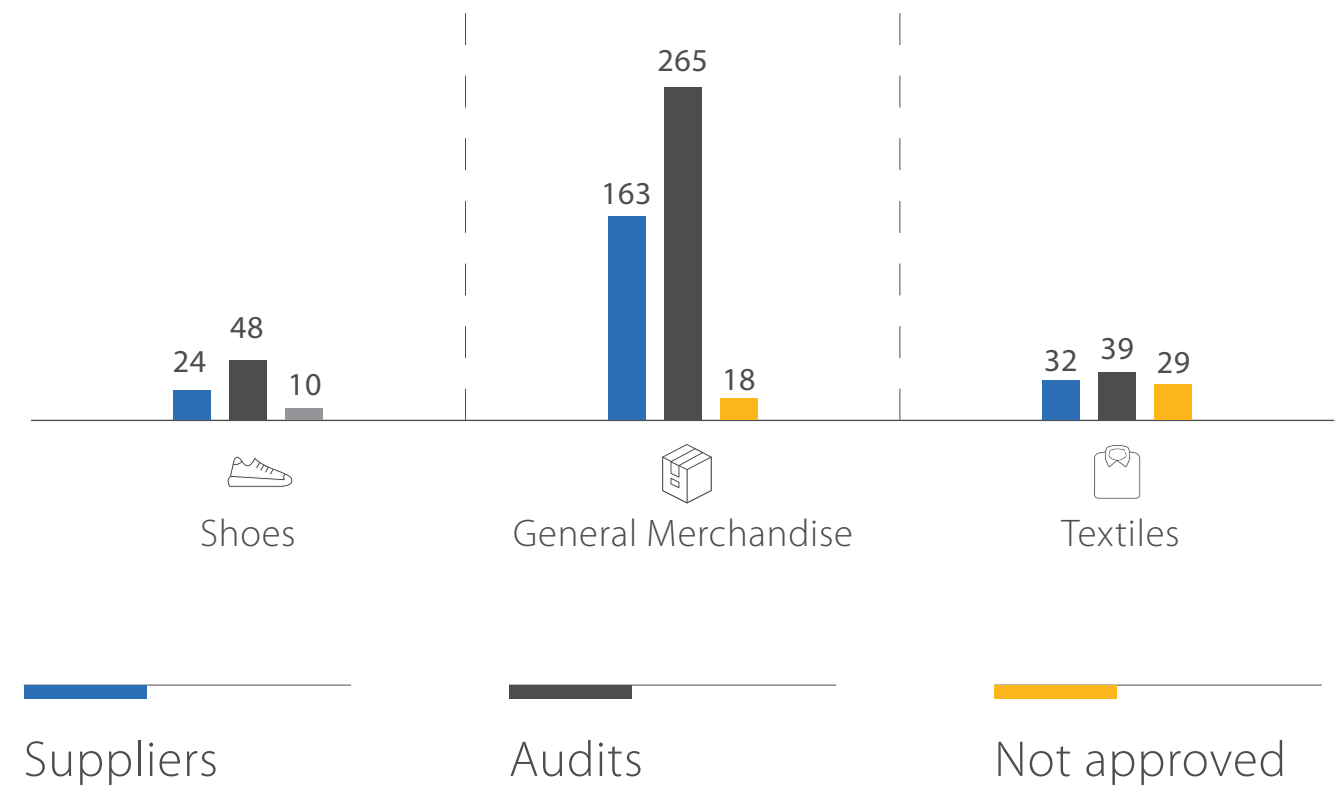
* **2,033** inspections
to import suppliers at origin

There are also safety, regulatory, and quality review protocols for textile and footwear products through laboratory tests, as well as national and in-origin inspections, reviews in distribution centers or stores, and follow-up and control of complaints. When the case deserves it, we recall products from stores and clubs.

Through these actions, it is possible to design and provide training for suppliers and buyers, on product safety and quality control to establish compliance indicators that measure performance in each delivery and develop improvement plans.

We constantly assess our suppliers

Our Brands' suppliers assessed in Mexico GRI 416-1



Our Business

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Commitment to Honesty

Financial and Corporate Responsibility Report 2019



Labor and Employment

GRI 401: 103-2, 103-3, 402: 103-1, 103-2, 103-3, 402-1

Our goal is to guarantee our associates their rights in accordance with labor regulations regarding salaries and payments, benefits, fair, equal, and inclusive treatment, in order to develop a positive working environment and to have a company that respects the rights of all employees and third parties within our workplaces.

To accomplish this, we have permanent campaigns in all our units to ensure payment of overtime work, respect to breaks and schedules, to avoid and prevent harassment, and to have internal regulations for promoters.



Trade

It is a program that aims to ensure compliance with requirements of foreign trade regulations in relation to the import and export of the Company's goods, in order to ensure the obtaining of permits, certifications, as well as payment of appropriate taxes for foreign trade operations.

Furthermore, our program aims to ensure that the company does not do business with or trade in products originating in and coming from countries sanctioned by the Office of Foreign Assets Control (OFAC).

To ensure this, we have a specific program for imports, we make the digital registration of products, which identifies the country of origin and we have a protocol for monitoring exports and customs agents.



Antitrust

It is our obligation to comply with the requirements of the economic competition law, establishing controls to avoid anticompetitive behaviors or practices and thus guarantee the best value offer to our clients and partners.

Within our main controls to achieve this are the guidelines and rules of behavior, as well as campaigns within the purchasing areas, in order to ensure that negotiations and / or contact with suppliers and / or competitors are attached to regulations on the subject of economic competition.



Our Business

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Corporate Governance

GRI 102-18

Our company is built on the foundations of integrity and the highest standards of ethics, and we always guarantee strict observance to the applicable legislation in all the countries where we operate.



Our Business

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Financial and Corporate Responsibility Report 2019

Board of Directors

GRI 102-22

Chairman:	Enrique Ostalé	Member since: 2013
GRI 102-23		
Members:	Adolfo Cerezo*	2012
	Ernesto Cervera*	2014
	Kirsten Evans	2018
	Lori Flees	2016
	Guilherme Loureiro	2016
	Roberto Newell*	2014
	Chris Nicholas	2019
	Eric Pérez-Grovas *	2018
	Blanca Treviño*	2006

Members as December 31, 2019

GRI 405-1

* Independent directors



Makeup and Frequency

GRI 102-24, 102-28

- The Board of Directors is comprised only by statutory members.
- Members are appointed each year by the General Ordinary Shareholders' Assembly.
- Independent directors should make up a minimum of 25% of the total amount; currently, as December 31, 2019, 50% of all Directors are independent.
- Minority shareholders, whose shares represent a minimum of 10% of owners equity for the Company, have the right to choose a Director, who may only be removed when the other Board members are also removed.
- To date, 29.49% of Company shares are traded among the investor public.
- The participation of officers of the Company and its subsidiaries is limited, and only the CEO is a member of the Board.
- The Board of Directors meets at least four times a year; during 2019 there were seven sessions held. The average attendance at meetings was 81.82%.

Other practices:

- Independent Directors are experienced in the core business of the Company.
- The Board has access to independent advisers.
- The Chairman of the Board is neither allowed to act as Secretary nor to preside over any Board committees.

✦ **30%**
of Directors are women

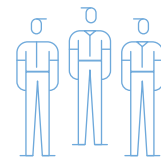
✦ **50%**
of Directors are independent



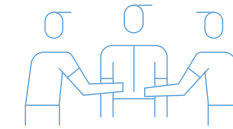
The Board of Directors obtains the support of two Committees for its duties; said committees must conduct in-depth analysis of subjects pertaining to its field of expertise and offer recommendations to the Board so it may study the information and make the right decision, creating value for our shareholders and stakeholders.

Primary responsibilities:

GRI 102-26, 102-27, 102-29



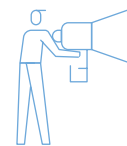
Choose the President and CEO of the Company



Act as adviser/consultant for top management of the Company



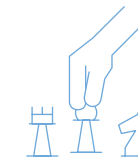
Oversee the management of the Company and its subsidiaries



Ensure that overall strategy is in line with the company's principles of Corporate Responsibility



Approve information policies and communication with shareholders and the market



Work actively with Top Management to develop overall strategies for the Company and its subsidiaries



Our Business

Agile Transformation

We Generate value

Commitment to Honesty

Enrique Ostalé

Executive Vice President, president and CEO of Walmart Latin America, UK and Africa as well as chairman of the board of directors of Walmart Mexico and Central America, and Walmart Chile.

Commercial Engineering, Major in Business Administration (Adolfo Ibáñez University, Chile) and MSc in Accounting and Finance (London School of Economics (LSE)).

Appointed 24 February 2016.

Enrique Ostalé assumed his expanded role in February 2016 after serving as president and CEO of Walmart Mexico, Central America and Latin America. From 2006 to February 2013, Enrique served as president and CEO of Walmart Chile. His experience in this latter post included his leadership of the successful transition of the D&S chain, acquired by Walmart Stores Inc. in 2009, into today's Walmart Chile. Part of his work involved imprinting the seal of Walmart's corporate culture on the organization, adopting along with his team the mission of "helping people save money so they can live better" and incorporating the promotion of sustainability as one of the operational pillars of the business.

Ostalé joined D&S in 1989, serving initially as manager of its financial division, then of its merchandising division and subsequently as manager of its Lider format before becoming its CFO. In 2000, he left the company to take up a position as CEO of Emol, the online service of the El Mercurio newspaper. Between 2002 and 2006, he was dean of the Business School of the Adolfo Ibáñez University before returning to D&S as its general manager, president and CEO.

In 2012, he received the "Executive of the Year" prize awarded by Ernst & Young and the El Mercurio newspaper.

Adolfo Cerezo

Studied Chemical Engineering at the National Autonomous University of Mexico and holds a Master's degree in Business Administration by the IPADE Business School. He has also studied postgraduate courses at the University of Southern California's Future Research Center and the Harvard Business School.

He worked for TELMEX as Chief Finance Officer since 1991 until August 2011, when he retired. Before holding this position, he held several positions since joining TELMEX in 1978, including Treasurer and Financial Analysis Manager.

He has been a member of Banco Inbursa's Board of Directors, a member of the Executive Committee for all TELMEX subsidiaries, a World Bank's Consultant, Chairman to the Mexican Stock Exchange Issuers' Committee, Teaching Professor at the National Polytechnic Institute's master's courses and a speaker at various finance and telecommunications forums.

Ernesto Cervera

CEO and co-founder of GEA since 1990. Born in Mexico City in 1958. An economist from ITAM (1984), his B.A. dissertation received first place in the Tlacaehel Consulting Award granted by International Consultants, and honors from the Banamex National Economics Award.

In 1986 he received his Master's Degree in Economics and in 1988 advanced to Ph.D. candidacy at UCLA. In 1987-1988 he was awarded the Sloan Fellowship for research on foreign trade.

From January 2006 up to the present he is the CEO of Grupo de Economistas y Asociados (GEA), firm in which he has been partner-consultant since 1990, and where he has participated in more than 200 consulting projects.

Kirsten S. Evans

Executive Vice President, Marketing for Walmart Canada. Kirsten is responsible for leading Walmart Canada's marketing strategy and the Walmart Media Group, along with the Financial Services business unit.

Prior to her international assignment, Kirsten was Senior Vice President, Corporate Marketing in Walmart US where she was responsible for the Walmart brand and media strategies as well as supporting strategic initiatives for Merchandising and omni-channel growth. Kirsten was actively involved in integrating Walmart's enterprise marketing teams to improve customer experience and gain scale in an ever-changing retail environment.

Kirsten was named to Ad Age's 2016 Women to Watch and is an inaugural executive member of the Walmart Entertainment Council, whose charter is to elevate partnerships and opportunities with leading entertainment companies

Lori Flees

Senior Vice President and General Merchandising Manager for Health & Wellness at Sam's Club. In this role, Lori leads the pharmacy, optical and hearing business merchandising and operations within Sam's Club's US locations.

Lori started at Walmart in 2014 as SVP, Corporate Strategy with responsibility for Corporate Strategy, Corporate Financial Planning & Analysis, and Mergers & Acquisitions. Lori also set up the enterprise strategic partnerships organization and framework (including Google and Microsoft) and launched the company's interactive entertainment JV partnership with Israeli start up company, Eko.

Prior to joining Walmart, Lori spent 17 years at Bain & Company where she was a partner in the global strategy consulting firm. Lori started her career in roles at Intel Corporation and General Motors. Lori has a bachelor's degree in management systems from Kettering University (formerly General Motors Institute) and a master's degree in business administration from Harvard Business School.

Guilherme Loureiro

Guilherme Loureiro is Executive President and CEO of Walmart Mexico and Central America since February 2016. He started his career in Walmart in 2012, assuming the role of Executive President and CEO of Walmart Brazil in 2013. He worked for over 20 years for Unilever performing several roles in different markets including Global Head of M&A, CEO México, Global Head of Strategy, Chairman of Unilver Ventures and CFO for Americas.

Guilherme holds a Bachelor degree in Business Administration, a Master Degree and Doctorate in Business Administration by the Universidad Fundação Getulio Vargas in Sao Paulo and has attended the TGMP at Harvard.

Roberto Newell

Vice President and Senior Fellow of the Instituto Mexicano para la Competitividad, A.C., (IMCO), a privately sponsored, independent think-tank located in Mexico City, whose mandate is to analyze and propose policies that will enhance Mexico's competitiveness in the global economy.

During 2003, he served as Deputy Secretary for Agribusiness in Mexico's federal government, having previously served in the same administration as the CEO of the Fideicomiso de las Empresas Expropiadas del Sector Azucarero, a holding company that operated the 27 sugar mills that were taken over by Mexico's government as part of a turn-around program for these failed sugar mills.

Between 1984 and 2001, Mr. Newell worked for McKinsey & Co., Inc., the international consulting firm. He retired as a Director (senior partner) of the Firm. During his years as a consultant, he served clients throughout Latin America, the Caribbean and the United States. His clients included companies in the financial and telecommunications sectors, but Newell also served several national governments on issues of deregulation, privatization and financial sector crisis.

Chris Nicholas

Executive Vice President and Chief Financial Officer of Walmart International. In this complex division of Walmart's operations, Chris leads the International Finance team and has additional commercial responsibilities including International supplier leverage and cost analytics.

Chris joined the company in 2018 as deputy CFO for Walmart International where he partnered with the business to lead key strategic and financial initiatives.

He has more than 17 years of experience in retail and spent the last decade serving in leadership roles with Tesco, The Salling Group; and most recently the Coles Group, where he held a combined position of Finance Director and Merchandise Director, and played a key role in leading the Coles business through unprecedented change within the Australian Supermarket industry.

He graduated from the University of Manchester Institute of Science and Technology with a Bachelor of Science (Hons) in Management Science and is a Chartered accountant (ACMA).

Eric Pérez-Grovas

Co-founder and managing partner of Jaguar Ventures, an investment fund created by Mexican e-commerce entrepreneurs dedicated to investing in Internet-based business models.

He graduated with honors in Industrial Engineering, specializing in Finance at the Technological Institute of Monterrey. He also holds a master's degree in Business Administration and Public Administration from Stanford University. In that university, Eric was elected co-president of the Association of Latin American Students of the School of Business and Vice President of the Association of Mexican Students in Stanford.

Prior to the founding of Jaguar, Eric acquired experience in electronic commerce starting in 1999, when he opened and directed Mercado Libre Mexico. Since then he has served as executive director, investor and adviser in various Internet companies. Currently part of the advice of sites such as Aventones.com, Gaudena.com, Viajamex.com, Yaxi.mx, Conekta.io or Yogome.com. He also provides support to entrepreneurs as a mentor to Endeavor Mexico. Eric Pérez-Grovas worked in the Strategic Consulting department of the companies McKinsey & Co. and Bain & Co. In these firms he collaborated in various strategic planning projects for companies in Mexico, the US and South America. In addition to his consulting experience.

Blanca Treviño

Blanca Treviño is Co-Founder, President and CEO of Softtek, a global company dedicated to helping organizations evolve through digital technology. Under her leadership, Softtek has become the top IT services company in and from Latin America, having earned recognition from Gartner and Forrester Research as the only non-Indian provider to pose serious competition for the U.S. market. Throughout her 30-year career at Softtek, Blanca has gained international recognition as a promoter of the IT services industry in and from emerging countries—and most prominently from Mexico, with the rise of the Nearshore model.

She has spoken at conferences for the World Economic Forum, World Bank, Inter-American Development Bank, Kellogg School of Management, Harvard Business School and Fortune. In 2019, WITI inducted Blanca into the Women in Technology Hall of Fame, and in 2018 she received the “Education Leadership Award” from Educando (formerly, Worldfund), for her contributions and influence towards improving education in Mexico.

Blanca serves as the Vice President of the Mexican Business Council, is a member of the MIT School of Engineering Advisory Council, and board member of Walmart Mexico, the Americas Society and Council of the Americas, the Iberoamerican Council for Productivity and Competitiveness, Grupo Lala, The Mexican Stock Exchange, as well as universities, including her alma mater, Tecnológico de Monterrey (ITESM).

Audit and Corporate Practices Committees

Chairman:	Adolfo Cerezo
Members:	Ernesto Cervera
	Roberto Newell
	Eric Pérez-Grovas
	Blanca Treviño

These committees have four statutory members, all of them independent

Members as December 31, 2019
GRI 405-1



Primary responsibilities:

GRI 102-20, 102-22, 102-36

- Selecting the independent auditor for the Company and establishing fees.
- Ensuring the existence of a proper internal control scheme for the Company that meets any and all applicable accounting and legal provisions, and reviewing Company transactions with related parties.
- Reviewing the financial statements and ensuring they are a true and accurate reflection of the financial situation for the Company. They also have a set procedure for receiving, retaining, and responding to claims concerning accounting practices and controls, and any audit issues. Moreover, said committees have the necessary resources for, and are authorized to retain the services of counsel and/or any other outside adviser needed to perform their duties.

- Reducing the risk of conducting operations such that could affect Company worth or could result in the granting of favored conditions to any one group of shareholders.
- Approving policies for the use of properties pertaining to the net worth of the Company.
- Authorizing transactions with related parties, remuneration for the Chief Executive, and remuneration policies regarding relevant company officers.
- Serving as support for the Board of Directors in producing reports on accounting practices.
- Holding private meetings and receiving periodic reports from Internal Audit, Legal, Compliance, and Ethics.
- Calling Shareholders to meetings and ensuring that the order of business includes all points deemed necessary.

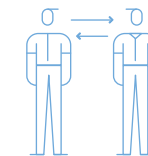
Primary requirements and practices:



All members must be independent Directors, experts in finance



Independent auditors are forbidden from providing consultancy services to the Company



The partner from the independent auditing firm that renders the opinion on the financial statements must be rotated periodically



Walmart de México Foundation Board

GRI 102-20, 102-22



Trustees, at December 31, 2019

GRI 405-1

Trustees:	Eduardo de la Garza
	Roberto Delgado Gallart*
	Jorge Familiar Haro*
	Julie Gehrki
	Guilherme Loureiro
	Kathleen McLaughlin
	Alberto Sepúlveda
	Marinela Servitje *
José Luis Torres*	
Alternate:	Mariano Fiscella
	Adriana Velázquez



* Independent directors



Our Business

Agile Transformation

We Generate value

Commitment to Honesty

Risk Assessment

GRI 102-11, 102-15, 102-30

Walmart de México y Centroamérica performs a Risk Assessment with the purpose of identify and reduce risks that could affect our operations.



Our Business

Agile Transformation

We Generate value

Commitment to Honesty

Risk Assessment

GRI 102-11, 102-15, 102-30

Every year, the Risk Assessment is performed by the Global Audit Services area following the methodology established by Walmart Inc, adapting it to the Mexico and Central America conditions.

External Risk Factors



Economic

Financial markets, unemployment, mergers & acquisitions



Political

Government/policy changes, laws and regulations



Natural Environment

Natural disasters such as hurricanes, earthquakes, global warming



Technological

Emerging technologies that represent competitive advantage/disadvantage



Social

Shifts in demographics or social behaviors



Competition

Financial condition and market share of competitors, new market entrants

Internal Risk Factors



Compliance

With laws and regulations, internal policies and standards



Technology

Systems and data availability and integrity, development and deployment



Process

complexity, level of automation



Personnel

Employee capability, fraud, health and safety



Infrastructure

Availability of assets

Relevance of the **eight major risk categories is considered:**



Regulatory Compliance

Compliance with laws and regulations



Financial Accuracy

Effectiveness of the entity's financial reporting



Customer Trust

Actions or conditions that degrade customer confidence in the Company brand, mission, or community standing



Support Business Operational Impact

interruptions resulting from inadequate or failed internal processes, people and systems within business support functions



Core Business Operational Impact

Loss (including risks to financial performance and condition) resulting from inadequate or failed internal processes, people and systems that support core business functions



Strategic

Relating to high-level goals, aligned with & supporting the entity's mission/vision



Internal Compliance

compliance with company policies and procedures, contracts, ethics and business conduct standards and other voluntary corporate standards



Efficiency and Effectiveness

Optimization of Company resources to support the business mission and reward shareholders

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In addition, risk considerations that help to define the magnitude and likelihood of losses resulting from unfavorable events or activities are taken into account. Examples:

Operational Disruption

Events such as natural disasters, terrorism, interruption of key suppliers, faulty process changes, system failures, prolonged adverse weather conditions

Impact on Earnings

Competitive pressures, market economic conditions, financial governance, sustainability of the business model

Impact on Strategic Initiatives

Changes in leadership, lack of access to capital or liquidity, actions of competitors, changes in broad economic conditions, adverse actions by foreign governments

Changes in Leadership

Historical leadership change outcomes, succession planning, training and development

Level of Automation

Business reliance on technology and systems, historical dependability, the ability to revert to manual alternatives, entity's adoption rate of emerging technology

Customer Insights

Concerns expressed by business and technology leadership

Compliance Requirements

The ability of the entity to comply with laws, regulations and policies, occurrence of fraudulent, illegal or unethical acts, changing laws, ongoing liabilities and disputes, unsafe products or handling, etc.

Changes in Process

Maturity of processes within the entity, process change management, quality assurance functions, process owner expertise, process documentation

Historic Audit Results

Issues identified during previous audit activities that are relevant to the auditable group or component, management tone, status of remediation efforts

Other Risk Assessments

Results of assessments conducted by internal and external parties that are relevant to the auditable group or component

GFT Insights

Guidance provided by Global Functional Teams in the form of questionnaires, newsletter, interactive meetings, etc.

