

## Independent Limited Verification Report

To the Board of Directors of Wal-Mart de Mexico S.A.B de C.V.:

### Scope of our Work

We have undertaken an independent limited verification of the information and performance indicators included in **Exhibit A** and presented in the 2019 Financial and Corporate Responsibility Report (the "Report") of Wal-Mart de Mexico S.A.B de C.V ("Wal-Mart" or the "Company"), including the GHG emissions inventory scope 1 and 2, in accordance with the reporting criteria set forth in the GRI Standards, GHG Protocol standard and GEI Mexico Program (the "Criteria").

The preparation of this report is responsibility of Wal-Mart's Management. Wal-Mart's Management is also responsible for the information and the assertions contained therein, defining the scope of the Report and the management and control of the information systems that provided the information reported.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). This standard requires that we plan and perform our engagement to obtain limited assurance about whether the report is free from material misstatement and that we comply with ethical requirements, including the independence requirements included in the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA).

### Standards and verification procedures

The verification procedures performed focused on the following:

- Interviews with the individuals responsible for the information to understand the activities performed and the procedures used to gather the information.
- Review of the structure and content of the Report in accordance with the GRI Standards, GHG Protocol standard.

- Understanding of the procedures used in compiling and consolidating quantitative and qualitative data, as well as their traceability.
- Review of the support documentation through analysis.
- Recalculations, as well as sampling, to increase the certainty of the indicators reported.

It is worth mentioning that the scope of this review is substantially less thorough than a reasonable assurance engagement. Therefore, the assurance provided is also lesser in comparison. This Report shall in no way be considered an audit report.

### Conclusions

Based on our work described in this Report, nothing has come to our attention that causes us to believe that the information and performance indicators selected are not presented, in all material respects, in accordance with the applicable criteria.

This report has been exclusively prepared for the Board of Directors of Wal-Mart de Mexico S.A.B de C.V., in accordance with the terms of our engagement agreement.

Mancera, S.C.

A Member Practice of Ernst & Young Global Limited



Saúl García Arreguín

Partner

March 18<sup>th</sup>, 2020, Mexico City

## Annex A: Verified information and performance indicators

### Disclosures

GRI / KPI	Disclosure title	GRI / KPI	Disclosure title
IP <sup>1</sup>	Anti-trust	413-1 <sup>2</sup>	Operations with the local community involvement, impact assessments, and development programs
IP <sup>3</sup>	Compliance System	416-1 <sup>4</sup>	Assessment of the impact on health and safety of the product and service categories
304-1 <sup>5</sup>	Operational sites owned, leased, managed in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas	417-1 <sup>5</sup>	Requirements for information and labeling of products and services
304-2 <sup>5</sup>	Significant impacts of the activities, products, and services on biodiversity	418-1 <sup>5</sup>	Substantiated complaints concerning breaches of customer privacy and loss of customer data
403-3 <sup>5</sup>	Workers with high incidence or high risk of occupational diseases		

<sup>1</sup> Walmart's own indicator with coverage of information regarding Mexico and Central America

<sup>2</sup> The coverage of the information corresponds to Mexico and Central America, as well as the scope of the GRI content criteria: subsection a. (i-iv).

<sup>3</sup> Walmart's own indicator with coverage of the information regarding Mexico and Central America, included in the structure of responsibility and reporting lines (Ethics and compliance organization chart) description of the ethics line, as well as the assessment methodology based on the compliance criteria and responsibility matrix (disciplinary actions).

<sup>4</sup> The coverage of the information corresponds to Mexico and Central America, as well as the scope of the content criteria of GRI. In 2019, there were no audits of products in the Jewelry and Accessories category in Mexico.

<sup>5</sup> The coverage of the information corresponds to Mexico and Central America, as well as the scope of the GRI content criteria.

Performance indicators

GRI / KPI	Disclosure title	Scope of the information	Compliance level (Clauses)	Reported information	Unit
103-2	The management approach and its components	Mexico	a, b & c	8,474	Labor claims received
				7,371	Claims received from associates
				1,103	Claims received from suppliers
				7,931	Concluded claims
				7,281	Concluded claims from associates
				650	Concluded claims from suppliers
		Central America		58	Labor claims received
				56	Claims received from associates
				2	Claims received from suppliers
				61	Concluded claims
				60	Concluded claims from associates
				1	Concluded claims from suppliers
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Mexico	a & b	15	Percentage by which the general tab of the minimum wage level is above the average minimum wage in Mexico
203-2	Significant indirect economic impacts	Mexico and Central America	a & b	8,543	Jobs created (hiring & transfers)
204-1	Proportion of expenditure on local suppliers	Mexico	a, b & c	77.9	Percentage of national suppliers' purchases (fruits & vegetables)
				97	Percentage of national suppliers' purchases (meat)
				60.6	Percentage of national suppliers' purchases (fish & seafood)
		Central America		74.6	Percentage of regional suppliers' purchases (fruits & vegetables)
				69	Percentage of regional suppliers' purchases (meat)
				64	Percentage of regional suppliers' purchases (fish & seafood)

GRI / KPI	Disclosure title	Scope of the information	Compliance level (Clauses)	Reported information	Unit
205-2	Communication and training about anti-corruption policies and procedures	Mexico and Central America	a, b, c, d & e	100	Percentage of associates reported on anti-corruption policies
				122,629	Total number of associates trained in anti-corruption
				93	Percentage of associates in anti-corruption training
				641	Total number of suppliers reported on anti-corruption
				595	Total number of suppliers trained in anti-corruption
				99	Percentage of suppliers informed and trained in anti-corruption policies
				47	Total number of Board of Directors' members informed in anti-corruption policies
				99	Percentage of board of Directors' members informed in anti-corruption
301-1	Materials used by weight or volume	Mexico and Central America	a (i, ii)	419,239,466	Tons of plastics
				272,644	Tons of wood <sup>6</sup>
				7,852,385	Tons of paper
				2,246,958	Tons of sanitary paper
				17,471,780	Tons of cardboard <sup>6</sup>
				4,474,605	Liters of chemicals
				5,987,452	Diesel
				32,723,776	LP Gas
301-2	Recycled supplies used	Mexico and Central America	a	40.4	Percentage of recycled plastic
				1.5	Percentage of recycled paper
				85.4	Percentage of recycled sanitary paper
302-1	Energy consumption within the organization	Mexico and Central America	a, b, c, e, f & g	11,639,388	GJ total energy consumption
				5.9	GJ of electric energy from renewable sources
				3.4	GJ of electric energy from fossil fuels
				2.3	GJ of fuels
302-3	Energy intensity	Mexico	a, b, c & d	1.014	GJ/ m <sup>2</sup>
		Central America		0.81	GJ/ m <sup>2</sup>
302-4	Reduction of energy consumption	Mexico and Central America	a, b, c & d	190,345	GJ of electric energy

<sup>6</sup> The data corresponds only to Mexico

GRI / KPI	Disclosure title	Scope of the information	Compliance level (Clauses)	Reported information	Unit
303-1	Water withdrawal by source	Mexico and Central America	a & b	12,764,019	m <sup>3</sup> total water withdrawal
				76.28	% municipal water
				1.83	% ground water
303-3	Water recycled and reused <sup>7</sup>	Mexico	a, b & c	2,193,195	m <sup>3</sup> reused water
				22	% of reused water in relation to total consumption
305-1	Direct GHG emissions (Scope 1)	Mexico and Central America	a <sup>8</sup>	1,117	Ton CO2 e
305-2	Energy indirect GHG emissions (Scope 2)	Mexico and Central America	a <sup>7</sup>	515	Ton CO2 e
305-4	GHG emissions intensity	México	a & b	44.00	kg CO2 e per m <sup>2</sup>
		Central America	a & b	40.58	kg CO2 e per m <sup>2</sup>
306-2	Waste by type and disposal method <sup>9</sup>	Mexico and Central America	a, b & c	525,117	Tons of non-hazardous waste generated
				907	Tons of hazardous waste
306-3	Significant spills	México	a, b (i, ii, iii) & c	4.6	m <sup>3</sup> spilled diesel
				178,640	kg of contaminated soil
401-1	New employee recruitment and employee turnover	Mexico and Central America	a & b <sup>10</sup>	148,705	New hires in México
				10,625	New hires in Central America
				83,982	New hires of men
				75,348	New hires of women
				77,125	New hires by age (under or equal 25 years old)
				29,142	New hires by age (between 26 and 30 years old)
				17,236	New hires by age (between 31 and 35 years old)
				11,912	New hires by age (between 36 and 40 years old)
				23,915	New hires greater than or equal to 41 years old
				148,148	Turnover in México
				15,117	Turnover in Central America

<sup>7</sup> Complementary information on the indicator: Number of water treatment plants 1,174

<sup>8</sup> The verification criteria include the GHG protocol standard and specifications of the GEI Mexico program.

<sup>9</sup> Complementary information of the indicator: 369,785 tons of recycled waste, 155,523 tons sent to landfills, 526,024 tons of total waste generated

<sup>10</sup> Does not include the rate of new employee hires and rate of employee turnover, as it is not reported.

GRI / KPI	Disclosure title	Scope of the information	Compliance level (Clauses)	Reported information	Unit
				88,104	Turnover of men
				75,161	Turnover of women
				70,897	Turnover under or equal 25 years old
				33,447	Turnover between 26 and 30 years old
				19,343	Turnover between 31 and 35 years old
				13,152	Turnover between 36 and 40 years old
				26,426	Turnover greater than or equal to 41 years old
403-1 <sup>11</sup>	Workers' representation in formal worker-employer health and safety committees	Mexico	a & b	5	% of workforce represented
		Central America		6.44	% of workforce represented
403-2 <sup>12</sup>	Type and rate of injuries, occupational diseases, lost days, absenteeism and number of work-related fatalities by region	Mexico and Central America	a	2.62	Accident frequency rate
				2	Deaths from occupational accidents
404-1	Average hours of training per year per employee	México and Central America	a	27.6	Average hours of training per associates
405-1	Diversity in the governance bodies and employees	México and Central America	a (i), b (i, ii, iii)	36	% of women in decision-making positions
				238,972	Total associates
				47	% of men associates
				53	% of women associates
				27	% of associates under or equal 25 years old
				18	% of associates between 26 and 30 years old
				14	% of associates between 31 and 35 years old
				11	% of associates between 36 and 40 years old
				30	% of associates greater than or equal to 41 years old
				2,323	Total of associates with disabilities
				-	% of men associates with disabilities <sup>13</sup>
				-	% of woman associates with disabilities <sup>13</sup>

<sup>11</sup> Data includes training of 187,796 associates in health and safety for Mexico and Central America

<sup>12</sup> Does not include the gender breakdown

<sup>13</sup> Indicator verified, however, Wal-Mart de Mexico decided not to disclose them in the report at the time of publication.

GRI / KPI	Disclosure title	Scope of the information	Compliance level (Clauses)	Reported information	Unit
				-	% of associates under or equal 25 years old <sup>13</sup>
				-	% of associates between 26 and 30 years old <sup>13</sup>
				-	% of associates between 31 and 35 years old <sup>13</sup>
				-	% of associates between 36 and 40 years old <sup>13</sup>
				-	% of associates greater than or equal to 41 years old <sup>13</sup>
405-2	Ratio of base salary and remuneration of women to men	Mexico and Central America	-	-	Indicator verified, however, Wal-Mart de Mexico decided not to disclose them in the report at the time of publication.
412-2	Training of employees in human rights policies or procedures	Mexico and Central America	a	106,205	Total hours of training on the Ethics statement
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services categories	Mexico	a	930	Total number of non-compliance incidents
				300	Number of incidents resulting in fines or penalties
				4	Number of cases resulting in warnings
		Central America		17	Total number of incidents of non-compliance
				0	Number of incidents resulting in fines or penalties
				0	Number of cases resulting in warnings
IP <sup>14</sup>	Total number of Suppliers	Mexico and Central America	NA	42,224	Total number of suppliers
IP <sup>13</sup>	fruits & vegetables	Mexico	NA	77.9	% of national/regional product purchase of fruit and vegetables
				43.3	% of direct purchase from the fruit and vegetable producer
				22.1	% of imported direct purchase of fruit and vegetables
		Central America		68.6	% of national/regional product purchase of fruit and vegetables
				54.6	% of direct purchase from the fruit and vegetable producer
				25.4	% of imported direct purchase of fruit and vegetables
IP <sup>13</sup>	Meat	Mexico	NA	88.7	% of national/regional product purchase of meat products
				88.1	% of direct purchase from the meat producer
				3	% of imported direct purchase of meat
		Central America		65	% of national/regional product purchase of meat products

<sup>14</sup> Walmart's own indicator

GRI / KPI	Disclosure title	Scope of the information	Compliance level (Clauses)	Reported information	Unit
				63	% of direct purchase from the producer (meat)
				31	% of direct purchase of imported (meat)
IP <sup>13</sup>	Fish & seafood	Mexico	NA	26.8	% of national/regional purchase (fish & seafood)
				56.7	% of direct purchase from producer (fish & seafood)
				39.4	% of direct import purchase (Fish & seafood)
		Central America	NA	53	% of national/regional product purchase of Fish & Seafood
				55	% of direct purchase from fish and seafood producer
				36	% of direct import purchase of fish and seafood
IP <sup>13</sup>	Our Brands <sup>15</sup>	Mexico	NA	72	Percentage of national/regional suppliers
				91	Percentage of sales from national/regional suppliers
		Central America	NA	53	Percentage of national/regional suppliers
				70	Percentage of sales from national/regional suppliers
IP <sup>13</sup>	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce <sup>16</sup>	Mexico and Central America	NA	351,028	Tons of CO2qe from transporting products
				63,460	Tons of CO2qe emissions avoided
				23,829,391	Liters of fuel saved
				43,774,464	Kilometers not covered
IP <sup>13</sup>	Fertile land <sup>17</sup>	Central America	NA	806	Number of small farmers
				5,241	Benefited families
				69,381,910	Purchases generated
IP <sup>13</sup>	Total number of promotions granted in the reporting period	Mexico and Central America	NA	26,381	Total number of associate promotions
IP <sup>13</sup>	Percentage increase/decrease in reports to global ethics line/Global ethics line indicators <sup>18</sup>	Mexico and Central America	NA	14	% of the increment in ethical cases received

<sup>15</sup> Verified complementary information from Mexico, however, Wal-Mart de Mexico decided not to disclose them in the report at the time of publication: ME products, ME suppliers, ME import suppliers; CAM: ME products, ME suppliers, ME import suppliers

<sup>16</sup> Complementary information: cardboard collected (tons): 358,478 recycled stretch film

<sup>17</sup> Complementary information verified: Adopt an SME (459 million pesos of sales in Mexico and 14 million pesos of sales in Central America), Women On Business (8 suppliers)

<sup>18</sup> Verified indicator including number of disciplinary measures to associates, however, Wal-Mart de México decided not to publish the information regarding to the total number of incidents, incidents with disciplinary measures according to our regulations and Not proven incidents at the time of publication of the report.



GRI / KPI	Disclosure title	Scope of the information	Compliance level (Clauses)	Reported information	Unit
IP <sup>13</sup>	Customer Satisfaction	Mexico and Central America	NA	47,722,093	Number of satisfaction surveys conducted (answered)
IP <sup>13</sup>	Annual investment in environmental programs	México Central America	NA	519	Millions of pesos invested in sustainable initiatives
				376	Millions of pesos saved by investing in sustainable initiatives
IP <sup>13</sup>	Commitment survey results <sup>19</sup>	Mexico and Central America	NA	78	Commitment rate
		México		77	Commitment rate
		Central America		84	Commitment rate
RS <sup>20</sup>	Responsible procurement	Mexico and Central America	GRI	6,909	Suppliers with active contracts
				1,632	Number of active installations
				6,005	Number of affiliated audits in the Mexican and Central American markets
		23.28		% of audits with responsible procurement (green)	
		66.37		% of audits that meet the standards (yellow)	
		5.66		% of audits with serious rule violations (orange)	
		0.03		% of audits where temporary or permanent cancellation of production is decided	
		4.66		% Others	
		23.76		% of audits with responsible procurement (green)	
		67.87		% of audits that meet the standards (yellow)	
		3.48		% of audits with serious rule violations (orange)	
		0.16		% of audits where temporary or permanent cancellation of production is decided	
		4.73		% Others	

<sup>19</sup> Verified complementary information: 76% of participation throughout the region (Mexico and CAM)

<sup>20</sup> The indicator includes the GRI contents: 308-1, 308-2, 407-1, 408-1, 409-1, 412-1 412-3, 414-1, 414-2, as well as the scope of its criteria.

