

# Ethics and Integrity

## WHAT DID WE ACHIEVE TOGETHER?

Act under the highest standards of integrity, being a responsible, trustworthy, ethical and transparent corporate citizen.

# 21,051

hours of training  
on our Code of Conduct

# 20,706

Associates completed  
the Anticorruption Training



I am Sandra  
Staff associate  
People Implementation-Product

"Walmart is that  
place because of  
the opportunities  
to grow and learn  
something new  
every day"

## ETHICS AND COMPLIANCE

The way we operate our business is as important as the products and services we offer to our customers, so we act in an ethical and honest manner to promote our stakeholders' well-being



It is our principles and values that sustain us as a reliable company that, as it moves forward with its business model, strengthens its controls to comply with the law and internal policies and thus guarantee an environment of sustainable growth.



HIGHEST ETHICAL AND COMPLIANCE STANDARDS



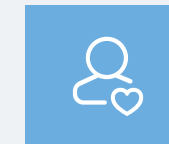
PROMOTING DIGNITY THROUGHOUT OUR VALUE CHAIN



STRONG CORPORATE GOVERNANCE



DIGITAL CITIZENSHIP



RESPECT FOR HUMAN RIGHTS



# ETHICS AND COMPLIANCE

GRI, 2-27, SASB FB-FR-310A.4, CG-MR-310A.3, CG-MR-330A.2, FB-FR-310A.3

2022 represented a year of transformations and adjustments to new ways of interacting. The face-to-face and virtual worlds now coexist to meet today’s needs. This quickly led to the creation of new legislations and social behaviors that were recognized and incorporated into our day-to-day work in all Ethics and Compliance programs.

We invest in strategies, protocols, procedures and methodologies that drive efficient results in our services and products. However, we know that our greatest strength is our 623 associates who, thanks to the leadership, vision and guidelines of a robust work under the standards of Ethics and Compliance in Mexico and Central America, continue to achieve improved results. Teamwork, observation, dialogue and innovation are achieved with unique people working as a team and with discipline.

Every year, we ensure that our programs are aligned with our commitments, values and principles

We are a company that privileges transparency and integrity in everything we do, which makes us a leading and innovative company, as well as a reference in the industry

## Fundamentals of Ethics and Compliance

Walmart’s Ethics and Compliance program is risk-based and suited to serve our global business. Our Ethics and Compliance program is designed around key principles to remain consistent and responsive as our business and external environment changes.

### 1. Corporate Culture

The foundation of Walmart’s Ethics and Compliance program is a strong corporate culture. We promote behaviors and decision-making consistent with our core value of acting with integrity, including assessing our culture and recognizing integrity in action.

### 2. Compliance Leadership and Staff

Our Global Ethics and Compliance Leader has overall responsibility for the implementation and maintenance of our Ethics and Compliance program, alongside experts from different areas, market and business unit leaders.

### 3. Regular Risk Identification and Analysis

Our Ethics and Compliance program continually reviews and assesses compliance-related risks. We also consider data to identify risks and non-compliant behavior.

### 4. Policies, Procedures and Controls

We implement formal written policies to clearly describe the company’s expectations on how we conduct business and what we expect from suppliers and third parties. We reinforce these expectations through the design and execution of risk-based controls.

### 5. Training and Communication

Educating associates, directors and high-risk business partners about our behavioral expectations and key policies and procedures is essential to our Ethics and Compliance program.

### 6. Internal Monitoring and Evaluation

We also regularly monitor and evaluate our controls and communicate with our business partners regarding effectiveness. Internal monitoring and evaluation procedures, supplemented by periodic audits, help ensure that the components of our program are operating effectively and are well designed.

### 7. Confidential Reporting

We maintain reporting mechanisms that allow for anonymous and confidential reporting from all levels of associates, third parties, employees in our supply chain and other external sources.

### 8. Investigation and Remediation

Prompt investigation, root cause and corrective action analysis are central to the effectiveness of our Ethics and Compliance program.

### 9. Continuous Improvement

We continually work to improve and adapt our Ethics and Compliance program to mitigate new and evolving risks, including by teaming with other business partners to design and integrate compliance into their new initiatives and acquisitions.



## Continuous improvement

In our company we have teams that visit and supervise our facilities. Our team aims to verify the levels of compliance that our environment demands and expects. For us, it's not just about what we achieve, but how we achieve it.



During 2022, we performed physical and virtual monitoring activities

Mexico

# 5,772

monitoring activities of different compliance programs in operating units

New openings

## 241

Remodeled units

## 117

Pharmacies

## 1,468

Treatment plants

## 1,305

Food safety

## 654

Monitoring of pests

## 524

Other

## 2,459

Total visits made for mitigation and projects

## 742

Central America

# 1,947

monitoring activities of different compliance programs in operating units

New openings

## 105

Food safety

## 619

Major maintenance

## 43

Remodeled units

## 78

Monitoring of pests

## 82

Surveying

## 28

Pharmacies

## 65

Other

## 1,030

Mitigation and projects

## 34

Treatment plants

## 387

TOTAL VISITS MADE



In our company, one of our central axes that materializes our ethical commitment is the implementation of several compliance programs that cover our entire value chain



Areas that comprise the Ethics and Compliance program



Below, we outline some highlights of the 2022 Ethics and Compliance programs





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## Health and Safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10

During 2022, one of our greatest successes was the reduction of customer accidents in Mexico and Central America. While returning to face-to-face operations generated a significant increase in the number of customers in our stores, we were prepared and ready to take actions to prevent risks and accidents.

This year, we launched **Zero Accidents** cards in our formats, something we had already successfully tested in our Distribution Centers. Associates in stores use these cards to identify unsafe conditions or actions. Every card raised is one less risk for associates and customers.

**We are focused on taking care of our customers and associates to provide them with a safe place to shop and work**

**150,871**

cards reported

**155,601**

associates trained in Mexico

**8,534**

associates are members of the Health and Safety Committee

**5,187**

Mexico

**3,347**

Central America

We are focused on achieving our zero accidents goal. Today, we have hundreds of stores that have already achieved zero accidents during the year. There is still much to do, but every day we take one step closer to fulfilling our mission.

### ACCIDENTS KPIS

	Mexico			Central America		
	2020	2021	2022	2020	2021	2022
Work-related injuries	5,811	5,464	5,051	768	718	517
Disabling injuries per hours worked	2.18	1.96	1.87	1.674	1.56	1.13
Customer accidents	651	767	693	156	168	155

\*Disabling injuries per hours worked = Disabling injuries\* (200,000)/ Total hours worked

### Training on fire outbreak reduction

**In Central America, we achieved a 13% reduction in the risk of fire outbreaks vs. 2021**

As we continue to reinforce this action year after year, confidence in the safety of our stores for shopping and working is also strengthened. This achievement is due to the implementation of controls and monitoring by the teams, correcting the opportunities detected.



**-27.40%**

reduction in associate accidents and **-20.97%** of customers in Central America vs. 2021

**1,048**

stores and clubs in Mexico with **Zero Accidents**

**-4.50%**

reduction in associate accidents and **-15.00%** of customers in Mexico vs. 2021

## Mexico

## Health and Safety

## Zero Accident Contractor Program

With our Zero Accident program, we are focused on the protection and care of our suppliers. The identification of potential risks together with the constant implementation of protocols, training and monitoring is something we are working on to continue strengthening this program. In 2022, we reinforced our strategy based on four main key actions ranging from immediate action to contain a risk, to the implementation of a plan with long-term results.

### Key actions

#### 1. Skills upgrading

for safety supervisors, red helmets, and for the construction management team.

#### 2. New supplier development

safety assessment for new companies that will provide construction services.

#### 3. Continuous performance evaluation for contractors

this is carried out considering the performance on site and the accident record.

#### 4. Safety leadership

the construction management team monitors construction sites with a self-assessment form and sets an example by following safety rules, being continuously trained and evaluated. Safety begins with the leadership example.

**Likewise, we hold safety meetings with our suppliers, and we call the suppliers with the most accidents and work in progress to request action plans from them.**

## Standardization process and generation of safety procedures

As part of the process to generate greater culture and awareness towards safety, during 2022 new visual safety standards or One Point Lessons (LUP's for its acronym in Spanish ) were updated and created, with the aim of reinforcing safety controls in a clear and standarized manner.

Through the LUPs, we explain guidelines and controls in a simple way, such as: safe unloading, safe use of machines, rules for the use of ladders, permits for hazardous work, handling of merchandise on the sales floor, safe use of blades, use of PPE, among others.

**In Mexico, we launched the high-risk machine operation certification program, starting with tortilla equipment in 2022**

We also launched the hazardous work certification program for our maintenance teams, strengthened our red helmet and contractor control program, and reinforced safety communications to third parties.





Central America

 Health and Safety

## Safe Family Program



During 2022, we continued with the implementation of the Behavior-Based Safety program in 100% of our units, including stores, plants and DCs. We train and raise awareness among observers in each of our work units, create online observations and generate real-time behavioral and condition monitoring records.

Additionally, we launched the culture program towards the prevention of accidents under the motto **“Juntos nos Cuidamos”** (“Together we take care of ourselves”), through which we seek to reinforce culture processes and individual and collective recognition, in order to improve safe behaviors and habits.



Thanks to the Behavior-Based Safety program, in 2022 we generated

**188,094**

safe behavior  
observation records

We managed to get **3,163** associates to voluntarily start the modules, while **1,394** of them successfully completed Module 1 and continue their safety culture certification process.





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## Ethics

During 2022, we continued to promote our Code of Conduct, launched in 2021, as a key tool for success

Undoubtedly, our business is as important as the products we sell and the services we provide based on ethical, transparent and reliable conduct.



This year, we continued with different actions in Mexico and Central America that help our associates maintain a culture of integrity:

### Annual Training

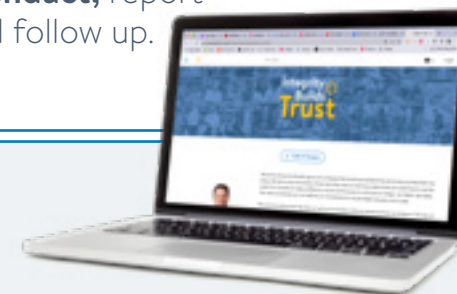
In Mexico we imparted **17,308 hours** of training on our Code of Conduct to the Operations and Staff associates, covering **97.54%** and **95.77%** respectively. In Central America, we imparted **3,743 hours**, covering **94%** of the company's associates.

### Integrity in Action Award

Every year we make a global recognition that honors associates who **exemplify our values and define our culture of integrity** every day.

### WalmartEthics.com

Through this platform, which is available in 11 languages and globally accessible, stakeholders can ask questions, read our **Code of Conduct**, report ethical concerns and follow up.



### Integrity Index

The Integrity Index is composed of six questions that are included in the annual associate survey. **This year, the Index increased in Mexico from 82% in 2021 to 86% in 2022.**

Particularly, in **Central America** there was an increase from **90% in 2021 to 91% in 2022.**

2021 2022

#### Costa Rica

86%

87%

#### Guatemala

90%

93%

#### El Salvador

90%

95%

#### Nicaragua

91%

94%

#### Honduras

92%

91%

### Ethical Case Management

We have centralized local research teams, achieving great improvements in efficiency, consistency, protocol tracking and information processing.

### Presence in Strategic Forums

We conveyed key messages about integrity matters in forums such as the Year Beginning Meeting (JIA, for its acronym in Spanish), Year-End Meeting (JUFA, for its acronym in Spanish), Annual Executive Session and Compliance Tour.

### Communication Campaigns

We disseminated strategic communications to associates on relevant ethical topics to strengthen the culture of integrity, addressing issues such as **Integrity builds trust, Confidence to report concerns, Retaliation, Conflict of interest, Bribery, Prevention of sexual harassment and discrimination, Prevention of fraud and dishonesty.**

### Alignment with Suppliers

We conveyed messages about Walmart's culture of integrity to external suppliers through initiatives such as ExpoWalmart and the dissemination of a virtual ethical poster.

### Integrity for Leadership Series

We shared positive leadership capsules with the organization's leaders focusing on integrity issues that were cascaded by level down to hourly associates, addressing topics such as **Trust to report concerns and Acting ethically and honestly.**



GRI 2-16

## Being transparent involves not only talking about our accomplishments – it is also ethical to detect our areas of opportunity

To this end, our stakeholders have access to different channels for reporting their concerns. This allows us, on one hand, to detect non-compliance with our Code of Conduct, which is forcefully eradicated, on the other hand, to prevent potential risks affecting our stakeholders or environment. The mechanisms for reporting their concerns are the following:

**Open door communication** with the direct leader, next level leader, People, Ethics and Compliance or Legal leader

#### Website

<http://www.walmartethics.com>

#### email

[ethics@walmart.com](mailto:ethics@walmart.com)

### Mexico and Central America Ethics Line

available 24 hours a day, every day of the week

#### Costa Rica

**0800 542 5443**

#### Guatemala

**1800 835 0377**

#### Honduras

**800 2220 0141**

#### El Salvador

**800 6126**

Land and mobile lines

**800 384 22**

For IP calls only

#### Nicaragua

**001 800 2201 967**

Landlines only

**505 2248 2275**

All lines. Additional cost call

#### Mexico

**800 963 8422**



## Actions and Policy



GRI 2-15, 205-3, 406-1

## Actions taken derived from reported ethical cases

All confirmed cases result in a disciplinary action ranging from a reprimand to termination of employment.



In addition to the findings identified in such cases, remediation measures are implemented in coordination with the business areas, including training, process improvements, policy publication and modification, communication reinforcement, among others.

## Global Harassment and Discrimination Prevention Policy

It establishes guidelines that strictly prohibit all forms of discrimination and harassment.

## Global Conflict of Interest Policy

It establishes how our associates should act, taking into account the company's interests and exercising good judgment, without considering personal interests or situations that may affect their objectivity to make decisions.

In Central America, we implemented a robust conflict of interest prevention plan, which consisted of the following steps:

- **Conflict of Interest Form:** all new and promoted associates completed this statement, so that any potential conflict of interest was disclosed in writing and could be reviewed in advance and prevented in a timely manner
- **Signature of acceptance of the Global Conflict of Interest Policy for all new associates:** associates read, accept and agree to comply with it at the time of hiring
- **Annual review:** once a year, the CI team randomly reviews the Conflict of Interest form from a sample of associates to validate that the document has been signed as part of the recruitment process
- **Communication campaigns:** in July 2022, we issued a reminder about the importance of updating the Conflict of Interest Form and disseminated an awareness campaign in April, November and December 2022
- **Alignment with external suppliers:** in March 2022, relevant information about conflict of interest was included in the electronic ethical poster, which was distributed to suppliers

## Sexual Harassment

At Walmart, we are committed to being a workplace free from sexual harassment. To this end, in Mexico during 2022 we maintained a permanent sexual harassment prevention campaign, obtaining significant results that transcend beyond the company.

**Particularly in Mexico,** during this year we worked comprehensively and jointly with the Ethics, Compliance, Legal, Human Resources and Operation areas. The result was to raise awareness of some behaviors that were not identified as harassment, and thus be reported, investigated and corrected. This allows to create a free work environment, where no sexual harassment is tolerated and all confirmed events are sanctioned without leaving room for impunity.

In addition, this year we were able to significantly reduce the life time of cases below the target time. In other words, the priority and commitment to contribute to eradicating harassment was reflected in the speed with which we resolve cases. As a result, we can take much quicker actions on improper behaviors and address reported concerns more promptly.

**Particularly in Central America,** we carried out the following activities in relation to this topic:

- The signing of the Zero Tolerance to Sexual Harassment Pledge was renewed
- Costa Rica's Protocol for Sexual Harassment Cases was updated
- The Sexual Harassment Prevention campaign was issued and Human Resources, Compliance and Legal advisors were trained
- The integration of the Commission for the Investigation of Sexual Harassment Cases for Costa Rica was reviewed, in accordance with the requirements of the national legislation on this matter, in order to make the investigation of sexual harassment cases more efficient
- Investigation timeframes for sexual harassment cases were reduced by prioritizing them, placing the associate at the forefront and reducing legal risks for the company

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## Anticorruption

GRI 205-1, 205-2, 205,3

Being one of the best companies in the world puts us in the public eye. We are a high-performance company that contributes to the development of the countries where we operate. Control and prevention are a permanent part of our entire value chain in order to avoid any irregular action that, no matter how small, indisputably affects our purpose as a company.

Our **Global Anticorruption Policy** explicitly prohibits any undue payment under any circumstances from any actor in our environment. At Walmart, this type of act constitutes a direct violation of our **Code of Conduct**, which carries disciplinary sanctions among other consequences. In this way, we have global procedures and protocols that are activated on a daily basis to deal with these type of situations.

[Global Anticorruption Policy](#)[Code of Conduct](#)

**Two main axes that allow us to reinforce our ethical and compliance behaviors in Mexico and Central America were Preventive Measures and Corrective Actions.**

### Preventive Measures

We carried out Third Party Intermediaries audits (TPIs), which allowed us to better understand the services and operations of our external partners, reinforcing compliance with our **Anticorruption Policy and Procedures**. We also carried out the corresponding training on the subject, which was in turn reinforced through communications to the defined audiences, both internally and externally.



### Corrective Actions

We implemented action plans to remedy risks identified by our monitoring and audit teams, which is part of our continuous improvement in anticorruption matters.

In addition, the Anticorruption monitoring team will expand to monitor other areas in the Ethics and Compliance program.



### ASSOCIATES COMPLETED ANTICORRUPTION TRAINING

Mexico

14,043

Central America

6,663

### THIRD PARTIES COMPLETED OR RENEWED THEIR ANTICORRUPTION TRAINING

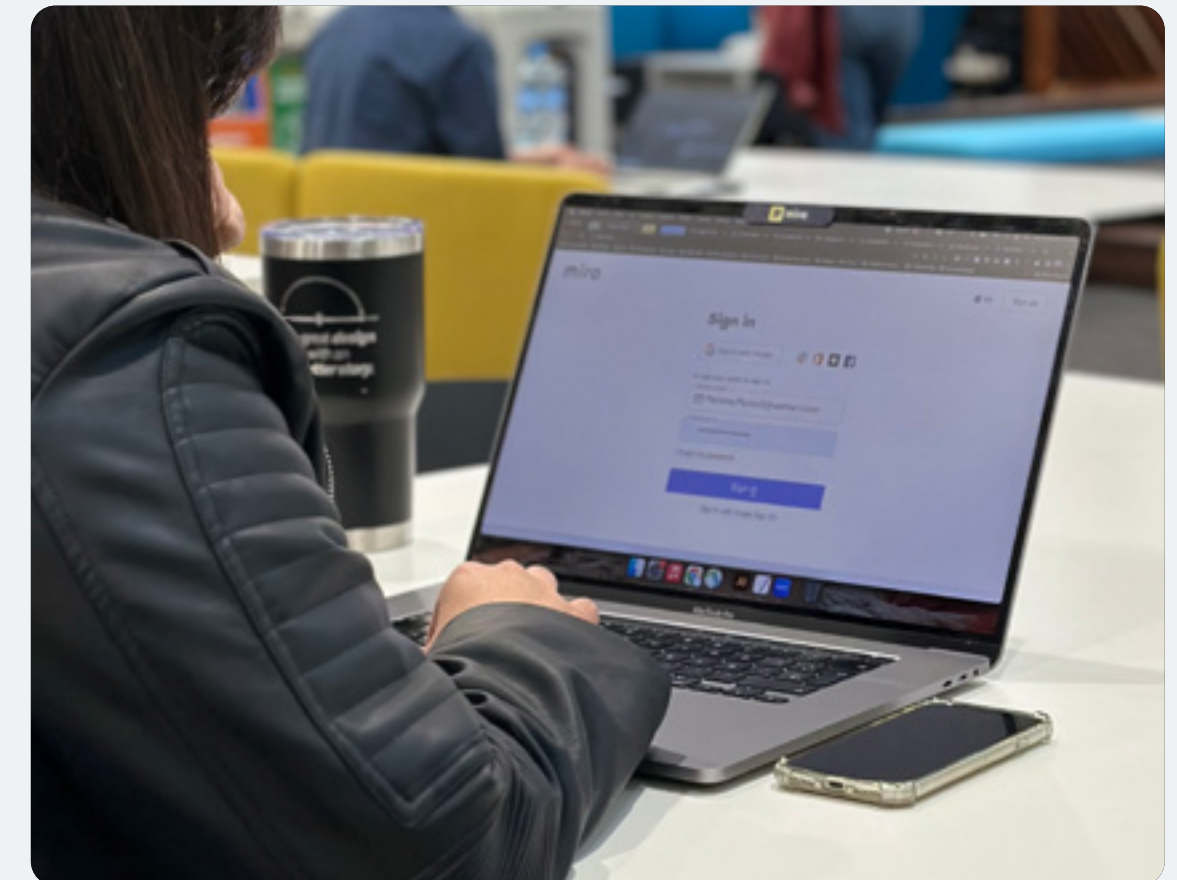
Mexico

594\*

Central America

150\*

\*Business partners







## Food Safety

GRI 416-1 SASB FB-FR-250A.1, FB-FR-260A.2

This year, to reinforce the Food Fraud Program in Mexico and Central America, we used different tools to achieve our objectives:

### Threat & Vulnerability Risk Assessment

It is a tool that categorizes foods by risk level according to different criteria ranging from their composition, their history, and up to their manufacturing procedures. Through these factors, we can determine a higher or lower risk category. Once this level has been identified, we proceed to generate a specific monitoring plan.

### Software Horizon Scan

It is a tool that identifies food safety risks, food fraud, non-compliance with labeling laws and ingredient substitution in other countries. With this tool, we can determine whether there is a potential risk in our Private Brands' products or not.

### Incorporation of new testing techniques for detecting ingredient substitutions and/or non-compliance with ingredient additions

This is to ensure that **our Private Brands'** products always comply with applicable regulatory laws.



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## Global Food Safety Initiative (GFSI)

We require all suppliers of our Private Brands to be certified in this type of scheme within a reasonable period of time, in case they do not have their own system.

In addition, our meat plant located in Cuautitlán is Safe Quality Food (SQF L-2) certified. This certification allows us to market products that guarantee quality and food safety.



Storage and Distribution Best Practices Audits to DCs and perishable goods deconsolidators:

Mexico

29

Central America

36

External audits  
12

### In Central America, 100% of Fruit and Vegetable suppliers were included in the GFSI program:

#### IMPORTED FRUIT AND VEGETABLE SUPPLIERS

Audited suppliers

63

Audited plants

269

Percentage of certified plants

100%

#### AUDIT TYPE

Global Food Safety Initiative - GFSI

269

Global Markets

0

#### FOOD SAFETY AUDITS IN STORES

10,295

### OUR BRANDS' FOODS

	Mexico	Central America
Audited suppliers	314	180
Audited plants	378	235
Percentage of certified plants	95.5%	95%

### AUDIT TYPE

	Mexico	Central America
Global Food Safety Initiative Certification (GFSI)	361	223
Global Markets	17	12



## Privacy

GRI 418-1 SASB FB-FR-230A.1, CG-MR-230A.2,  
CG-EC-230A.2, CG-EC-220A.1, CG-EC-220A.2

We value the privacy and protection of our associates', customers' and suppliers' personal data as an ethical principle and human right. The information shared by our stakeholders is highly guarded and protected.

### We comply with all regulatory requirements for the acquisition, use and retention of personal information

At Walmart de México y Centroamérica, our [Privacy Notices](#) are published to provide transparency to our customers, associates and suppliers, clearly defining the type of data we process, as well as the purposes for which we process them.

*In 2022, we conducted programs that reinforce our commitment to respecting privacy*



#### EPRA (Enterprise Privacy Risk Assessment)

We developed training and communication campaigns for our business partners in order to understand the importance of the privacy review process through the EPRA, which is applicable to projects involving the processing of personal data. This allows us to identify and mitigate risks and protect our customers' and associates' personal data. All in accordance with the periodic review and update of global policies and standards aimed at the proper handling of personal data and records, among others.

## Incident Response

As every year, we successfully carried out the incident response drill in conjunction with the Incident Response Committee. As a result of these prevention mechanisms, we are prepared and aligned to act effectively in data incident contexts. Additionally, in 2022 we modified our local incident response plan to align it to global processes.

**In 2022, we had no confirmed incidents of privacy breaches or data leakage of our customers in Mexico and Central America**





## Environmental

GRI 304-1, 304-2, 304-3, 304-4, 306-3, 307-1

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This program aims to comply with legal environmental requirements in the region. To this end, we harmonize regulatory obligations with our best practices. The goal of being a regenerative company drives us to go beyond the legal requirements and achieve high-impact positive results for the benefit of the environmental ecosystem and humanity.

### Mexico

During this year, 7,187 environmental analyses were carried out in Mexico. For the waste program, a total of 1,558 reports on compliance with special waste management plans were submitted, of which, 726 were updates, renewals or first time plan reports. In addition, 1,272 compliance reports were submitted for the Environmental Impact and Risk category.

For wastewater area, a multi-area working group was established in 2022 to implement actions and generate plans to improve water quality that considers all the areas involved in wastewater management. In addition, a multi-year plan was developed to build and renovate treatment plants, as well as to adapt existing treatment plants to comply with the new regulations for wastewater discharges to national assets.

*The environment and humanity are at the center of our actions*

### Project with protected species 2022:

#### Mexico

Rancharía Marín DC, was built in the state of Tabasco where:

**106**  
species  
impacted

**17.62**  
hectares of  
impacted area

#### Central America

None of the units reported negative impacts on biodiversity or alteration to ecosystems located in protected areas. Nor were found near areas of high biodiversity value.

### Central America

In relation to the wastewater program

**5,642**  
samples were taken

**1,393**  
monitoring reports were prepared  
and submitted to the authorities



Thanks to our training program, **3,996 associates were trained in environmental issues** and the **Planet Project Program** was launched in conjunction with the Communication Department and Operations Center to raise awareness among our associates about the pillars, goals and actions we are taking to become a **Regenerative Company**.



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## Health and Wellness

GRI 416-1

Our Health and Wellness program in Mexico and Central America aims to comply with all legal requirements, as well as with the best market practices and thus guarantee the optimal operation of our pharmacies and doctor's offices. Likewise, this program establishes and implements the regulatory controls to be complied with in the marketing of products.

We have established standards and controls that ensure we always do the right thing, at all times and in all places. We continually reinforce the protocols of our pharmacies and distribution centers and thus guarantee safe, effective products that comply with current health regulations.

During 2022 we stood out for the following actions in Mexico

We updated the standard operating procedures (SOPs) of pharmacies

We strengthened controls related to product cataloging and supplier registration

We strengthened the validation of health care supplies prior to adding and cataloging them

We implemented temperature and humidity controls and monitoring throughout the transportation of health supplies

In addition, this year the Health and Wellness Program supported the market strategy in launching new health products and services, such as:

- Electronic prescription pilot program in 15 units
- Health membership in 980 units
- Increase in home delivery service, reaching 971 units
- Opening of the Marketplace platform for the commercialization of Class I and II medical devices

### TRAINING AND EDUCATION

# 5,106

pharmacy associates were trained on-line

# 2,338

associates were trained in DCs through 13 training capsules that cover 34 procedures

# 363

Medimart Products

5,254  
Products in Pharmacy

45  
Medimart  
Suppliers

292  
Medimart  
products analysis

68  
Medimart supplier facilities  
audited in 2022

+100  
Non-Medimart Suppliers

Establishments (where medicines, supplements and/or medical devices are stored, distributed or commercialized)

1,873  
stores selling over-  
the-counter products

1,484  
Pharmacies

14  
DCs

1  
Return Center

413  
Doctor's offices  
in operation

1468  
Internal  
pharmacy audits

## Central America

# 172

pharmacies

# 4

in DCs

Costa Rica 88

1

Guatemala 46

1

El Salvador 8

1

Nicaragua 30

1

### AUDITS

1,371  
external audits  
to pharmacies

492  
internal audits  
to pharmacies

11  
external  
audits to DCs

### TRAINING AND EDUCATION

Pharmacy  
354  
associates were  
trained with CBL  
course

DCs  
7  
associates were  
trained with CBL  
course





## Prevention of Money Laundering & Financial Services

We have a **Prevention of Money Laundering** program aligned with Walmart's global policies and applicable legislation in Mexico and Central America.

During 2022, in Mexico we supported the market strategy in launching new financial products and services and implemented new controls that comply with regulatory requirements and best practices at Walmart, such as:

### Remittances from Walmart US to Walmart Mexico

In conjunction with the global team, we implemented constant monitoring to detect unusual activity in the company. This helps prevent money laundering and consumer fraud.

### Quality Assurance (QA) process

We work closely with the global team to carry out a QA process that reviews the quality of investigations into alerts and detection of cases for unusual remittance activity, helping us to prevent money laundering and consumer fraud.

### Global Standards such as NPRA & VRA

In Mexico and Central America, standards have been implemented that consist of risk assessment in new business partners, as well as Financial Products and Services (NPRA - New Product Risk Assessment/VRA - Vendor Risk Assessment). In doing so, we ensured that all new 2022 projects were previously reviewed by the Anti Money Laundering area in order to identify, document and mitigate money laundering and consumer fraud risks.

### Remittances

Strengthening controls on existing business models in the region, such as self-service and money centers.

### Financing

Launching of the CrediWalmart pilot, which offers customers a new financing option to access the purchase of general merchandise items.

### Know Your Third Party and Due Diligence Program

Continuity of the company's project to strengthen controls and simplify the process of creating new suppliers in the market.

In the case of Central America, during the same period, the **Prevention of Money Laundering Program**, among others, supported the market strategy in products and processes such as:



## Licenses and Permits

*We comply with the licenses and permits required by our entire value chain*



In Mexico, during 2022 we managed more than 38 thousand licenses for the operation of our stores and clubs, of which 15,501 were renewed during the year. In addition, we obtained more than 4,500 licenses for the construction and operation of new units and other strategic company projects.

In Central America, during 2022 we managed more than 7,000 licenses for the operation of our stores, of which 2,594 were renewed during the year. In addition, we obtained more than 275 licenses for the construction and operation of new units and other strategic company projects.

The entire process, both in Mexico and Central America, is documented in our Global License Management (GLM) system, from researching requirements, authority data, entry, application and fee payment, to obtaining the license document.



## Product Safety

GRI 416-1 SASB CG-MR-410a

One of our obligations is to ensure the safety of the products we sell to our customers. From cosmetics, consumables, apparel, footwear to general merchandise, we ensure that they comply with safety, regulations and quality standards.

We perform annual random monitoring of all our categories classified as “high risk”, which consists of verifying, through testing methods accredited by the EMA/ Cofepris, that the products comply with safety standards to preserve the health of our consumers. Likewise, corrective and preventive action plans are worked out in case of finding deviations from our suppliers.

Among the review protocols are the certifications in the current standards, which are delivered by the suppliers, and where the requirements and safety of the products are reviewed, with emphasis on our Private Brands.

In addition, we supervise textile and footwear products through laboratory tests and factory inspections of national and import suppliers, in order to validate compliance with regulations and the safety and quality standards established by Walmart.

During 2022 in Mexico, through FCCA (Factory Capability and Capacity Audit) audits of eight categories (apparel, linens, footwear, cosmetics, electrical and electronics, jewelry and accessories, toys and general merchandise), Private Brands factories were requested and verified to have safety and quality controls in place.

In addition, we participated in seven of the 12 quality studies for general merchandise promoted during 2022 by Profeco for the following products: towels, latex gloves, pants, socks, electrical extensions, t-shirts and Private Brands roto-hammers, to ensure that the company’s requirements are met and that the products are safe for our customers and members.

**The safety of our products is not limited to regulatory requirements; we go beyond that and incorporate international standards for reliable and safe products.**

### Private Brands suppliers evaluated in Mexico:

FOOTWEAR	GENERAL MERCHANDISE	TEXTILES	INSPECTIONS
<b>16</b> suppliers	<b>480</b> suppliers	<b>175</b> suppliers	<b>18,574</b> factory inspections of national suppliers
<b>42</b> audits	<b>786</b> audits	<b>326</b> audits	<b>1,455</b> source inspections to import suppliers
<b>2</b> not approved	<b>14</b> not approved	<b>53</b> not approved	<b>984</b> source inspections to import suppliers - Walmart Sourcing

**In Central America, we manage more than 17 thousand health registrations required by regulations** to reinforce the sale and commercialization of safe products for our customers’ consumption, and of these, more than 1,800 health registrations were obtained or renewed.

In addition, monitoring was conducted for products that by regulation are required to have a safety or consumption and/or energy efficiency certification, and the sample reviewed showed that 100% of the suppliers and products inspected during 2022 had the required certifications, as shown below:

GENERAL MERCHANDISE	
<b>48</b> suppliers	<b>419</b> product certification reviews
HOUSEHOLD APPLIANCES	
<b>2</b> suppliers	<b>24</b> product analyses / Energy efficiency





## Labor and Employment

GRI 402-1, 408-1, 409-1

← BACK

Every day we ensure that we comply with the labor rights of our associates in Mexico and Central America, we take action to ensure that they are aware of their rights, such as working in an environment free of discrimination and sexual or workplace harassment, being paid correctly, and guaranteed rest periods. Thanks to these practices, labor standards become habits that respect human rights.



LEARN MORE ABOUT  
OUR EFFORTS



## Foreign Trade

Our Foreign Trade program consists of ensuring that the import and export of the company's merchandise complies with the applicable foreign trade regulations, as well as the payment of the appropriate taxes for foreign trade operations.

**This program also ensures that we maintain a safe and secure supply chain during the import process**

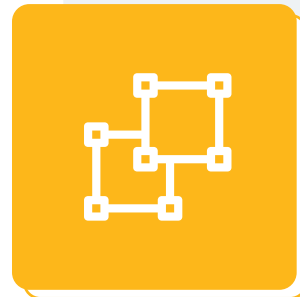
We perform monthly monitoring of imports for the entire company, including eCommerce, in order to ensure that the foreign trade standards and controls implemented are being followed correctly.



With regard to compliance with applicable foreign trade regulations, in Mexico, in collaboration with the Imports area, we ensured that import logistics service suppliers have governmental security standards, controls and certifications, for example: Customs and Trade Partnership Against Terrorism (CTPAT), Authorized Economic Operator (AEO) and Partners in Protection (PIP), in order to keep the supply chain of imported goods safe and secure, avoiding operational disruptions, as well as drug, arms and human trafficking, among others.

In Central America, efforts were made on specific foreign trade issues, such as rules of origin in free trade agreements, based on the amount purchased and from origins such as the United States, Mexico and Central America. This way, we ensure that our customs declarations to the competent authority are accurate, thus avoiding fines or reputational damage to the company.





## Antitrust

GRI 206-1

← BACK

We offer constant training in antitrust matters both to areas that represent greater risk, as well as to other areas that develop new projects within the business. In this regard, **during 2022, an electronic Antitrust Compliance training was implemented**, aimed at our Purchasing or Category areas, through which associates from those areas were trained. The implementation of the local and global trainings (Antitrust and Competition Law Foundations) facilitated the customization of face-to-face training sessions for all Walmart teams, aligning them under the same ethical and legal purpose.

During 2022, we constantly reinforced relevant Antitrust Compliance issues. For example, direct and personalized communications were sent to suppliers and sellers about Walmart's commitment to comply with antitrust laws and negotiation rules to avoid anti-competitive practices. This communication was further reinforced with a message from our Procurement Leader to supplier leadership. In doing so, we ensure that each supplier and seller is committed to Walmart's ethical and compliance purposes.

On the other hand, various queries from the Category (Procurement), Marketplace and Growth teams were resolved, providing business-oriented solutions; in addition, the implementation of new monetization initiatives was reviewed and validated in conjunction with the Legal area, which allowed us to reinforce our identity of transparency and trust.

ASSOCIATES TRAINED MEXICO  
AND CENTRAL AMERICA

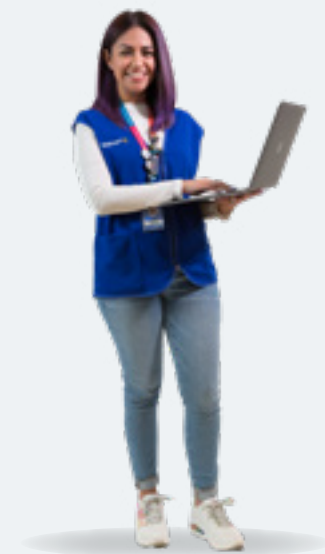
**5,877**

associates were trained  
(including e-training)

**24**

face-to-  
face training  
sessions

**Our main objective is to train and sensitize our associates to prevent and detect any potentially anticompetitive behavior**







## Consumer Protection

GRI 416-2, 417-1, 417-2, 417-3, 2-27  
SASB FB-FR-270A.1

[← BACK](#)

### Our customers inspire us, that is why it is our duty to protect and defend their rights

Our customers are at the center of our decisions and every day we align ourselves with consumer protection requirements and best practices. To this end, we have a highly trained team, capable of taking comprehensive actions that always seek to provide the required information to the consumer so that they can make an informed purchase decision.

We have efficient controls that allow us to strengthen every day the requirements of the regulation on Consumer Protection, being the main ones related to:

Origin of product or service components

Content, especially with regard to substances that may have an environmental, social or nutritional impact

Product or service safety instructions

Product labeling

Each year we continue the **Consumer Protection program** to apply efficient procedures. We also carry out the communication and training program for store and club teams as well as staff that generate information, advertising and/or promotions for our customers. For example, we perform electronic training on Advertising and Promotions Rules with the applicable rules for each product.

This ensures that such information is clear and truthful, complies with legal and ethical requirements, and helps our customers and members to make an informed purchasing decision. In addition, we reinforce communication and training in staff and operation, in order to

avoid sanctions by authorities and respond to our customers' needs. We know that in order to maintain customer loyalty, it is important to provide effective continuity to our policies, programs and processes.

For this reason, **during 2022 we reinforced controls to prohibit the sale of alcohol to minors**, both at physical stores and in home deliveries, which we monitor. We also created a complaint dashboard for Bait, our mobile phone service, which allows us to identify the most relevant issues by type and by state within the country so that they can be addressed.

On the other hand, we adhere to Walmart's regulatory requirements and best practices that allow us to periodically control and monitor the terms and conditions of products and/or promotions in each of our verticals: Bait, Cashi, Connect and Health. In addition, we constantly train our Marketing teams, among other teams that prepare the advertising material, in order to provide correct, clear and complete information for our customers.

We know that transparency generates trust, so we reinforce our requirements regarding the information offered in our company. We took additional actions; for example, we implemented a matrix that requires minimum advertising requirements (e.g., validity of promotions, terms and conditions, cautionary legends, etc.) to be enforced by the Walmart Connect team and Marketing teams across all formats.

In addition, we ask our suppliers to update their images for our online sales sites.

### We reinforce our objective of maintaining clear and transparent information, directly benefiting our customers.

In Central America to review the labeling requirements of products in different categories, such as Food, Consumption and Perishables, in order to verify compliance with regulations.

Another important focal point of the compliance program is the attention to consumers in the post-sale process. During 2022, several training sessions were held for store teams in Central America to provide them with tools for timely handling of warranty claims from consumers when items are defective.







GRI 308-1,308-2,408-1,414-1,414-2, FB-FR-430A.3,  
FB-FR-430A.1,CG-MR-410A.1

## DIGNITY THROUGHOUT OUR VALUE CHAIN

### Responsible Sourcing

*We are agents of change in favor  
of social progress and  
environmental conservation*

To achieve this, it is necessary to take care of our value chain from the perspective of responsibility, transparency and legal compliance. To this end, we are strengthening our relationships with suppliers. In this way we eradicate any conduct that negatively impacts human rights and the environment.

The prohibition of forced and child labor, equality and non-discrimination, the prohibition of corruption and the guarantee of decent work are our daily commitments. In turn, the responsible use of environmentally friendly products, as well as the reduction of our carbon footprint, are goals that are reaffirmed and reinforced every year. To speak of a responsible value chain is to speak of a regenerative company, which evaluates and monitors our actions and the actions of third parties that make up our value chain.

In 2022, we had

**7,466**

suppliers with active contracts for Mexico and Central America markets

According to the Factory Audit System, there are

**1,734**

single active facilities in Mexico and Central America that supply several Walmart retail markets, including retail markets in Mexico and Central America



We continue to grow together with our suppliers. For this reason, we improve the different mechanisms available to our suppliers and support them in promoting the human dignity of workers.

### Responsible Sourcing Academy

We provide training resources and guidance on best practices from a training perspective, developed by third parties and in several languages.

Subjects addressed:

- Audit guides
- Global compliance guide
- Forced labor
- Health and safety
- Supply chain controls

61

supplier representatives have completed training courses in Mexico y Central America

58

new supplier representatives have been trained in Mexico y Central America



### Training Sessions and Special Sessions:

Our associates in the Responsible Sourcing area conduct sessions to involve new suppliers in the dynamics with the commitments of respect and protection to labor rights, so that they can be applied internally by each supplier within their companies. Likewise, new suppliers learn about the Responsible Sourcing Compliance Program, its policies and scope. Additionally, we carry out annual trainings in order to update or specify topics that may require it, following the detection of risks that may be identified.

This year, one of our objectives was to ensure that suppliers are aware of the purpose and requirements of the **Responsible Sourcing Program**, as well as to follow up on the improvement of their facility scores.

Additionally, in Central America we focus on providing useful and effective information to comply with Responsible Sourcing requirements:



We created audit guides for new or potential suppliers, in order to give effective visibility to the requirements of the applicable programs, depending on the specific product

We accompany existing suppliers to improve the score of their facilities and avoid their inactivation or removal. Therefore, we implemented training sessions focused on remediation of the major risks found during the audit. We reinforced suppliers' obligation to know and comply with the **Supplier Standards**, given that they have made a commitment to apply these duties in their businesses and throughout the process of supplying products to Walmart. In addition, they inspired liability practices for the conduct of any supplier, subcontractor and agent involved in their business activities, such as factories, processing facilities, raw material, component and ingredient suppliers, among others.

## Evaluating Supply Chain Risks

### Annually, our Responsible Sourcing area performs risk assessment within our supply chain

This allows us to identify risks in order to provide efficient solutions. We have adequate criteria to meet risk prevention or mitigation objectives.

Some of these evaluation criteria are:

Detection of areas most prone to and with the greatest impact on key risks in our supply chain

Risk analysis by country where we operate, based on internal and external data that take into account scope and severity factors

Identification of specific commodity and other product risks, based on data, local and expert intelligence, among other sources, which allows us to better understand the locations and supply chains where problems are particularly severe



Once the main sources of risk are identified, we proceed to detect the causes that originated them, as well as conducting an evaluation that contributes to solve them and that considers the possibility of making changes in our policies or procedures, in order to provide a comprehensive response.

The audits address a variety of topics, allowing for the inclusion of diverse approaches, such as workers' compensation, voluntary labor practices, working age laws and standards, working hours, and facility health and safety standards, among others.





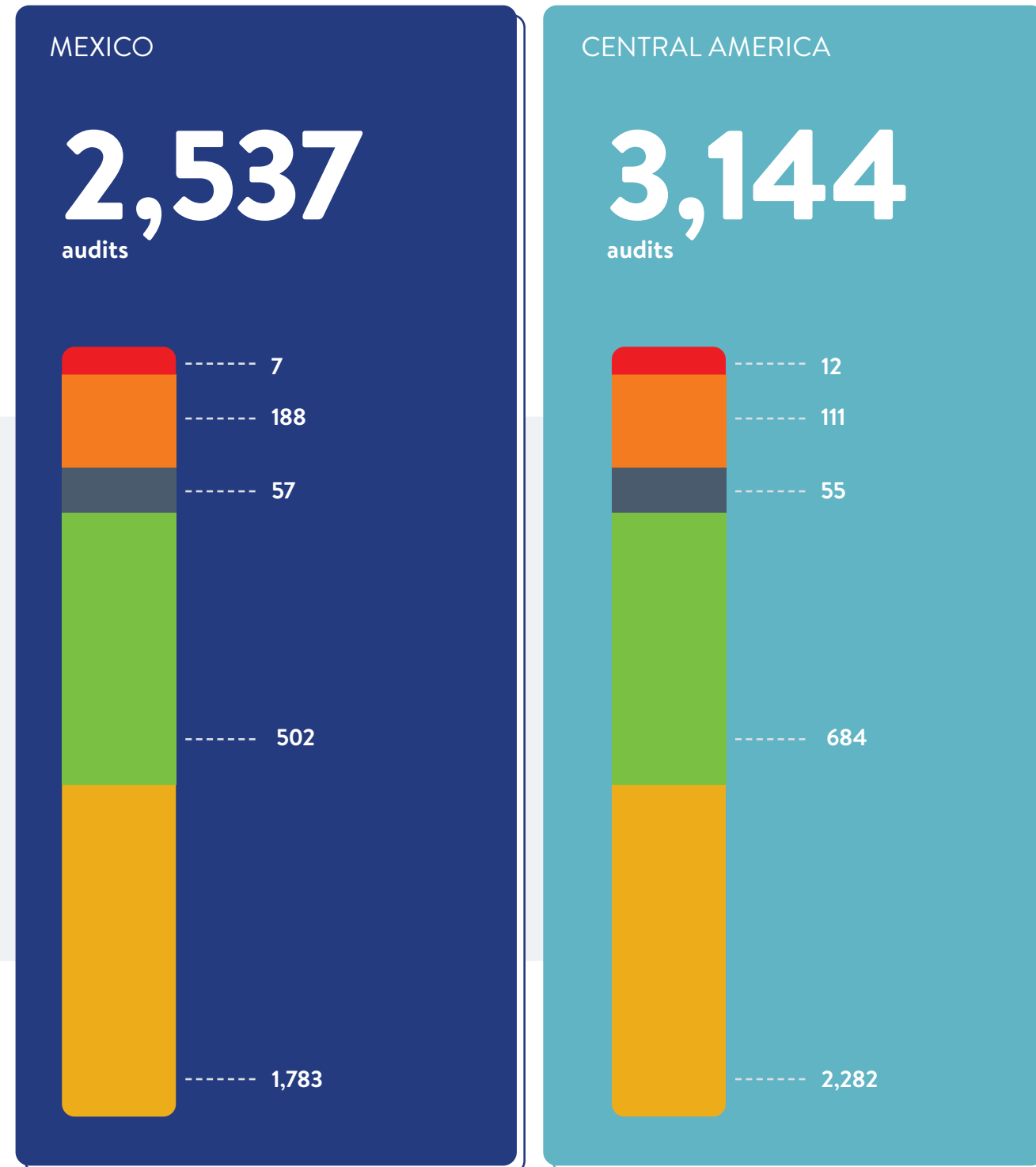
## Audit and Risk Classification

In 2022, we continued with the classification of the third-party audit reports submitted for each facility. We assigned a green, yellow, orange or red rating for each facility, based on the evaluation of the third-party program and our own review of the report, according to our **Supplier Audit and Evaluation Policy**. This allowed us to determine the supplier's level of compliance with our standards



\* Three consecutive Orange ratings may result in a Red rating, regardless of whether the facility remains in good standing with the audit program chosen.  
\*\*If a facility is given a Red rating, it may be banned from producing goods for Walmart indefinitely or its production may be halted and/or its product refused.

### AUDIT RESULTS



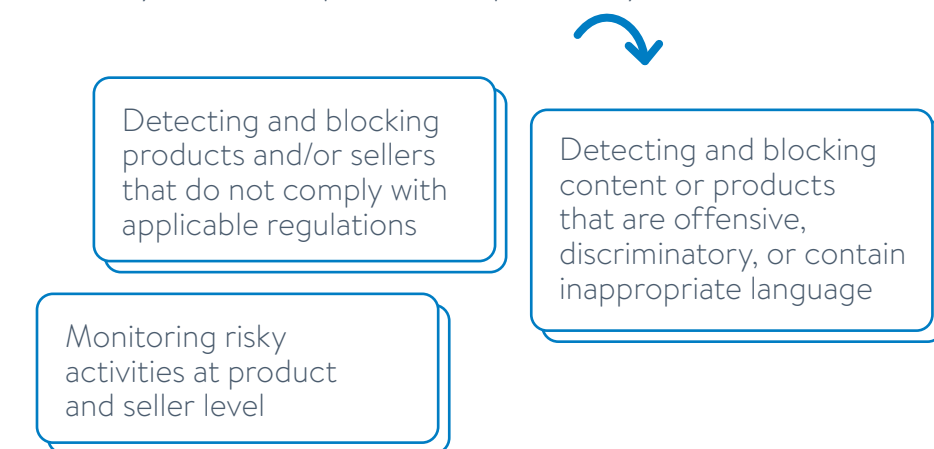
## Claim mechanisms

Our Responsible Sourcing area offers different accessible channels to raise concerns about irregularities, and thus seek remediation solutions.



## Trust and Safety

Trust and Safety is a program that defines policies and uses tools, systems, and processes specifically for:



By carrying out these activities, we can provide our customers with a secure place to transact on our Marketplace platform, building and maintaining their trust.



# CORPORATE GOVERNANCE

GRI 2-9

The goals achieved in 2022 are possible thanks to the experience, leadership and commitment of our corporate governance

## Board of Directors

GRI 2-9, 2-10, 2-11,2-12,2-14,2-17,2-18,2-19,2-20, 2-21, 405-1 SASB CG-EC-330A.3, CG-MR-330A.1

### GENERAL INFORMATION

	Judith McKenna	María Teresa Arnal	Adolfo Cerezo	Ernesto Cervera	Kirsten S. Evans	Leigh Hopkins	Eric Pérez-Grovas	Elizabeth Kwo	Guilherme Loureiro	Karthik Raghupathy	Tom Ward
Gender	F	F	M	M	F	M	M	F	M	M	M
President	■										
Independent		■	■	■			■	■			
Members since	2022	2022	2012	2014	2018	2022	2018	2022	2016	2022	2021

### EXPERIENCE

Accounting & Audit	■		■	■		■	■		■		
Branding & Marketing					■				■		■
Business Strategy	■	■	■	■	■	■	■	■	■	■	■
Corporate Governance	■	■	■	■	■	■	■	■	■	■	■
Economics and Finance	■	■	■	■	■	■	■		■	■	
Energy											■
Entrepreneurship	■	■							■		
Environmental, Climate Change, Sustainability											■
Ethics & Integrity	■								■		
Health & Safety								■			
Human Resources	■					■		■	■		■
Human Rights	■							■	■		
Technological Information/Cybersecurity		■		■			■			■	■
Investor Relations	■	■	■			■	■		■		
Logistics	■								■		
Manufacture		■			■						
Mergers & Acquisitions			■	■		■				■	■
Institutional Relations	■		■	■	■		■		■	■	
Real Estate			■			■					■
Regulatory and Legal Affairs	■		■		■					■	
Risk Management	■	■	■			■	■	■	■	■	■
Sales	■	■	■	■	■	■	■		■		■

## COMPOSITION AND FREQUENCY OF THE BOARD OF DIRECTORS

It is comprised solely by statutory members.

The officers of the Company and its subsidiaries are limited to executive presidency and general direction positions only.

[LEARN MORE ABOUT BOARD MEMBER BIOGRAPHIES](#)

Members are appointed each year by the Ordinary Shareholders' Assembly.

The Board of Directors meets a minimum of four times a year. During 2022, they held 4 meetings. The average meeting attendance was of 84%.

[LEARN MORE ABOUT PRIMARY RESPONSIBILITIES AND OTHER PRACTICES](#)

Independent Directors must constitute a minimum of 25% of total members. As of December 31, 2022, 45% of all directors are independent.

The average tenure of the members of the Board is 3 years.

Minority shareholders, whose shares represent a minimum of 10% of owners' equity, have the right to appoint and remove a member of the Board of Directors. Their appointment may only be removed when the other members of the Board of Directors are revoked.

At the close of 2022, 29.49% of the company shares are traded among the investor public.

4

of the members are women, i.e. 36%

5

of the members are independent, i.e 45%

## Audit and Corporate Practices Committees

GRI, 2-9, 2-19, 2- 20, 207-2, 405-1

Currently, the committees are integrated by five directors, all of them independent.

- Adolfo Cerezo – President
- Ernesto Cervera
- Eric Pérez-Grovas
- Elizabeth Kwo
- María Teresa Arnal

[LEARN MORE ABOUT THEIR PRIMARY RESPONSIBILITIES, PRINCIPAL REQUIREMENTS AND PRACTICES](#)

## Walmart de México Foundation Board Of Trustees

GRI 405-1, 2-13, 2-9

It is made up of 13 trustees, four of whom are independent directors and meet four times a year.

[LEARN MORE ABOUT ITS CONFORMATION AND MEMBERS](#)





## GOOD DIGITAL CITIZENS

We seek to build and maintain the trust of our customers, associates and communities regarding the use of technology and data, in line with our values of service, excellence, integrity and respect for the individual.

As our customer proposition has evolved beyond stores and clubs to become a more digital and omnichannel offer, our focus on data and technology has become a fundamental part of building trust.

Walmart's digital trust commitments, based on Walmart's core values

**Service:** our use of technology and data will be in service of people.

**Excellence:** we strive for excellence in our technology, making it simple, convenient and secure.

**Integrity:** we will use data responsibly and transparently and always with integrity.

**Respect:** our data practices and technology will treat people fairly, with dignity and respect.

We implement these commitments through four key focus areas:

### Promoting impartiality

Through the guidance of the global Digital Citizenship team, we shape decisions about the use of new technologies, services and data

### Privacy protection

We maintain policies and controls regarding the use and exchange of customer and associate information

### Data, records and information management

We support the use of data and technology through policies and procedures, associate training, and monitoring and evaluation

### Cybersecurity and information security

We protect our information and digital infrastructure from cyber-attacks through compliance with international standards, incident reporting policies, escalation practices and vulnerability testing



# HUMAN RIGHTS

GRI 410-1,411-1

Through our [Statement on Human Rights](#), we have established public commitments that guarantee respect for human rights and dignity for all our stakeholders

At Walmart de México y Centroamérica we take several measures that have a positive effect on each of our stakeholders' ability to harness and benefit from their human rights

## Actions performed for our stakeholders:

### Community

We mitigate social problems through specific actions that allow us to reach vulnerable communities



### Associates

We offer inclusive workplaces, free from discrimination and harassment. We offer opportunities with fairness and respect



### Suppliers

We seek to promote their economic and development rights. We take actions that allow them to grow with us and have a positive impact on society



### Customers

We work on being empathic with their realities and conditions. We provide alternatives, products and services within everyone's reach, so that financial conditions do not limit access to a better quality of life



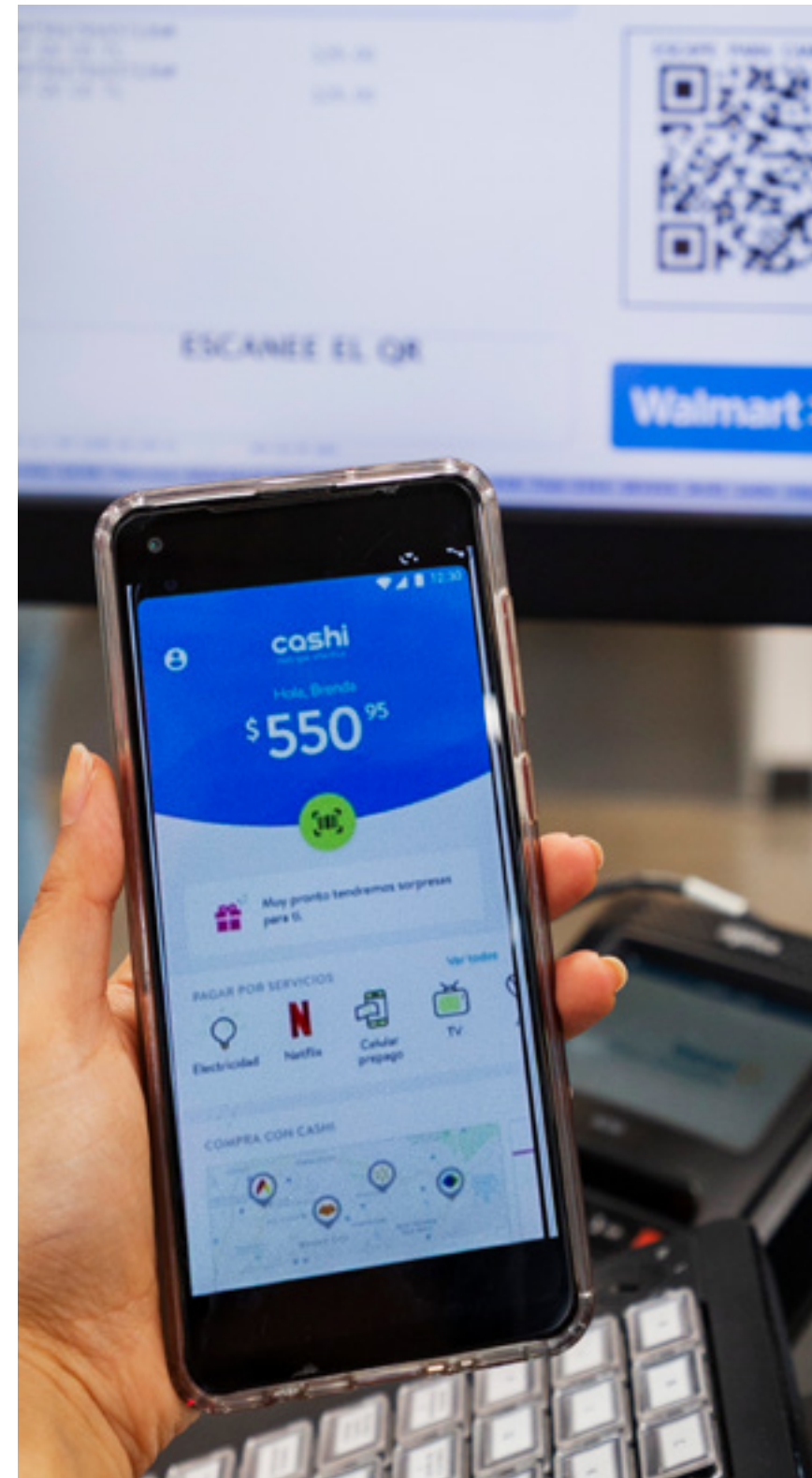


# INFORMATION SECURITY

FB-FR-230A.2, CG-MR-230A.1, CG-EC-230A.1

**For us, information security in Mexico and Central America is as important as our business strategy**

We know the scope involved in processing data from our customers, suppliers and associates. Our objective is to maintain information security by fully understanding information shared by our associates, business partners and relevant Tribe leads. To achieve this, we have information security policies, standards, procedures and guidelines that seek to regulate and raise awareness among associates and suppliers about the importance of safeguarding information and the use of technological resources used by our company. We also train our associates to make them aware of the importance of adopting behaviors aligned with our information security guidelines.



In addition, we ensure that we follow best practices to identify risks, detect suspicious activities and anticipate potential incidents. We also identify and manage vulnerabilities present in the company's information assets, considering elements such as: vulnerability analysis scheduling, results documentation and vulnerability classification, prioritizing their attention according to the risk involved.

On the other hand, we provide guidelines for the design of vulnerability remediation plans, penetration testing protocols for critical assets and documentation of test results, requesting the correction of detected opportunities.

Thanks to our comprehensive, cost-effective and risk-based security services, we are able to provide a reliable and solid service. To do this, we ensure that information and information systems are protected against unauthorized access, use, disclosure, alteration, modification or destruction.

**Our purpose is to provide greater confidentiality, integrity and availability for our customers every day**

## Information Security Governance

The Audit and Corporate Practices Committees are involved in the information security strategy. The Committees meet every three months to review initiatives, trends, risks and strategies with the aim of mitigating potential damage to the information handled by the company.

Additionally, in each market where we operate, we have an information security leader who is part of the Audit and Corporate Practices Committees. This allows us to define and review the best cybersecurity strategy for each specific case, according to its context and needs.

Our vast and complex ecosystem of products and services positions us as a global reference point. As we handle millions of transactions per second, we receive more than 1.5 billion cyber-attacks per year. Therefore, after a contingency that impacts our continuity pillars in matters related to associates, facilities, systems and third parties, we activate our plans and controls to ensure the continuity of the business and our activities.



### RESULTS

#### During 2022 we achieved

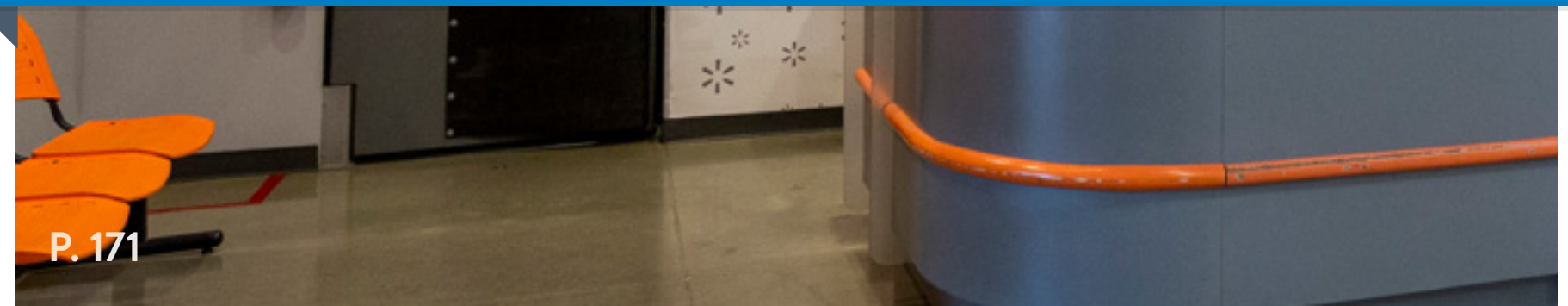
##### **88% reduction in vulnerabilities**

derived from system penetration testing compared to 2021. We also obtained the PCI Security Standards certification with no findings noted.

We improved our NIST CSF (National Institute of Standards and Technology Cyber Security Framework) maturity level from **3.83 to 4.0, the highest rating of this framework.**

In line with Infosec International, we are working to consolidate our response and prevention protocols to improve the way we react in the event of a ransomware attack.

In terms of security, there was an increase in the number of requests for information from internal and external reviews. We receive audits from both the Internal Audit team and external entities in the financial sector to demonstrate compliance in correspondent banking services, as well as with external auditors from NIST, Sarbanes & Oxley and PCI (Payment Card Industry).





# RISK ASSESSMENT

GRI 2-25, 2-26

Each year, Global Audit Services conducts a Risk Assessment following the methodology established by Walmart Inc. and adapting it to the reality of Mexico and Central America

## Enterprise Risk Management (ERM)

With every step we take, we strengthen our culture of risk identification and management. At Walmart de México y Centroamérica, through the ERM (Enterprise Risk Management) process, we play a fundamental role in guaranteeing the right balance between risk management and risk mitigation. In this way, we achieve the safe implementation of our strategies, in order to reach our goals despite operating in a highly changing environment.

With our ERM, we work cross-functionally and collaboratively with our teams in Mexico and Central America, facilitating holistic risk management and the exchange of best practices.

Each quarter, we identify and evaluate the inclusion of new risks, updating them according to key and critical aspects. Therefore, rigorous assessment of the inherent and residual probability and impact level that a risk may cause is fundamental. Finally, we invest significantly in mitigation plans to be taken into account on a day-to-day basis.

The risk assessment process consists of three major steps and is conducted every quarter:

### 3 Management

The mitigation needed is determined, action plans designed with and assigned head, and Risk Champions, jointly with the Executive Committee, oversee the execution

1

### Evaluation

Risk managers and the central teams are called together to reassess risk previously identified and any new ones; impact and probability are then scored

2

### Report

Risks are recorded under an impact/probability matrix; then risked are classified by priority, providing this "Risk Register" to Risk Owners so they in turn may review the status

LEARN MORE ABOUT OUR RISK ASSESSMENT



## RESULTS

### During 2022 we achieved

To simplify risk registration to ensure an efficient focus on the most critical risks for our company

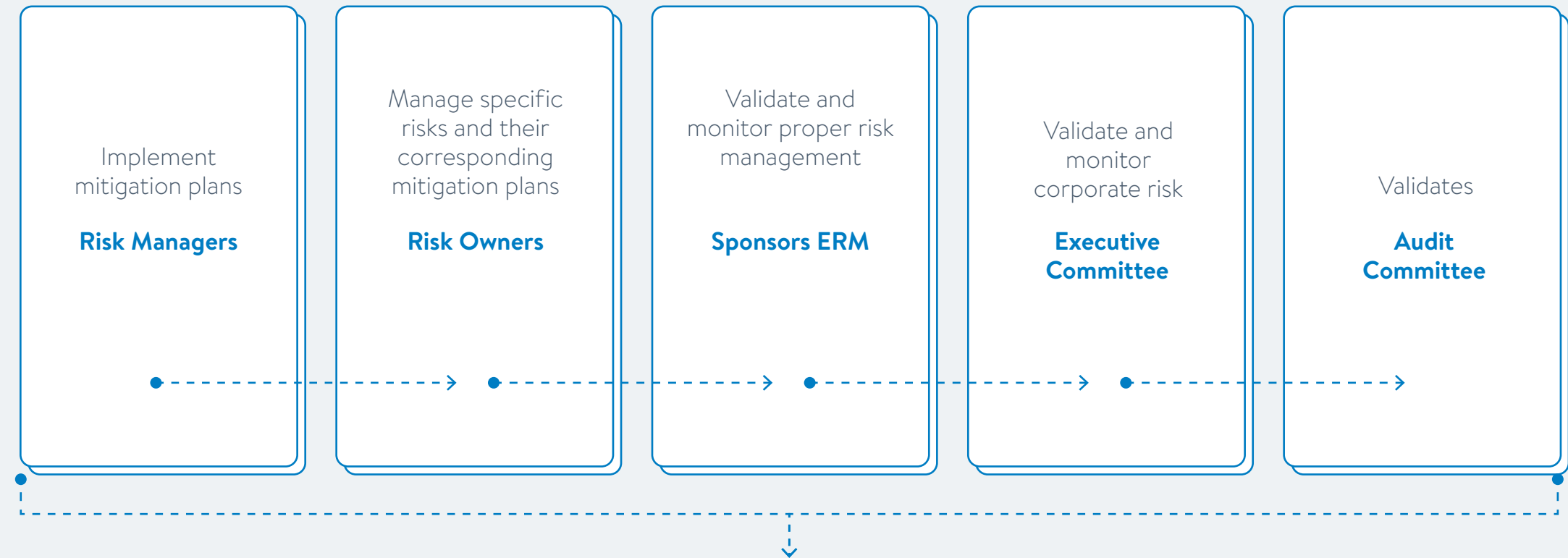
To strengthen the collaboration process among our markets, to exchange best practices and maintain local risk management

To review and strengthen mitigation plans to improve their design, adequacy, clarity of controls, roles and responsibilities

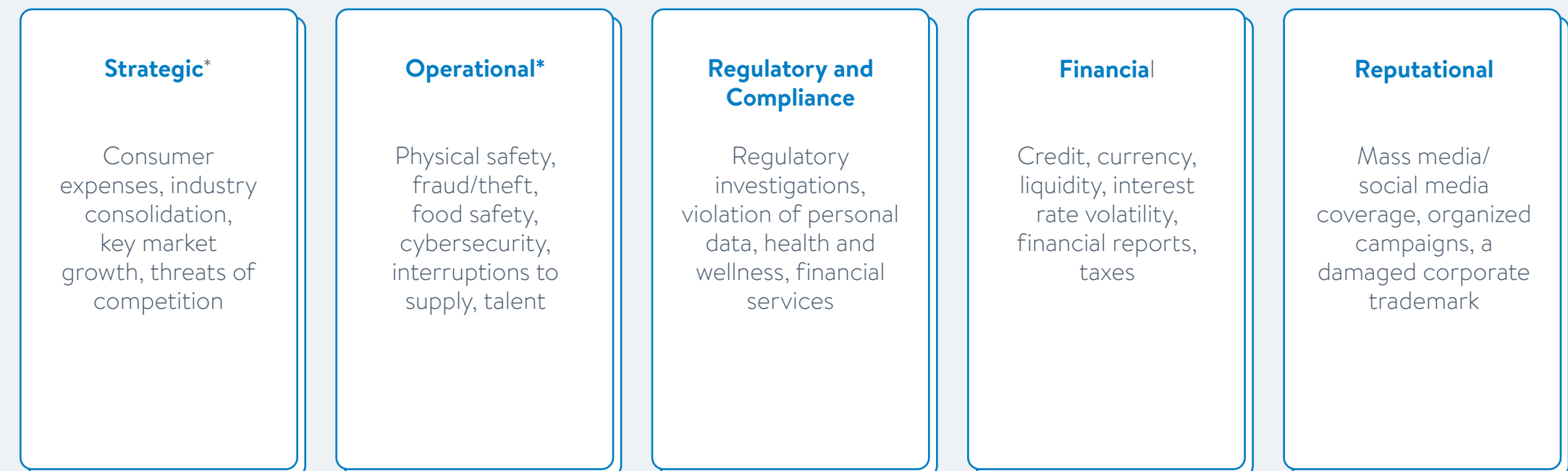


This assessment led to the identification of priority risks in the short, medium, and long terms, for example, the risk of an increase in the cost of doing business and interruptions in the supply chain

The following is an example of the ERM process:



The ERM process considers five categories



\*Includes COVID-19 impact and any other natural disaster or cases of force majeure