



RISK ASSESSMENT

GRI 2-25, 2-26

Every year, Global Audit Services conducts a Risk Assessment based on the methodology developed by Walmart Inc. and tailoring it to the realities of Mexico and Central America.

LEARN MORE ABOUT OUR **RISK ASSESSMENT**.



ENTERPRISE RISK MANAGEMENT (ERM)

We use a multi-functional approach called ERM (Enterprise Risk Management) to manage and mitigate risks throughout Mexico and Central America. By doing this, we create a holistic view of risks and promote the exchange of best practices.

ERM PROCESS

1. Potential risk assessment

- Risk escalation with internal teams
- Best practices analysis

2. Start of process

- Top-down risk additions or deletions
- Breakdown of relevant risks

3. Quarterly update

- Mitigation plans and indicators update
- Validation and calibration by risk owners

4. Validation by the Executive Committee

- Risk rating definition
- Relevant risk discussion
- Reporting to Bentonville

5. Validation by the Board of Directors

- Presentation and feedback

INTERNAL AUDIT REVIEW
Constant evaluation of mitigation plans suitability and proper documentation



Main Achievements

Updating and strengthening our risk catalogue.

We leverage Walmart International's expertise to strengthen our risk inventory and mitigation plans, adapting and aligning them to the needs and context of Mexico and Central America.

Preventive vision of risks.

We regularly carry out risk identification and proactive mitigation plan development sessions. We also restructured our process to scale them up in a more agile way and implemented technological improvements. On a quarterly basis, we share with the Board of Directors the most relevant milestones, findings and changes in terms of risks.

We work with our Internal Audit team

To strengthen our existing mitigation plans, giving them SMART characteristics in order to create a more reliable process.

