

## **Materiality** analysis

GRI 102-21, 102-42, 102-43, 102-44, 102-46, 102-47

As an omnichannel chain, our company depends on the direct and frequent engagement with our stakeholders, whom we consider a key factor for the accomplishment of our business strategies.

With respect to environmental, social and governance (ESG) issues, we have engaged our stakeholders in continuous, intense and formal dialogues, using a number of mechanisms and updating our materiality. Stakeholder perspective and feedback improve the relevance and effectiveness of our operations, services, products, and initiatives. For that end, we conducted our first materiality analysis in 2009, updating it periodically, being the last one this year.

We conducted

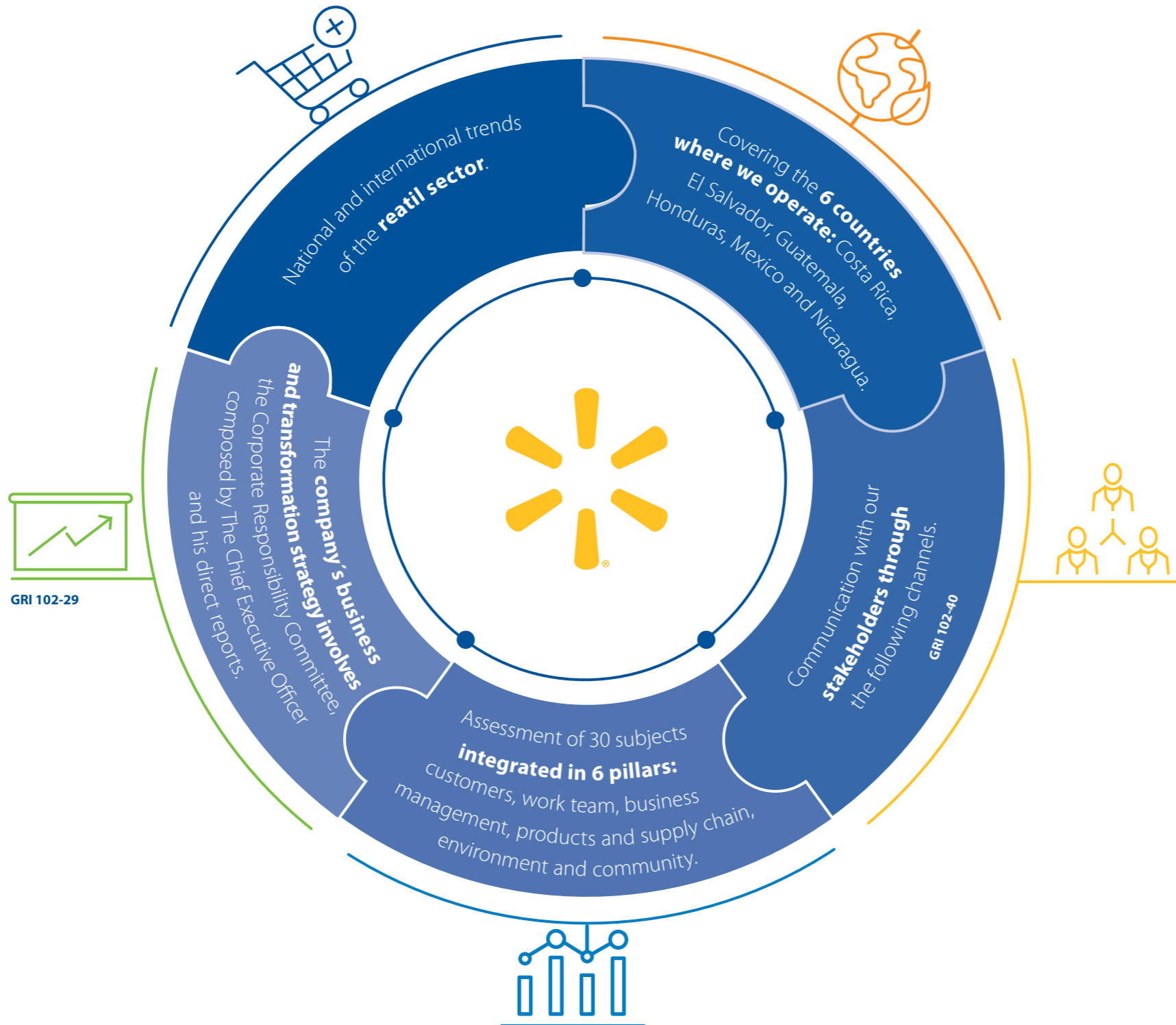
*our first*  
**materiality analysis**

in 2009, updating it periodically






*This year,*  
as a result of a constant change in our environment and aimed at aligning our **Corporate Responsibility Strategy** to the economic, social and environmental context where we operate, we prepared, jointly with an external consultant, a new **materiality analysis**, which included the following aspects:

# Methodology



## The channels used to dialogue with our stakeholders:

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**12 focus groups**
  - 1 for store and operations associates
  - 1 for NGOs
  - 1 for suppliers
  - 1 for opinion leaders
  - 8 for customers from different formats
  
- 
**Deep dives** with our institutional investors
  
- 
**On-line surveys** for associates, customers and suppliers

# Materiality Matrix



Material                      Relevant                      Important

CUSTOMERS		
	Product availability and price	11.45
	Shopping experience	10.23
	Reputation	9.49
	Responsible merchandising and communication	8.32
	Shopping channels	7.11

BUSINESS MANAGEMENT		
	Ethics and compliance	11.04
	Information security	10.29
	Transparency	10.23
	Human rights	7.95
	Corporate governance	7.72
	Innovation	7.61

WORK TEAM		
	Diversity and inclusion	9.51
	Work climate	9.00
	Associate development	8.54
	Compensation and benefits	8.34
	Health and safety	7.74

PRODUCTS AND SUPPLY CHAIN		
	Supply chain risks	9.81
	Trustable products	9.50
	Supplier development	8.79
	Sustainable sourcing	7.82
	Supply chain assessment	7.61

ENVIRONMENT		
	Wastes	10.15
	Energy	9.55
	Emissions and climate change	8.57
	Water	8.03
	Biodiversity and undersea life	6.32

COMMUNITY		
	Commitment to local communities	11.00
	Food security	10.23
	Support during natural disasters	8.79
	Volunteerism	7.88

[Materiality glossary](#)

This solid materiality analysis process helped us to:



Identify **priority subjects for the company**



Identify priority subjects for each of **our stakeholders**



Identify risks and **opportunities**

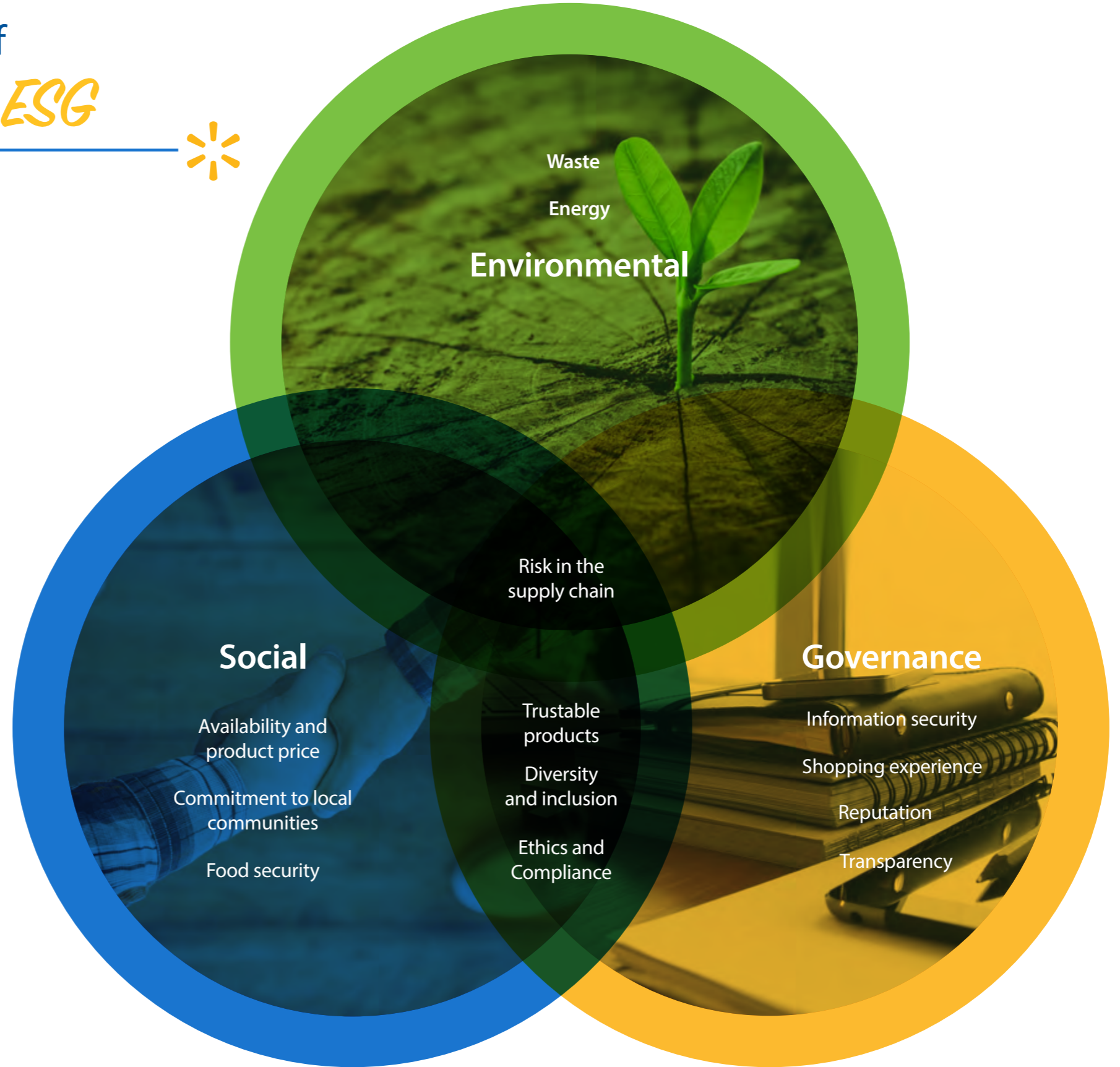


Define and implement **action plans** contributing to improve our performance



*With all the above mentioned,*  
we validated our strategy articulating three major pillars: **environmental, social and governance (ESG)** and a set of related priorities, commitments and goals. Our approach to ESG issues goes beyond minimizing our footprint or mitigating risks. We have taken a more assertive approach towards: inspiring joint efforts to transform the retail sector towards **environmental, social and economic sustainability.**

# Classification of *material topics in ESG*



Our priorities are based on:



**Relevance to Walmart's purpose**, key categories and market conditions.



**Shared Value:** potential impact on our business and society based on our analysis and the importance to our stakeholders.

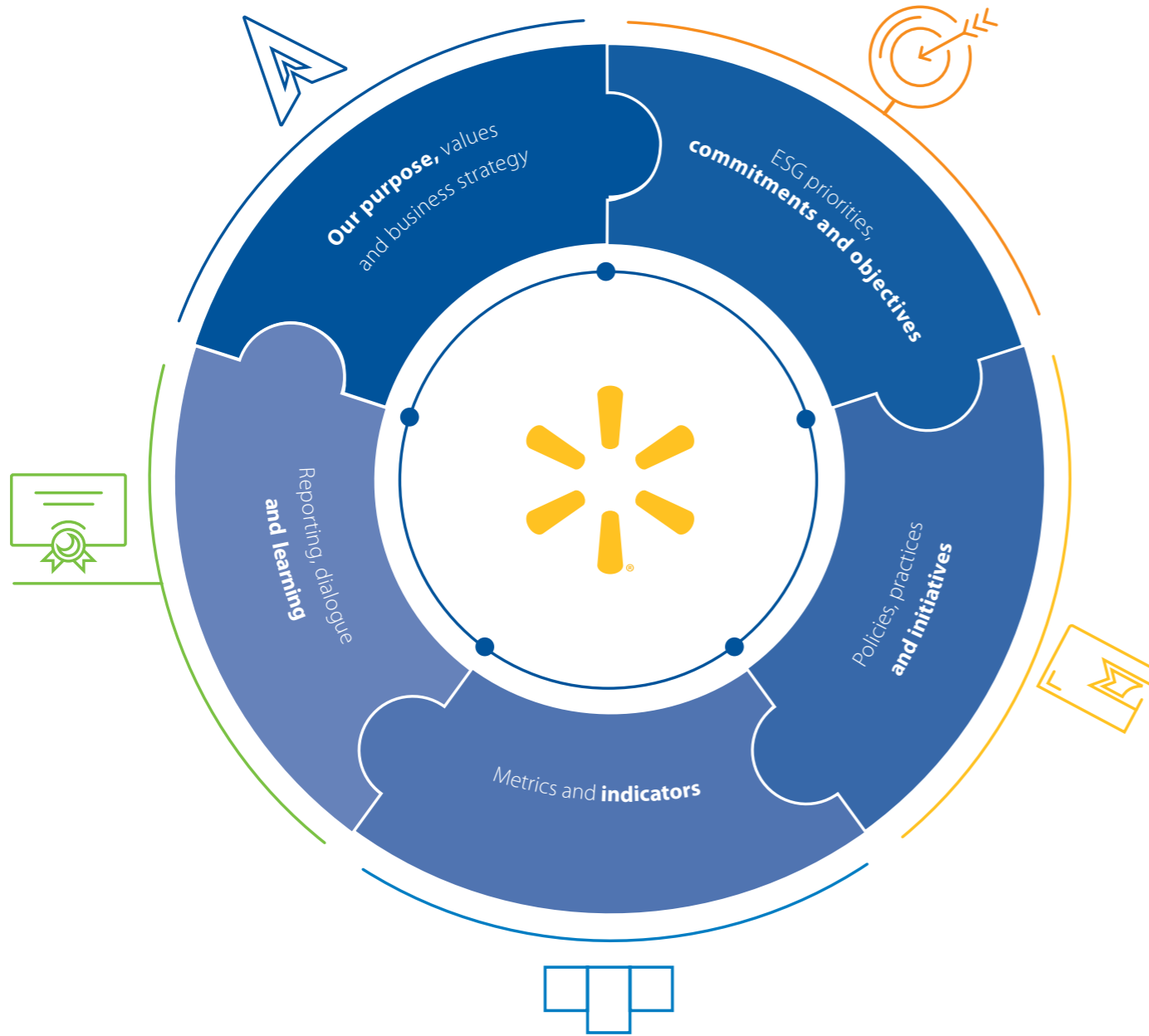


Walmart's ability to **make the difference** through our strengths such as our 234,000 associates across the region, supplier relationships, expertise in food, groceries and other categories, 3,249 units, and capabilities such as logistics and technology.

Walmart's ESG priorities help us focus on the most salient opportunities inherent in shared value creation. Our commitments and goals help us aim high, be accountable and move at the right pace.



# Continuous improvement process



We keep our strategy updated through a continuous improvement process and we share our commitments, progress and challenges with all of our stakeholders. We are always focused on informing about our performance with clarity and transparency.

When we make a public commitment, our top management is always involved and following up on it. This drives actions for our business, standards, programs, practices and metrics, including the annual publication of our financial and corporate responsibility report.

*In this report,*  
you will find a summary of our aspirations, programs and the progress of **our priority areas.**  
We welcome your feedback and join efforts to help **accelerate progress.**



Cluster	General topic	Material topics	Description
<i>Customers</i>	<b>Reputation</b>	NA	Contribute to the economic, social and environmental development of the region; reputation of the organization and its brands; and market share leadership.
	<b>Product availability and price</b>	GRI 102-7, 203-2	Offer assortment, low prices and availability of products requested by customers.
	<b>Responsible merchandising and communication</b>	GRI 417-1, 417-2, 417-3	Inform of everything related to products sold in a clear, transparent way (right price, labeling, origin, clear promotions).
	<b>Shopping experience</b>	NA	Offer a good shopping experience through good service, attention to complaints, customer satisfaction, and communication channels, among other services.
	<b>Shopping channels</b>	NA	Have various channels available to shop (brick and mortar stores, online sites, home delivery and pickup services).
<i>Business management</i>	<b>Ethics and compliance</b>	GRI 102-16, 102-17, 205-1, 205-2, 205-3, 307-1, 419-1	Have the right ethics and compliance program and keep up a system that avoids and sanctions illegal practices.
	<b>Human rights</b>	GRI 412-1, 412-2, 412-3	Honor the human rights of the people with whom a relationship is being kept.
	<b>Corporate governance</b>	GRI 102-18, 102-19, 102-22, 102-23, 102-24, 102-26, 102-27, 102-28	Have governing bodies of their companies (Board of Directors, Steering Committees) working in such a way that they allow for a good business management, considering social and environmental aspects in their strategy.
	<b>Information security</b>	GRI 418-1	Have mechanisms in place to protect business information and personal data of customers, suppliers and employees.
	<b>Innovation</b>	NA	Invest in innovation and technology issues to benefit the business, associates and customers.
	<b>Transparency</b>	NA	Have transparent and open information that reflects positive and negative aspects of their performance.
<i>Work team</i>	<b>Work environment</b>	GRI 402-1, 407-1	Have a good work climate through a healthy work environment that allows for open communication.
	<b>Diversity and inclusion</b>	GRI 102-8, 401-1, 405-1, 405-2, 406-1	Create the right conditions (both physical and labor conditions) to be an inclusive company with regards to different disabilities, religions, races, genders, etc.
	<b>Associate development</b>	GRI 404-1, 404-2, 404-3	Offer the tools needed for developmental purposes (training, feedback, etc.)
	<b>Compensation and benefits</b>	GRI 102-38, 102-39, 201-3, 202-1, 401-2, 401-3	Grant compensation and benefits based on competencies, performance and achievements.
	<b>Health and safety</b>	GRI 402-1, 402-2, 403-4	Guarantee healthy and safe working conditions.



Cluster	General topic	Material topics for Walmart in 2018	Description
<i>Products and supply chain</i>	<b>Supply chain assessment</b>	GRI 308-1, 308-2, 408-1, 409-1, 414-1, 414-2	Audit suppliers to make sure of their compliance with the law and human rights in factories.
	<b>Supply chain risks</b>	GRI 102-15, 102-30, 102-31	Determine suppliers' social and environmental risks.
	<b>Supplier development</b>	GRI 203-2	Foster the development of SME or local suppliers, or any other kind, and include them in our sustainable initiatives.
	<b>Reliable products</b>	GRI 416-1, 416-2	Offer reliable products (high-quality, safe, healthy items or of any other good characteristic).
<i>Environment</i>	<b>Water</b>	GRI 303-1, 303-2, 303-3	Use water efficiently for their operations, foster wastewater treatment and reuse.
	<b>Biodiversity and undersea life</b>	GRI 304-1, 304-2, 304-3, 304-4	Contribute to care for biodiversity, and terrestrial and marine ecosystems.
	<b>Emissions and climate change</b>	GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	Reduce emissions to mitigate the impact on climate change.
	<b>Energy</b>	GRI 302-1, 302-2, 302-3, 302-4, 302-5	Source energy from renewable sources (solar, wind and other sources) and maintain efficient use of resources in their operations.
	<b>Wastes</b>	GRI 301-1, 301-2, 301-3, 306-1, 306-2, 306-3, 306-4, 306-5	Avoid, reduce, reuse and recycle wastes from their operations.
	<b>Suppliers (supply chain)</b>	GRI 102-9, 102-10, 204-1	Include their suppliers into their programs to care for the environment.
<i>Community</i>	<b>Commit to local communities</b>	GRI 203-1, 203-2, 413-1, 413-2	Invest in local communities (for infrastructure, local employment, etc.).
	<b>Support during natural disasters</b>	NA	Support during natural disasters by making financial and in-kind donations, setting up collection centers, driving volunteer activities in impacted areas, etc.
	<b>Volunteerism</b>	NA	Develop volunteer programs, encouraging their associates, family members and customers to participate in actions aimed at improving their communities.
	<b>Food security</b>	NA	Donate not-fit-for-sale merchandise to food banks and thus foster projects supporting war on hunger.