



Walmart Ethics and Compliance Program Fact Sheet

Walmart has invested and continues investing in and reshaping its International Ethics & Compliance Program to enhance its Anti-Corruption Compliance Program in every market where it operates.

Ethics & Compliance Organization

1. To leverage the Company's strengths in key disciplines around the world, Walmart aligned its corporate structure to have the global compliance, ethics, investigations, and legal functions under one organization, reporting to the Executive Vice President, Global Governance, Chief Legal Officer, and Corporate Secretary.

- The Global Ethics & Compliance Program is led by the Executive Vice President, Global Chief Ethics & Compliance Officer ("Global CECO") who reports to the Executive Vice President, Global Governance, Chief Legal Officer, and Corporate Secretary, and to the Audit Committee.
- The overall Global Ethics & Compliance Program covers 14 subject matters, including but not limited to anti-corruption.
- The Global CECO is assisted in his team by the CECO for Walmart International, the CECO for Walmart U.S., and the Global Anti-Corruption Compliance Officer, among other executives.
- Each international market has a CECO who reports directly to the home office through the CECO for Walmart International.
 - Flipkart has a dedicated CECO who reports directly to the Global CECO.
- Walmart organized ethics and compliance staff based not only on geographic considerations but also on topic-related expertise.
 - Walmart appointed subject matter experts ("SMEs") in the international markets who worked collaboratively with the home office to identify and coordinate common standards and procedures, share best practices, provide training and monitoring, and support each other in matters relating to their areas of expertise.
- In addition, Walmart continues to have teams of compliance monitors (known as Continuous Improvement Teams) in the international markets who regularly visit stores, assess the effectiveness of compliance controls at store level, and assist operators in correcting any identified issues for many of the above mentioned subject matters.
 - In FY19, the Continuous Improvement headcount in International was over 100 associates.
 - The first continuous improvement assessment in International was in 2014. Since 2014, the team has completed over 16,000 assessments.
 - In 2018, the Continuous Improvement Teams in International completed over 1,700 assessments at Walmart retail locations, identified any deviations from policies and processes, and collaborated with store operators to correct issues.
- In FY19, the International Ethics & Compliance organization headcount was over 1,000 associates.

Anti-Corruption Compliance Organization

2. Walmart has a team of dedicated Anti-Corruption Compliance associates who live and work around the world and report to the Global Anti-Corruption Compliance Officer based in Bentonville.

- Each market has an Anti-Corruption Compliance Director who reports to the market CECO and to the Global Anti-Corruption Compliance Deputy based in Bentonville.
 - Flipkart has a dedicated Anti-Corruption Compliance Director who reports to the Flipkart CECO and to the Global Anti-Corruption Compliance Deputy in Bentonville.
- In FY19, total Anti-Corruption Compliance headcount was over 100 associates.
- The Global Anti-Corruption Compliance team in Bentonville and Anti-Corruption Compliance teams in the markets develop and oversee the implementation of the anti-corruption policy and procedures, conduct due diligence on third-party intermediaries, participate in an annual risk assessment, develop and provide anti-corruption training and messaging, and monitor and evaluate the program and remediate any findings.
- The Anti-Corruption Compliance organization includes a dedicated Anti-Corruption Compliance Continuous Improvement Team with associates in Bentonville and each market. The team assesses the ongoing implementation and operation of the Anti-Corruption Compliance Program through quarterly reviews that evaluate compliance with the Company's anti-corruption policy, procedures, controls, and

relevant requirements to identify potential unaddressed risks or opportunities for enhancements to the program.

- In FY19, Anti-Corruption Compliance Continuous Improvement headcount was over 30 associates.

Training and Communication

3. Walmart's Global Ethics & Compliance organization has enhanced its anti-corruption training capabilities to more effectively teach and communicate anti-corruption principles.

- Walmart makes available anti-corruption materials to associates around the world in 10 languages.
- International market business leaders annually deliver anti-corruption communications.
- The Company has enhanced tracking of anti-corruption training efforts.
 - In FY19 alone, Walmart associate completions of computer-based modules exceeded 200,000 and instructor-led training completions exceeded 10,000.
- The Company also expanded anti-corruption training beyond associates to include key third parties who do business with Walmart.
 - In FY19, Walmart provided anti-corruption training to over 1,000 third-party companies and groups.

Licenses and Permits

4. Walmart created licenses and permits teams in each international market, numbering more than 270 associates in total.

- The Licenses and Permits team, led by a SME, developed and implemented procedures and processes to obtain, monitor, and track licenses and permits in the international markets. This adds on an extra layer of control.
- The Company created and deployed a centralized licensing system, which was fully implemented in FY15. This system reduces the risk of error or wrongdoing by organizing workflows and implementing safeguards, such as requirements for approvals and documentation for paying required fees. The system provides a repository for licensing information, creating transparency and enabling the Company to monitor compliance with both global policy and local procedures.
- As of January 2019, the international markets maintain over 50,000 licenses and permits to operate their businesses.

Managing Third Party Risks

5. To mitigate the risks of working with third parties that may interact with the government on the Company's behalf, Walmart implemented due diligence requirements, contractual requirements, and an auditing process.

- To implement due diligence requirements for potential third-party intermediaries (TPIs), Walmart worked with external experts to customize a system that screens and tracks third-party intermediaries, including companies and individuals.
- When the Company contracts with third-party intermediaries, it requires them to adopt commitments to follow its anti-corruption policy, and, in some instances, provides anti-corruption training to help them understand and apply these standards.
- In addition to the screening, tracking, contractual commitments, and training, Walmart partnered with external experts to develop a methodology for proactively auditing a sample of third-party intermediaries.
 - TPI audits include reviewing due diligence documents, contracts, payments, and expenses and can include site visits and review of the TPI's financial records relating to Walmart transactions.
 - Starting in FY16, Walmart selected a sample of companies for an audit based on several factors, including the risks associated with the region where the third party operates and the types of services that it provides.
 - Through this process, Walmart can examine how third parties respond to the Company's Anti-Corruption Program and identify ways to improve training and controls.
 - Because of the insight these proactive audits provide, in FY17 Walmart expanded this program to all international markets and, as of FY19, has audited 230 TPIs.

Systems and Analytics

6. Walmart launched an ambitious effort to develop and deploy several systems to assist with, anticipate, and identify compliance risks related to data.

- The Company embarked on an effort to track the work of the Continuous Improvement Teams in international markets in a centralized system.
 - When the teams visit a location, this closed-loop system helps them document observations and follow-up on prior findings.
- Walmart conducts due diligence research on third parties that may interact with government entities on the Company's behalf using a customized portal.
 - The technology collects information from the third parties about their businesses and key personnel and then searches various databases to identify adverse news stories, litigation, government sanctions, and politically exposed persons relating to the third parties and their key personnel.
- The Company uses systems to more efficiently deliver and track training.
- The Company also uses a system to centralize the oversight of license and permit applications and renewals.
 - The licensing system organizes the licenses and permits requirements in each market, simplifies the process for applying for licenses, and provides a single repository for documentation associated with licensing obligations.

Integration of Ethics & Compliance

7. The Company's ethics and compliance functions are closely related, as both are involved in identifying and preventing risks, responding to issues, and educating associates. Walmart therefore merged the departments in FY16.

- This merger enabled better collaboration, efficiency, and effectiveness across the groups.
 - For example, as individuals who handle ethics contacts identify trends in compliance matters that are reported to the Company, they are better positioned to raise those issues with their colleagues on the compliance team who manage those subjects.
 - By working together, the ethics and compliance groups have consolidated training and tailored it to better engage associates in the learning process.