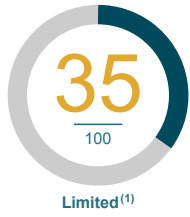


Company and Sector Performance

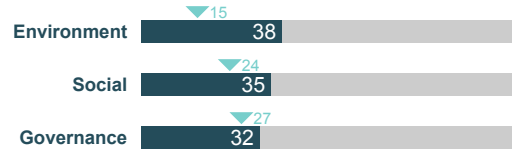


ESG OVERALL SCORE

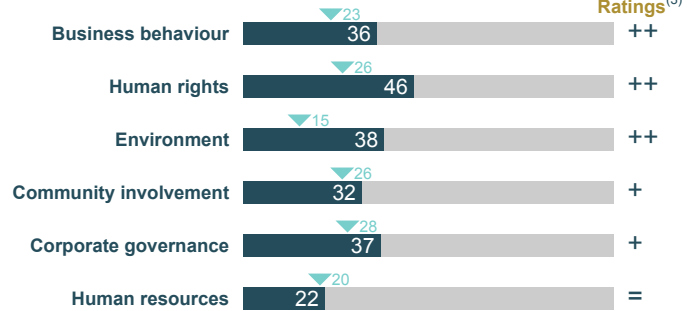


Information rate	69%
sector average	42%
Cooperation level ⁽²⁾	Not responsive
High severity controversies	Yes
Rank in Sector	2/21
Rank in Region	154/890
Rank in Universe	1236/4453

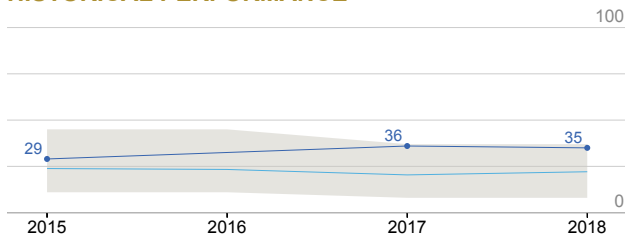
ESG PERFORMANCE (/100)



6 DOMAINS PERFORMANCE (/100)



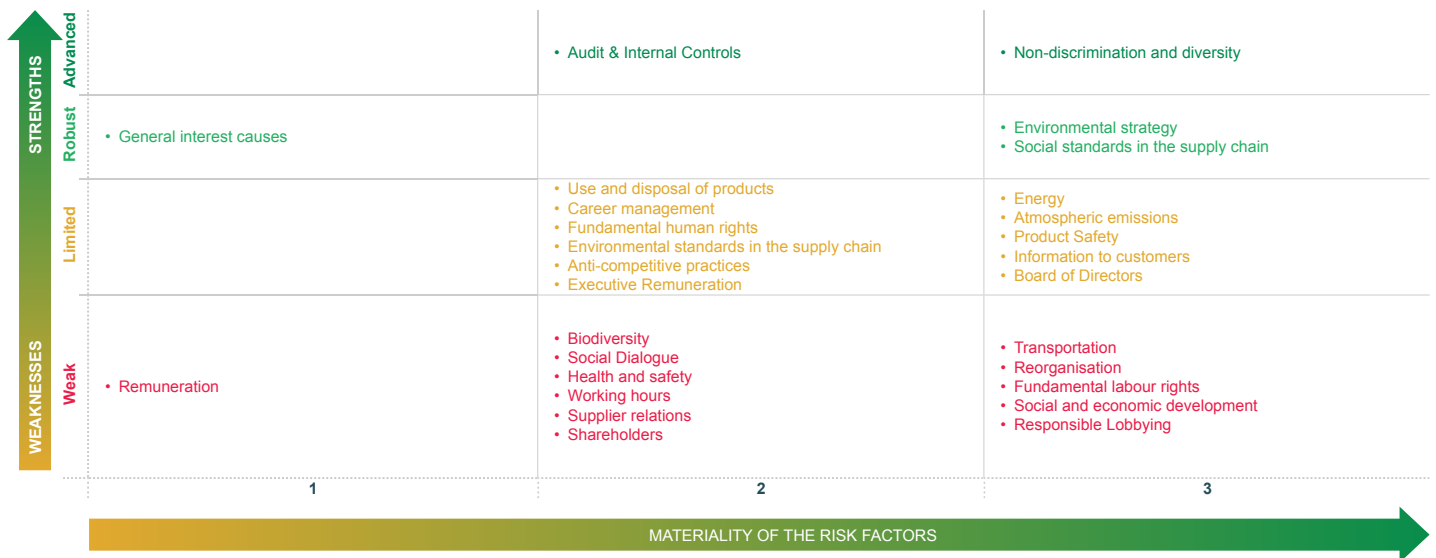
HISTORICAL PERFORMANCE



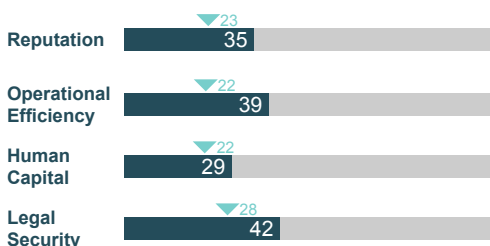
Company inclusion in Vigeo Eiris indices⁽⁴⁾: No

Management of risks and opportunities

MATERIALITY & PERFORMANCE MATRIX



RISK MITIGATION INDEX (/100)



ANALYST FOCUS

TOPIC	COMMENT	TREND
Information to customers	Performance on product safety has improved due to comprehensive measures regarding food safety and a quality management system is in place for non-food products. Transparent labelling is addressed, but it is still limited due to small coverage.	
Non-discrimination	Non-discrimination approach remains advanced, with comprehensive measures addressing the issue. Related indicators have continuously increased over the past five years.	
Labour rights and relations	The Company's promotion of labour relations is particularly weak and there is little information available on employee representatives, promotion of trade unions, collective bargaining, labour rights and how restructuring activities are being managed..	
Environment	Although the absence of a certified EMS lowers the score, Walmart Mexico's environmental strategy is now robust. GHG emissions from refrigeration are monitored and have decreased continuously. However, energy consumption has increased.	
Local communities development	Performance is now weak due to the absence of a publicly available commitment. Breakdown of taxes paid by country is not disclosed. However, corporate initiatives aiming to support small local farmers are in place with positive results.	

Carbon Footprint and Energy Transition*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

Goods and services contributing to sustainable development*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

Involvement in controversial activities*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at customer.service@vigeo-eiris.com

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "++", "+++" (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

		Weight	Overall score 35/100		Trend	Score	Leadership	Implementation	Results
			Environment		→	38	36	36	33
E	ENV1.1	3	Environmental strategy		↗	55	86	24	N/A
E	ENV2.2	3	Energy		↘	46	48	58	33
E	ENV2.4	3	Atmospheric emissions		→	36	0	58	50
E	ENV2.7	3	Transportation		↘	23	0	23	60
E	ENV1.4	2	Biodiversity		↘	23	30	11	28
E	ENV3.1	2	Use and disposal of products		→	36	55	30	23
			Human Resources		↘	22	29	13	24
S	HRS2.3	3	Reorganisation		→	12	0	0	35
S	HRS1.1	2	Social Dialogue		↘	7	0	0	22
S	HRS2.4	2	Career management		↘	44	48	65	18
S	HRS3.2	2	Health and safety		→	29	55	15	16
S	HRS3.3	2	Working hours		→	22	44	0	22
S	HRS3.1	1	Remuneration		→	26	55	0	22
			Human Rights		→	46	35	32	70
S	HRT2.1	3	Fundamental labour rights		↘	22	0	0	65
S	HRT2.4	3	Non-discrimination and diversity		→	69	65	65	77
S	HRT1.1	2	Fundamental human rights		→	46	44	30	65
			Community Involvement		→	32	8	31	59
S	CIN1.1	3	Social and economic development		↘	25	0	15	61
S	CIN2.2	1	General interest causes		↗	53	30	79	51
			Business Behaviour (C&S)		→	36	36	29	43
S	C&S1.1	3	Product Safety		↗	47	37	40	65
S	C&S1.2	3	Information to customers		→	36	23	19	65
S	C&S2.4	3	Social standards in the supply chain		→	51	74	51	28
G	C&S3.3	3	Responsible Lobbying		→	12	0	0	35
S	C&S2.2	2	Supplier relations		↘	26	21	30	28
E	C&S2.3	2	Environmental standards in the supply chain		↘	36	48	32	28
G	C&S3.2	2	Anti-competitive practices		→	41	51	30	43
			Corporate Governance		↗	37	45	35	29
G	CGV1.1	3	Board of Directors		→	42	29	45	51
G	CGV2.1	2	Audit & Internal Controls		↗	66	84	83	30
G	CGV3.1	2	Shareholders		→	6	10	9	0
G	CGV4.1	2	Executive Remuneration		↗	30	67	0	22

■ Weak (0-29/100) ■ Limited (30-49/100) ■ Robust (50-59/100) ■ Advanced (60-100/100)



Involvement in allegations



Involvement in allegations with evidence of corrective measures

Benchmark

Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
ZAE000005443	Pick N Pay Stores	++	+	++	++	++	+	37
MX01WA000038	Wal-Mart de Mexico	++	=	++	+	++	+	35
COG31PA00010	Almacenes Exito	++	+	++	++	+	+	34
ZAE000012084	Shoprite	+	+	=	+	+	+	31
BRPCARACNPR0	Grupo Pao de Acucar	++	=	++	=	+	=	30
ZAE000058517	The Spar Group	+	+	=	+	=	+	29
VIGEIRIS0386	Carrefour Brasil	++	+	+	-	=	=	28
TH0737010R15	CP All	+	+	++	+	+	=	28
CL0000000100	Cencosud	=	-	+	=	+	+	22
PLEURCH00011	Eurocash	=	+	=	=	=	=	22
MX01CH170002	Grupo Chedraui	=	=	=	+	=	=	22
TW0002912003	President Chain Store	=	+	=	=	=	=	22
TREBIMM00018	BIM Birlesik Magazalar	-	=	-	-	=	=	18
KR7139480008	E-mart	=	-	-	=	=	=	17
HK0000083920	Sun Art Retail Group	=	-	-	=	-	+	17
CNE100000544	Wumart Stores	=	=	-	=	=	-	17
MA0000011801	Label Vie	-	+	-	=	=	-	15
US55953Q2021	Magnit	-	-	=	-	-	=	13
MXP200821413	Controladora Comercial Mexicana	-	-	=	-	-	-	11
KR7027410000	BGF retail	-	-	-	-	-	-	8
KR7007070006	GS Retail	-	-	-	-	-	-	8

General information

Wal-Mart de México y Centroamérica is Wal-Mart Inc.'s largest division outside of the USA, operating various stores under its own name as well as Bodega Aurrerá, Sam's Club and Superama in Mexico, Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica. The company sells a range of general products, including

apparel, electronic goods, groceries, hardware, homeware, pharmaceuticals and small appliances. Walmart de México was founded in 1997 by merging with the 40-year old supermarket holding CIFRA Group S.A. in México D.F..”

Selected financial data

Key data	Revenues	EBIT	Employees
2017	MXN 573.3bn	MXN 43.8bn	237,055
2016	MXN 532.40bn	MXN 39.5 bn	228,854
2015	MXN 475.91bn	MXN 32.8 bn	231,996
2014	MXN 440.99bn	MXN 34.0 bn	228,063
2013	MXN 423.82bn	MXN 31.0 bn	226,289

Main shareholders	2018
Walmart Inc.	70.5%

Geographical Breakdown	Turnover 2017	Employees
Mexico	81.3%	83.8%
Central America	18.7%	16.2%

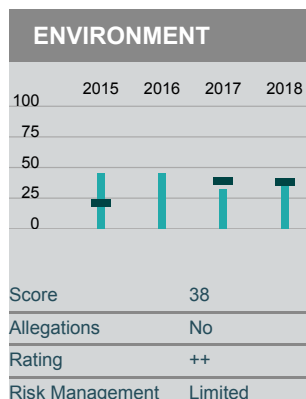
Main economic segment	Turnover 2017
Retail	97%
Other	3%

Selected ESG Indicators

	2017	2016
Non-executive Board member(s) responsible for CSR issues	No	No
Executive remuneration linked to CSR performance	No Info	No Info
3-year energy consumption trend (normalized to turnover)	↗	↗
Ratio of payments to employees vs. Shareholders	N/A	N/A
Percentage of independent Board members	36.36	27.27
Percentage of women on Board	25.25	36.36
Percentage of women in Executive team	23	23
Percentage of women in workforce	51	51
Transparency on lobbying budget	No	No
Percentage of employees covered by collective agreements on working conditions	N/A	N/A
3 year trend for safety at work	N/A	N/A
Involvement in armament	No	No
Transparency on payment of tax	Insufficient	N/A
Management of social risks in supply chain	Robust	Limited

CSR performance per domain

■ Sector performance
■ Company performance
 Rating : min- / max ++



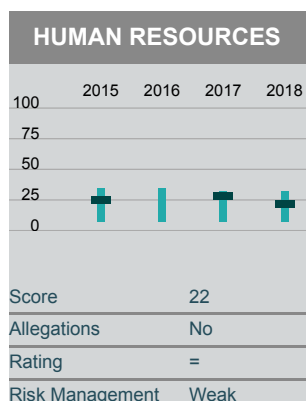
Key issues

The environmental strategy of a Supermarket company should address the reduction of its main impacts. These cover issues such as energy use, sustainable agricultural and animal rearing management, eco-design of own-branded product and packaging. To guarantee the continuity of the cold chain, companies must also manage responsibly atmospheric emissions. In addition, transportation is another key issue for supermarkets since long-distance transportation intervenes at all stages of the value-chain, with important consequences in terms of greenhouse effects and atmospheric pollution.

Company performance

- Wal-Mart de México y Centroamérica's absolute performance in the Environment domain remains limited, which is stable compared to the past review.

- The Company's approach to minimizing environmental impacts from energy is now limited due to an increase on energy consumption indicators. The Company upholds a commitment to meet 100% of its energy demand from renewable sources by 2025. As a result of this, its emissions have decreased by 97% over the past five years. Some initiatives are reported to reduce impacts related to transportation of products, and carbon emissions related to transportation appear to have stabilized from between 2014 and 2016. The Company also appears to address the issue of food waste and disposal of own braded products, despite measures remaining limited. The Company's broader environmental strategy and eco-design is now robust due to the implementation of a Sustainable Packaging Guide. However, Wal-mart Mexico does not appear to have any certified environmental management systems in place.



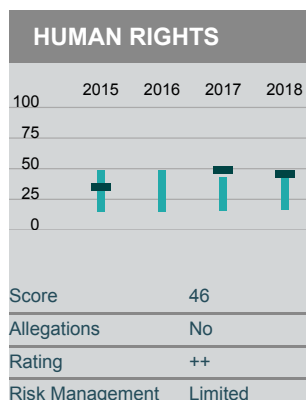
Key issues

In a context of restructurings, companies from the Supermarkets sector are expected to ensure employees' rights are respected and that employee representatives are consulted during reorganisations. Career management, payment of overtime and the quality of remuneration are among key issues to consider in the Supermarkets industry given their contribution to companies' operational efficiency and internal stability.

Company performance

- Walmart de México y Centroamérica's absolute performance in the Human Resources domain is still weak, although there has been a slight deterioration compared to the previous review.

- The Company's promotion of labour relations is particularly weak, and there is little information available on employee representatives, the promotion of trade unions or areas covered by collective bargaining. The Company also fails to report on how restructuring activities are being managed and on normalized health & safety indicators. Also, its career management systems have decreased and are now limited due an increase on employees turnover and insufficient information on employees who received training. On a positive note, as well as evaluating all employees on their performance, the average number of training hours per employee has increased by 30% over the past three years.



Key issues

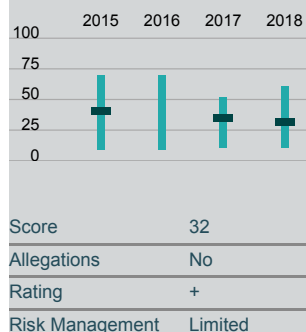
Companies in this sector operate in some weak governance countries where fundamental human and labour rights might be compromised. Supermarkets are thus required to effectively ensure the respect of these rights throughout their operations. Finally, while women constitute the majority of workforce in stores, men are much more represented in managerial positions. These companies are, therefore, required to provide employees with equal opportunities which is a factor of internal cohesion and competitiveness.

Company performance

- Wal-Mart de México y Centroamérica's absolute performance in the Human Rights domain remains limited, which is stable compared to the past review.

- In particular, the Company's approach to non-discrimination remains advanced, and it is the only Mexican retailer to have received certification from the National Council for the Prevention of Discrimination (CONAPRED). Other measures addressed in this regard include monitoring, awareness raising, grievance procedures and social programmes. Also, indicators in terms of employment of people with disabilities and the presence of women in management positions have increased over the past five years. On the other hand, despite operating in three countries which receive the International Trade Union Confederation's second-worst rating (5 points), the Company does not report on any measure to promote fundamental labour rights.

COMMUNITY INVOLVEMENT



Key issues

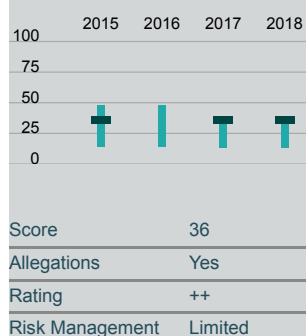
Implantation of big supermarkets in inner cities is among the major challenges of the sector. Indeed, this expansion could have a detrimental effect on independent shops and small independent traders. In addition, supermarkets can contribute to poverty reduction through the development of local economies. The promotion of the social and economic development is therefore a key issue for the sector.

Company performance

- Wal-Mart de México y Centroamérica's absolute performance in the Community Involvement domain remains limited, which is stable compared to the past review.

- The Company runs a separate foundation (the Walmart de México Foundation) that is responsible for non-profit activities, with particular focus on food security and disaster relief. Also, Wal-Mart Mexico's performance in contributions to general interest causes is now robust and indicators in this regard have been improving over time. However, the approach towards the promotion of social and economic development is weak due to the absence of commitment. Also, despite operating in two countries which are not fully compliant with OECD tax transparency requirements, the Company does not provide a breakdown of taxes paid in individual countries. On a more positive note, the Company reports on several initiatives aiming at the empowerment of small local farmers and related indicators display an increase.

BUSINESS BEHAVIOUR (C&S)



Key issues

The rise of multiple health impacts from products significantly influenced customers' interest on product safety which continues to represent a major issue for supermarkets. The transparency and integrity of the information provided to customers through labeling is also an ongoing challenge for the industry alongside responsibility to ensure sustainable relations with suppliers. Finally, Social standards in the supply chain is another key sector issue for Supermarkets whose bargaining power with their suppliers to obtain better prices might be made at the expense of working conditions in the supply chain.

Company performance

- Wal-Mart de Mexico's absolute performance in the Business Behaviour domain remains limited, which is stable compared to the past review.

- The Company refers to product safety and has allocated measures regarding food safety, such as training, HACCP method, external audits and certifications. Also, a quality management system is in place for non-food products. Customers are informed properly through a comprehensive internal system for labelling, which consist of highlighting healthy products in stores, ensuring transparent labeling, reviewing ingredients and providing detailed information on the website. However, these measures cover only own-branded products. As for the integration of social factors in its supply chain, Wal-Mart Mexico issues a formalized commitment, targets and its approach is robust. Supplier support, non-compliance procedures, risk assessments and dedicated audits are among the measures allocated in this regard. No relevant information is publicly available on the Company's lobbying practices.

- The Company is facing a controversy of high severity for corruption practices, on which it is non-communicative.



Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo's framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Shareholders are expected to have fair voting rights and access to all relevant information on material CSR issues (CGV3.1). Executive remuneration is assessed for transparency and alignment with the interests of company's shareholders and other stakeholders (CGV4.1).


Company performance

- Wal-Mart de México y Centroamérica's absolute performance in the Corporate Governance domain has improved significantly since the last review, and it is now limited.
- The Company still does not appear to have a specific Nomination Committee, although now four of the 11-member Board are independent. Internal controls are now advanced due to the incorporation of CSR issues in the Company's risk management procedures and the use of risk mapping and a reporting system to the board. However, the external auditor independence cannot be assessed because a breakdown of fees has not been provided. Furthermore, executive remuneration is not put to shareholder vote and no information is being communicated on basic shareholders' rights. Finally, the Company is silent on the rules guiding executive remuneration.
- The Company is facing a controversy of high severity for corruption practices, on which it is non-communicative.

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CSR performance per criterion


Detailed Analysis

Environment		11
ENV1.1	Environmental strategy and eco-design	11
ENV1.4	Protection of biodiversity	13
ENV2.2	Minimising environmental impacts from energy use	15
ENV2.4	Management of atmospheric emissions	16
ENV2.7	Management of environmental impacts from transportation	17
ENV3.1	Management of environmental impacts from the disposal of products/packaging	19
Human resources		21
HRS1.1	Promotion of labour relations	21
HRS2.3	Responsible management of reorganisations	23
HRS2.4	Career management and promotion of employability	24
HRS3.1	Quality of remuneration systems	26
HRS3.2	Improvement of health and safety conditions	28
HRS3.3	Respect and management of working hours	30
Human rights		32
HRT1.1	Respect for human rights standards and prevention of violations	32
HRT2.1	Respect for freedom of association and the right to collective bargaining	34
HRT2.4	Non-discrimination	36
Community involvement		38
CIN1.1	Promotion of the social and economic development	38
CIN2.2	Contribution to general interest causes	40
Business behaviour (C&S)		42
C&S1.1	Product Safety	42
C&S1.2	Information to customers	44
C&S2.2	Sustainable Relationships with suppliers	46
C&S2.3	Integration of environmental factors in the supply chain	48
C&S2.4	Integration of social factors in the supply chain	50
 C&S3.1	Prevention of corruption	52

C&S3.2	Prevention of anti-competitive practices	53
C&S3.3	Transparency and integrity of influence strategies and practices	55

Corporate governance

CGV1.1	Board of Directors	57
CGV2.1	Audit & Internal Controls	59
 CGV3.1	Shareholders	61
CGV4.1	Executive Remuneration	63

 Involvement in allegations  Involvement in allegations with evidence of corrective measures

Environment

Score: 38

ENV1.1 Environmental strategy and eco-design

(score: 55, weight: 3)



Visibility of commitment

The company has issued a formalized commitment to environmental protection in its Global Statement of Ethics and sets specific targets on waste management and renewable energy in its Annual Report.

Relevance of the company's environmental strategy

The company commits to all its responsibilities in terms of environmental protection:

- Minimise the environmental impacts from energy use
- Manage the environmental impacts from transportation
- Manage atmospheric emissions (CFCs, HCFCs, HFCs)
- Reduce the use of plastic bags
- Management of environmental impacts from the disposal of products
- Reduce the packaging of own-branded products
- Protection of biodiversity

Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

Resources allocated to environmental management

The company has allocated limited resources to environmental management.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

- Environmental performance measured against targets: The company measures annually environmental indicators and assesses its performance against targets previously established.

Coverage of certified environmental management systems

Information obtained from company and public sources regarding the share of the sites/offices that have a certified environmental management system is insufficient.

Relevance of the company's commitment to eco-design

The company commits to all its responsibilities in terms of eco-design and has set quantified targets:

- Integration of Eco design in building (existing or in construction)
- Eco design of own-branded product portfolio

The company commits to have 100% of its facilities receiving renewable energy supply by 2020.

Resources allocated to eco-design of own-branded products

The company has allocated some resources to eco-design of own-branded products.

Walmart de México & Centroamérica has adopted its parent company's Sustainable Packaging Guide, which consists on implementing three steps on its own-branded products: packages optimization, use of renewed and recycled materials and design that makes recycling easy. Implementation of the system has begun in stores that predominantly use corrugated cardboard.

Coverage of resources allocated to eco-design of own-branded products

There is no evidence that the means in place to promote eco-design of own-branded products are implemented throughout the company.

Resources allocated to eco-design of stores and warehouses

Information obtained from the company and public sources regarding resources allocated to eco-design of its stores and warehouses is insufficient.

Coverage of the resources allocated to eco-design of stores and warehouses

Information obtained from the company and public sources regarding resources allocated to eco-design of its stores and warehouses is insufficient.

Leadership	86
Visibility	100
Relevance	100
Ownership	30

Implementation	24
Means & resources	32
Coverage	11

ENV1.4 Protection of biodiversity

(score: 23, weight: 2)



Relevance of commitment to biodiversity protection.

The company's commitment towards biodiversity protection only addresses some of the relevant impacts:

- Promotion of sustainable agriculture
- Promotion of sustainable fishing
- Promotion of sustainable forestry
- Promotion of sustainable animal rearing
- Prevention of GMO contamination

Means allocated to promote sustainable agriculture

The company has allocated some means to promote sustainable agriculture:

- Environmental impact assessments
- Promotion and effective development of organic farming
- Full traceability and labelling systems
- International certification schemes
- Minimizing the use of fertilizers, chemicals, and external input
- Protection of soil from erosion and poverty
- Measures to protect pollinators

- Protection of soil from erosion and poverty: The company runs a Fertile Soil programme in Central America.

Means allocated to sustainable fisheries

Information obtained from the company and public sources regarding means allocated to promote sustainable fisheries is insufficient.

- Full traceability from catch to consumer
- Labelling systems
- International certification schemes
- Minimising the use of nutrients, antibiotics and fungicides
- Protect wild species and prevent fishing endangered species

Walmex reports that fisheries and aquaculture farms in its supply chain are evaluated and receive risks assessment, but measures aiming to sustainable fishing do not appear to be in place.

Means allocated to sustainable animal rearing

Information obtained from the company and public sources regarding means allocated to promote sustainable animal rearing is insufficient.

- Promotion of animal rearing organic systems
- Ban of products from engineered animals and/or exotic animal
- Minimize non-therapeutic use of antibiotics and hormones
- Ensure appropriate feeding of animals

- Awareness raising/ training on sustainable animal rearing
- Measures to ensure animal well-being
- Avoid negative impacts on local environment

Means allocated to sustainable forestry

Information obtained from the company and public sources regarding means allocated to promote sustainable forestry is insufficient.

- International certification schemes
- Ban of sourcing from forest protected areas
- Full traceability systems
- Dedicated structure

Of note the company states that it supports sustainable palm oil production and 78% of its suppliers report using sustainable palm oil.

Means allocated to prevent GMO cross contamination

Information obtained from the company and public sources regarding means allocated to prevent cross contamination is insufficient

- Full traceability and labelling systems
- Information on GMO cross contamination to farmers
- Preventive measures during planting, cultivation, harvest, transport, storage, and processing
- Other measures to ensure the prevention of GMO cross contamination (for example, monitoring of GM crops in non-GM neighbouring fields, ...)

Coverage of the measures allocated to the protection of biodiversity

There is no evidence that the majority of the sites are covered by these measures.

Results with regard to biodiversity protection

The company does not disclose indicators on its impact on biodiversity.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	30
Relevance	30

Implementation	11
Means & resources	10
Coverage	12

Results	28
Performance	65
Trends	0

ENV2.2 Minimising environmental impacts from energy use

(score: 46, weight: 3)



Relevance of the company's commitment in terms of reducing its energy consumption.

The company has set quantified targets with regard to its energy consumption, and these cover the entire group.

The Company has set a 20% reduction target in energy intensity kWh/m2 by 2020 using 2016 as the baseline. Also, the Company aims to have 100% of its stores supplied by renewable energy sources by 2020 using 2016 as the baseline.

Relevance of the company's commitment in terms of reducing its energy-related emissions.

The company has set quantified targets with regard to its energy-related emissions, but these do not cover the entire group.

The company has set a 18% reduction target in GHG emissions by 2025 using 2015 as the baseline.

Resources allocated to reduce energy consumption and related emissions.

The company has set up limited measures in place to reduce its energy consumption and/or its related emissions.

- Energy-saving lighting solutions
- Energy-saving heating / air conditioning concepts
- Use of energy-efficient equipment (IT, machinery,...)
- Use of alternative more energy-effective methods of refrigeration

- Energy-saving lighting solutions: LED lighting is now used in stores rather than fluorescent tubes, including Central America,

Coverage

The company has taken such measures throughout the company.

Energy consumption

Normalized to sales (GWh/million euros), the company's energy consumption has increased by a total of 15% over the past three years from 0.09 in 2015 to 0.11 in 2017. However, the proportion of electricity coming from renewable sources has also increased to 53% in 2017.

CO2 emissions linked to energy consumption

Normalized to sales (kt/million euros), the company's emissions have decreased, but not continuously, by a total of 29% over the past five years from 0.0784 in 2013 to 0.0559 in 2017.

Leadership	48	Implementation	58	Results	33
Relevance	48	Means & resources	30	Performance	32
		Coverage	100		

ENV2.4 Management of atmospheric emissions

(score: 36, weight: 3)



Relevance of the company's commitment in terms of reducing its atmospheric emissions from refrigeration systems

The company does not disclose any commitment with regard to its atmospheric emissions.

Means allocated to reduce emissions of HCFCs

The company has set up monitoring systems for its atmospheric emissions.

- Preventive maintenance of refrigeration systems
- Installation of ozone friendly refrigerants
- Upgraded air conditioning and cooling equipment
- Best Available Technologies

Coverage of HCFCs reduction matters

The company has taken such measures throughout the company.

The company monitors the use of refrigerants in México and Central America.

Greenhouse gas emissions not related to energy consumption (in CO2 equivalent)

Normalized to sales (tCO2e/million euros), the company's greenhouse gas emissions not related to energy consumption have decreased continuously over the past five years by a total of 97% from 41.78 in 2013 to 1.22 in 2017.

Ozone Depleting substances* (in CFC-11 equivalent)

The company does not disclose quantitative data on ozone depleting substances emissions.

Leadership	0	Implementation	58	Results	50
Relevance	0	Means & resources	30	Performance	50
		Coverage	100		

ENV2.7 Management of environmental impacts from transportation

(score: 28, weight: 3)



Relevance of the company's commitment with regard to the environmental impacts related to the transport of its products

The company does not disclose any commitment with regard to the environmental impacts related to the transport of its products.

Means allocated to minimising the environmental impacts from the company's logistics

The company has set up some relevant measures to reduce its environmental impacts related to the transport of its products:

- Monitoring of distances travelled, fuel consumption, transport-related CO2 emissions
- Optimisation of logistics (e.g. increase load factors, reduce distances travelled...)
- Improvement of production transport mix (alternatives to road transport)
- Training for company-employed drivers for eco-efficient driving
- Eco-efficient company fleet (e.g. LPG-powered trucks, etc.)
- Improving vehicles maintenance
- Joint transportation initiatives with other retailers
- External evaluation of the impacts of product transportation and logistics supply chain

- Monitoring of distances travelled, fuel consumption, transport-related CO2 emissions.

- Eco-efficient company fleet (e.g. LPG-powered trucks, etc.): The transport fleet was improved by having new multi-temperature tows with hybrid motors

Coverage

There is no evidence that the means in place to minimize the environmental impacts from the company's logistics are implemented throughout the company.

Means allocated to promoting the company's objectives amongst commercial partners

Information obtained from the company and public sources regarding initiatives involving transport logistics partners to minimise energy consumption and emissions is insufficient.

Energy consumption or CO2 emissions related to transportation

Normalized to sales (tCO2e/EUR million), the company's transport emissions have decreased significantly over the past five years, from 10.03 in 2013 to 0.02 in 2017.

Trend in transport mix

The company does not monitor/report the breakdown of the different modes of transport uses internally.

Leadership	0	Implementation	23	Results	60
Relevance	0	Means & resources	20	Performance	100
		Coverage	30	Trends	0

ENV3.1

Management of environmental impacts from the disposal of products/packaging

(score: 36, weight: 2)



Relevance of commitments related to packaging

The company's commitment to limiting impacts related to the disposal of its packaging is general.

No quantified targets seem to be disclosed.

Resources allocated to the disposal of packaging

The company provides some examples of packaging that reduce impacts at the disposal phase.

- Development of own-branded packaging designed for recycling or dismantling
- Reuse of own-branded packaging
- Reduce the size of own-branded packaging
- Limit the amount of material used in own-branded packaging

- Development of own-branded packaging designed for recycling or dismantling: Adopting its parent company's Sustainable Packaging Guide allows utilizing recycled packaging in the own-branded products and dismantling them easily.

Coverage with regard to resources allocated to the disposal of packaging

There is no evidence that the means in place to the disposal of packaging are implemented throughout the company.

Relevance of commitments related to own-branded products

The company's commitment to limit the environmental impacts from its own-branded products is general.

No quantified targets seem to be disclosed.

Resources allocated to the disposal of own-branded products

The company provides some examples of own-branded products that reduce impacts at the disposal phase.

- Development of own-branded products designed for recycling or dismantling
- Take-back programmes
- Information to customers on takeback programmes
- Participation in partnerships with local authorities / professionals specialised in elimination

- Development of own-branded products designed for recycling or dismantling: The company currently has 1,662 products with 'reduced environmental impact during one or more of their life cycles',

Coverage with regard to resources allocated to the disposal of own-branded products

There is no evidence that the means in place to the disposal of own-branded

products are implemented throughout the company.

Share of products that are collected and reused

Company-wide recycling has improved by a total of 2.3 percentage points over the past five years from 66.5% of all waste in 2013 to 68.8% in 2017.

Reduction of the distribution of plastic bags at supermarket check-outs

The company does not disclose data on the reduction of the distribution of plastic bags at supermarket check-outs.

Relevance of commitments related to food waste

The company has set quantified and ambitious targets on limiting the environmental impacts from food waste.

The company has set a 50% reduction target in food waste by 2025 using 2016 as the baseline.

Resources allocated to address food waste

The company has allocated limited measures to address food waste.

- Awareness raising to customers
- Actions to improve storage across the food chain
- Actions to improve packaging
- Donations to food banks
- Composting
- Culling program

- Donations to food banks: The Company reports on donating food for the earthquake occurred in México during 2017.

- Composting: 0.5% of Walmart de Mexico's wastes are allocated to composting.

Coverage of the resources allocated to address food waste

There is no evidence that the means in place to address food waste are implemented throughout the company.

Reduction of food waste

The company does not disclose data on the reduction of the food waste.

Leadership	55	Implementation	30	Results	23
Relevance	54	Means & resources	30	Trends	23
		Coverage	30		

Human resources

Score: 22

HRS1.1 Promotion of labour relations

(score: 7, weight: 2)



The company does not disclose any commitment to promote labour relations.

Visibility of commitment

Of note, the Company provides a link in its corporate website containing reference to a commitment towards freedom of association. However, the information provided is part of the company's 2016 Annual Report. The company is a signatory of the Global Compact but does not communicate on this principle.

Relevance of commitment

The company does not disclose any commitment to promote labour relations.

Ownership of commitment

The company does not disclose any commitment to promotion of labour relations.

Coverage of employee representative bodies

Information obtained from the company and public sources regarding the percentage of sites where employee representation structures are in place is insufficient.

Subjects covered by collective bargaining

Information obtained from company and public sources regarding the subjects covered in collective bargaining is insufficient.

- health & safety
- CSR issues
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities

Employee representative bodies in countries with restrictive legislation

Information obtained from the company and public sources regarding how the company promotes employee representation in countries with restrictive legislations is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Coverage of collective agreements on working conditions

Information obtained from the company and public sources, regarding the percentage of the company's employees covered by collective agreements on working conditions, is insufficient.

Leadership	0
Visibility	0
Relevance	0
Ownership	0

Implementation	0
Means & resources	0
Scope	0
Coverage	0

Results	22
Performance	22

HRS2.3 Responsible management of reorganisations

(score: 12, weight: 3)



Relevance of commitment to manage reorganisations responsibly

The company does not commit to managing reorganisations responsibly.

Involvement with employee representatives

The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

Means allocated to prevent and manage reorganisations

Information obtained from the company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.

- significant financial compensation
- early retirement
- reduction of labour time
- internal mobility programme
- outplacement services
- individualised follow-up of employees
- re-training

Coverage

Information obtained from the company and public sources regarding the percentage of sites where such measures are taken is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Result of the company's commitment to manage reorganisations responsibly

The company does not provide any information on the impacts of reorganisations on employment.

Leadership	0	Implementation	0	Results	35
Relevance	0	Means & resources	0	Performance	35
Ownership	0	Coverage	0		

HRS2.4 Career management and promotion of employability

(score: 44, weight: 2)



Visibility of commitment

The company makes some general statements promoting career management and training in its:

Annual Report

Relevance of commitment

The company's commitment to promoting career management and training addresses its main responsibilities:

- Anticipate short and long-term employment needs and skill requirements
- Adapt employees' skill sets to their career paths
- Enable the progressive improvement in employees' qualification levels
- Put in place a concerted career management framework, which is transparent and individualized

Ownership of commitment

The Head of HR is part of the company's Executive Committee. However line managers do not appear to be evaluated on their performance in terms of HR management.

Career management systems

The company has set up an internal job opportunity marketplace and has formalized the skill requirements for various job positions. Moreover, employees have regular performance assessment interviews. All employees receive performance assessments, and in 2017, 112,640 people were evaluated.

Coverage of career management systems

There is no evidence that the career management systems mentioned are implemented throughout the company.

Types of training provided to non-managers

The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills.

Training provided by Walmex to all employees include operational in-store trainings. The Company's Merchandising Trainee Programme helps buyers to develop negotiation abilities, merchandising skills, category management and imports. There is also a Digital Academy which provides training on eCommerce and a Corporate Staff Academy which trains on Walmart Fundamentals, Business Capabilities and Support Tools.

Means allocated to training for all employees

The company's normalised indicators on training hours or budget per employee

have improved over the past three years.

The average number of training hours per employee has increased by 120% over the last three years from 14.1 hours in 2015 to 30.8 hours in 2017.

Mobility / turnover

The employee turnover rate has increased by 8.37 percentage points over the past three years, from 46.9% in 2015 to stand at 55.27% in 2017.

Training delivered during the year under review

A minority of the company's employees received training during the year under review.

Although several training are reported to be in place, the actual percentage of employees that received trainings its not disclosed.

Leadership	48
Visibility	30
Relevance	65
Ownership	30

Implementation	65
Means & resources	82
Scope	65
Coverage	30

Results	18
Performance	18

HRS3.1 Quality of remuneration systems

(score: 26, weight: 1)



Visibility of commitment

The company has issued a largely publicised, formalised commitment to the quality of its remuneration systems in its:

Global Statement of Ethics.

Relevance of commitment

The company's commitment only addresses part of its responsibilities:

- Guarantee decent remuneration
- Promote access to social security
- Ensure transparency and communication when setting and reviewing remuneration
- Take into account individual achievements in setting and reviewing remuneration

Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, other employees are directly involved.

The commitment applies throughout the company, supported by the Ethics and Compliance Vice President for Latin America. In addition, other employees are directly involved through the company's Compliance Program which comprises 14 global leaders specializing in 14 compliance areas, including responsible sourcing.

Means to ensure transparency of remuneration

Information obtained from the company and public sources regarding means allocated to ensure transparency of remuneration is insufficient.

Coverage of transparent and verifiable remuneration systems

Information obtained from the company and public sources regarding the percentage of employees covered by a transparent and verifiable remuneration system is insufficient.

Trend of quality of remuneration systems

The company does not disclose information on its remuneration system.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	55	Implementation	0	Results	22
Visibility	100	Means & resources	0	Performance	65
Relevance	30	Coverage	0	Trends	0
Ownership	65				

HRS3.2 Improvement of health and safety conditions

(score: 29, weight: 2)



Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues, and has set up quantitative targets in this regard.

The company has issued a formalized commitment to health and safety issues in its Global Statement of Ethics and sets a 100% reduction target in work accidents by 2030. Baseline year for the accident reduction's target is not specified.

Relevance of commitment

The company's commitment is general.

- improve ergonomics
- reduce stress/promote well-being
- reduce the number of work accidents on the road
- reduce the number of other labour accidents
- prevent occupational disease

Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

Means allocated to health and safety

The company has allocated means to address health and safety issues, including:

- training/awareness raising programmes
- internal monitoring
- risk assessments
- internal H&S audits
- H&S competitions
- remuneration based on H&S performance
- OHSAS 18001 certifications

- *Training/Awareness raising programmes: Walmex provides training on safety and hygiene as a part of its training on Company's the Ethics and Compliance Policy. The Company also has a Accidents Prevention Programme for Employees and Customers, which includes Fire Prevention Programmes and Fire Brigades. Employees in Central America receive a Safety Manual for Risky Works.*
 - *Risk assessments: The Company's Risk Management System includes in its framework its workers safety.*

Coverage of health and safety system

There is no evidence that the means in place to promote workers' health and safety are implemented throughout the company.

Means allocated to reduce stress at work

Information obtained from the company and public sources regarding means allocated to reduce stress is insufficient.

- monitoring of absenteeism/rate of occupational disease
- job redesign (work organisation)
- assessment of stress through analysis of internal H&S data
- monitoring of stress through opinion surveys
- awareness raising for employees
- identification of stress sources
- stress support instruments (hotline, counselling service, employee assistance programme, etc)
- training on stress for employees/ managers
- Ergonomic design of workplaces
- measures to improve ergonomics/ ergonomic design of workplaces

Coverage of means allocated to address mental health

Information obtained from the company and public sources regarding the percentage of employees that benefit from means allocated to address mental health is insufficient.

Accident frequency rate

The company does not disclose quantitative data on accident frequency rates.

Accident severity rate

The company does not disclose quantitative data on accident severity rates.

Other health and safety indicators

The company does not disclose quantitative data on occupational disease rates.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	55
Visibility	100
Relevance	30
Ownership	30

Implementation	15
Means & resources	15
Coverage	15

Results	16
Performance	16

HRS3.3 Respect and management of working hours

(score: 22, weight: 2)



Visibility of commitment

The company has issued a largely publicised, formalised commitment to the respect and management of working hours in its:

Global Ethics Statement

Relevance of commitment

The company's commitment to promoting the respect and management of working hours is general.

- respect the rights of employees to vacation and leisure time
- provide compensation measures for those employees working atypical hours or overtime
- take into account the desires of employees in establishing working hours (flexibility, part-time)
- promote the recourse to more stable employment contracts

Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

Means to compensate for atypical working hours (including overtime, night work)

Information obtained from the company and public sources regarding means allocated to reduce the impact of atypical working hours is insufficient.

Coverage of measures to compensate for atypical working hours

Information obtained from the company and public sources regarding the percentage of employees covered by such measures is insufficient.

Means to promote work/life balance

Information obtained from the company and public sources regarding means allocated to promote work/life balance is insufficient.

- voluntary flex-time schemes
- voluntary part-time work
- sabbatical years
- additional paternity leave
- child-care services at the workplace

Amount of overtime

Information obtained from the company and public sources regarding the amount of overtime is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	44
Visibility	100
Relevance	30
Ownership	30

Implementation	0
Means & resources	0
Coverage	0

Results	22
Performance	22

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Human rights

Score: 46

HRT1.1 Respect for human rights standards and prevention of violations

(score: 46, weight: 2)



Visibility of commitment

The company has made references to respect and promote human rights in society in its Global Statement of Ethics. The company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to respect and promote human rights in society addresses only part of its responsibilities:

- Respect the right to privacy on data gathered through CRM and data mining solutions
- Respect property rights
- Prevent cruel, inhuman, or degrading treatment by security agents
- Promote Human Rights in high risk countries
- Prevent complicity in human rights violations

Ownership of commitment

The commitment applies throughout the company, supported by the Ethics and Compliance Vice President for Latin America. In addition, other employees are directly involved through the company's Compliance Program which comprises 14 global leaders specializing in 14 compliance areas, including product safety.

Means allocated

The company has set up a basic system to ensure the respect and promotion of human rights in society that includes:

- awareness-raising programmes for employees
- training programmes for employees
- grievance mechanisms
- human rights impact assessments
- internal audits
- external audits/verification
- external investigation of allegations

- Awareness-raising programmes for employees: the company offers courses on its Global Statement of Ethics but does not provide specific human rights training,
 - Grievance mechanisms: the company has a Global Ethics Hotline which is run independently and is available in local languages; investigations are conducted confidentially and reported to the Audit Committee.

Coverage

The Global Statement of Ethics applies to all employees, and the Global Ethics Hotline is open to all employees. In 2017, 94% of employees received training on the Global Statement of Ethics.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	44
Visibility	30
Relevance	30
Ownership	65

Implementation	30
Means & resources	30
Coverage	30

Results	65
Performance	65

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HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 22, weight: 3)



Visibility of commitment

The company does not disclose any commitment to freedom of association and the right to collective bargaining.

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

Of note, the Company provides a link in its corporate website containing reference to a commitment towards freedom of association. However, the information provided is part of the company's 2016 Annual Report. The company is a signatory of the Global Compact but does not communicate on this principle.

Relevance of commitment

The company does not disclose any commitment to freedom of association and the right to collective bargaining.

- protection of freedom of association and the right to organize
- respect of the right to collective bargaining
- respect and protection of workers' representatives
- explicit support for ILO Conventions C87, C98, C135 ,or similar international texts on union rights
- prevent employee representative discrimination
- guarantee the effective exercise of the trade unions rights in the workplace
- prevent violations of the freedom of association and the right to organize

Ownership of commitment

The company does not disclose any commitment to freedom of association and the right to collective bargaining.

Monitoring

It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.)

- Occasional risk mapping
- Occasional internal audits
- On-going monitoring of labour rights risks
- regular internal audits
- External audits/verification
- External investigation of allegations
- Cooperation with unions: joint audits, joint grievance procedures etc.

Promotion of collective bargaining

Information obtained from the company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

Coverage of the monitoring systems

Information obtained from the company and public sources the percentage of the company where such labour rights systems and programmes are in place is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

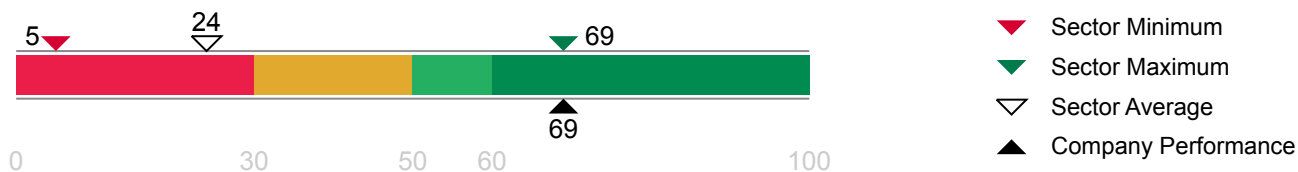
Leadership	0
Visibility	0
Relevance	0
Ownership	0

Implementation	0
Means & resources	0
Coverage	0

Results	65
Performance	65

HRT2.4 Non-discrimination

(score: 69, weight: 3)



Visibility of commitment

The company has issued a formalized commitment to non-discrimination in its Global Statement of Ethics. The company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories covered:

- gender
- sensitive medical conditions
- trade union membership or activities
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, other employees are directly involved.

The commitment applies throughout the company, supported by the Ethics and Compliance Vice President for Latin America. In addition, other employees are directly involved through the company's Compliance Program which comprises 14 global leaders specializing in 14 compliance areas, including product safety.

Means allocated

The company has set up significant measures to prevent discrimination and promote diversity:

- awareness raising
- maternity pay (greater than the statutory requirement)
- paternity pay (greater than the statutory requirement)
- job sharing initiatives
- monitoring of salary disparities
- training
- monitoring
- confidential reporting system / grievance procedures

- disciplinary procedures / corrective measures
- affirmative action programmes
- flexitime initiatives
- child care facilities/child care subsidies
- career break opportunities

- Awareness raising: The company offers courses on its Global Statement of Ethics but does not provide specific diversity training,
 - Monitoring: Gender data is recorded and disclosed,
 - Confidential reporting system/grievance procedures: As well as having a Global Ethics Hotline, the company has an Open-Door Policy for employees to express concerns directly to managers,
 - Affirmative action programmes: The company runs social programs for women (A Hand for Growing)

Coverage

The company has set up programmes to promote diversity (eg: training, awareness-raising, etc.) in a majority of its operations.

The Global Statement of Ethics applies to all employees, the Global Ethics Hotline is open to all employees, and the diversity data disclosed covers all operations. In 2016, 94% of employees received training on the Global Ethics Standards.

Women in management positions

The share of women in management positions has increased, by a total of 3.5 percentage points over the past five years from 31% in 2013 to 34.5% in 2017.

Results in terms of employment of people with disabilities

The share of people with disabilities in the total workforce has increased by 0.6 percentage points, but not continuously over the past five years, from 5.8% in 2012 to stand at 6.4% in 2016. Of note the share of people with disabilities in the total workforce is not disclosed for 2017.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	65	Implementation	65	Results	77
Visibility	65	Means & resources	65	Performance	65
Relevance	65	Coverage	65	Trends	82
Ownership	65				

Community involvement

Score: 32

CIN1.1 Promotion of the social and economic development

(score: 25, weight: 3)



Visibility of the policy

The visibility of the company's commitment to promote local social and economic development is insufficient.

Relevance of commitment

The company does not disclose any commitment to promote local social and economic development.

- Optimise the impact of operations on the local economy
- Promote the creation and development of local businesses
- Promote the employment and training of local personnel
- Reduce the social impacts related to site closures, openings, and restructuring
- Implement a responsible tax strategy

Ownership of commitment

The company does not disclose any commitment to promotion of the social and economic development.

Resources allocated to the mitigation of the Company's operations

Information obtained from the company and public sources regarding resources allocated to the mitigation of the company's operations is insufficient.

- Social impact assessment when implantation in new areas or closing sites
- Integration of traditional businesses in stores
- Reduction of the social impacts related to site closures and restructuring
- Local communities dialogue process

Geographical coverage

Information obtained from company and public sources regarding the percentage of sites where such programmes are in place is insufficient.

Resources allocated to promotion of the social and economic development

The company has allocated some means to address social and economic development, including:

- Promotion of local employment of among disadvantaged groups and marginalized workers
- Support of the development of local business
- Promotion of local suppliers (in particular farmers)
- Promotion of social investment initiatives (education, health programmes to support local communities)

- Promotion of local suppliers (in particular farmers) : Through the Fertile Soil

programme, the Company purchases directly from small and medium-sized farmers.

Geographical coverage

These means are allocated in parts of the company's sites.
The Fertile Soil programme is implemented only in Central America.

Performance trend

The number of small producers supported by the company increased by 175.3%, but not continuously, over the past five years, from 5800 in 2012, to stand at 15966 in 2017.

Transparency of tax reporting

The company reports only on gross taxes paid. There is no breakdown on a regional or country basis.

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules

The Company operates in IMF 'offshore financial centres' and/ or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules, and it justifies its presence in most of them.

The company operates stores in Costa Rica and Guatemala, neither of which are fully compliant with OECD requirements.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	0	Implementation	15	Results	61
Visibility	0	Means & resources	15	Performance	47
Relevance	0	Coverage	15	Trends	100
Ownership	0				

CIN2.2 Contribution to general interest causes

(score: 53, weight: 1)



Relevance of commitment

The company's commitment to supporting general interest causes is general.

Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

Means allocated

The company has allocated significant means to general interest causes, including:

- financial support
- in-kind donations
- complementing or matching employees' charitable contributions
- sponsoring employee volunteering
- allowing staff time

- *Financial support: Significant funds were donated for assisting natural disasters in Guatemala, Costa Rica, Nicaragua and Mexico.*
 - *In-kind donations: In association with Coca-Cola and Herdez, recycling programmes for customers aimed to produce desks, benches and solar heaters that were donated to communities in need. As for Walmex's assistance in natural disasters, personal hygiene items, tools and food were donated.*
 - *Sponsoring employee volunteering: The company's Volunteerism Program develops activities with local communities.*

Geographical coverage

These means are allocated throughout the company.

8 MXN millions were donated to fight hunger in 6 Mexican states. 980 tons of food were donated for 10 natural disasters occurred in Mexico during 2017, including Oaxaca's earthquake. 75,558 volunteers participated in 1,713 activities in 2017 developed in México and Central America.

Performance benchmark for contributions to general interest causes

The company's contributions to general interest causes are in line with those of its peers.

Trend in contributions to general interest causes

The company monitors indicators on contributions to general interest causes, and these have been improving over time.

The Company's contributions to general interest causes, normalised to EBIT, have increased continuously over the past three years by 0.5 percentage points, from 1.9 in 2015 to 2.4 in 2017.

Leadership		Implementation		Results	
Relevance	30	Means & resources	65	Performance	30
Ownership	30	Coverage	100	Trends	100

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Business behaviour (C&S)

Score: 36

C&S1.1 Product Safety

(score: 47, weight: 3)



Visibility of commitment

The company has made references to product safety in its:

Annual Report

Relevance of commitment

The company's commitment addresses some of its responsibilities on product safety.

- Food safety
- Control chemical substances present in some products
- Crisis management
- Use of nanotechnologies
- Prevent cigarette counterfeiting

Ownership of commitment

The commitment applies throughout the company, supported by the Ethics and Compliance Vice President for Latin America. In addition, other employees are directly involved through the company's Compliance Program which comprises 14 global leaders specializing in 14 compliance areas, including product safety.

Food safety management systems

The company has allocated significant resources to ensure food safety that include:

- Training of employees on food safety
- Development of logistics tracing tool
- Application of HACCP method
- Food certification schemes
- External food safety audits
- Risk assessments on nanomaterial used in food or packaging

- *Training of employees on food safety: The Company reports that its whole workforce received online training on pest control and food safety.*
 - *Application of HACCP method: Walmart has developed and implemented the Sustainable Paperless Auditing and Record Keeping (SPARK) tool, which monitors food products' temperature and allows to identify hazards.*
 - *Food certification schemes: the company verifies compliance with the Global Food Safety Initiative and as well as validating certificates issued for organic production,*
 - *External food safety audits: The Mexican Secretary of Tourism has issued 'H Certificates' for good practices in food preparation and serving hygiene to 196 sites in Mexico.*

Non food products safety management systems

The company has allocated some resources to ensure product safety that include:

- External product safety audits
- Quality management system
- Follow up of customers claims
- Product specific certification schemes
- R&D to develop safer products
- Preventative measures to fight counterfeiting

- *Quality management system: The Company reports that its non food products receive continuous quality monitoring. Also, the Compliance area is responsible for auditing products aiming to avoid labelling and marketing issues.*

Coverage for prevention system

The company has set up such systems for its own brand products and other food brand products.

Crisis management system

Information obtained from the company and public sources regarding crisis management system is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Transparency and trends of indicators relative to product safety

The company's indicators on the outcomes of its product safety policy have improved continuously over the past three years.

The company received 303 fines or sanctions in 2017, compared to 364 in 2016 and 409 in 2015.

Leadership	37	Implementation	40	Results	65
Visibility	30	Means & resources	32	Performance	65
Relevance	30	Coverage	65	Trends	65
Ownership	65				

C&S1.2 Information to customers

(score: 36, weight: 3)



Visibility of commitment

The company has made references to informing customers about its products and services in its:

Annual Report

Relevance of commitment

The company's commitment only addresses part of its responsibilities:

- Transparent labelling of products
- Promotion of communication on nutrition
- Responsible marketing techniques
- Information on the dangers of tobacco
- Transparent labelling of GMOs
- Transparent labelling of nanomaterials
- Transparent information about consumer credits

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Systems to monitor information to customers on Nutrition

The company has set up a comprehensive internal system to ensure customers are informed properly through:

- Detailed information for customers on products/services on website / brochures
- Interactive information on stores
- Highlight healthy products in stores
- Transparent labeling of products
- Review ingredients of own brand products
- Training for chefs de rayon
- Procedures to approve/monitor marketing material by third parties
- Cooperation with scientists

- Detailed information for customers on products on website: for each product available in Walmart de Mexico's online supermarkets, characteristics and nutritional information are disclosed.
 - Highlight healthy products in stores: Superama, a company's branch, increased its healthy products offer, such as gluten free, sugar free, organic, kosher, trans fat free and low on sodium.
 - Transparent labelling of products: Labels are disclosing the following information - origin of product or service components; content, especially pertaining to substances that can cause environmental or social impacts; product safety instructions; product elimination and environmental or social impact.
 - Review ingredients of own brand products: The company conducted 53 ingredients tests on own brand products, 160 meat products species analysis and certified 217 products marketed as organic.

Of note, the company reports on providing training on customer protection issues, but specific content of these trainings is not disclosed.

Coverage for Systems to monitor information to customers on Nutrition

The company has set up systems for its own brand products.
In 2017, a total of 1,182 labels were reviewed.

Systems to monitor information to customers on engineered products

Information obtained from the company and public sources regarding the information to customers on engineered products labelling is insufficient.

- Transparent labelling of GMOs used in products
- Transparent labelling of nanomaterial used in products
- Awareness raising campaigns
- Monitoring system: questionnaires
- Finance research studies
- External verification

Systems to monitor information to customers on over indebtedness

Information obtained from the company and public sources regarding private loans granted to customers is insufficient.

- Respect local legislation on over indebtedness
- Detailed information for customers on website, brochures
- Information on financial services through hotline
- Training for sales staff

Coverage for systems to monitor Consumer credit

Information obtained from the company and public sources regarding the percentage of sites covered by such measures is insufficient.

Systems to monitor information to customers on negative impacts of tobacco

Information obtained from the company and public sources regarding the information to customers on negative impacts of tobacco is insufficient.

- Information on the dangers of direct smoking
- Information on the dangers of secondhand smoking
- Information on the dangers of tobacco use for pregnant women
- Information on the dangers of tobacco use for teenagers

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	23	Implementation	19	Results	65
Visibility	30	Means & resources	20	Performance	65
Relevance	30	Coverage	15		
Ownership	0				

C&S2.2 Sustainable Relationships with suppliers

(score: 26, weight: 2)



Visibility of commitment

The company has made references to establishing sustainable relationships with its suppliers and subcontractors in its:

Annual Report

Relevance of commitment

The company's commitment only addresses part of its responsibilities

- combating supplier's financial dependence
- promoting long-term partnerships
- prevent unreasonable or discriminatory trading terms or conditions
- ensuring cooperation/support with suppliers from developing countries

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Measures established to manage supplier relations

The company has set up some means and measures to ensure the respect of contractual clauses that include:

- Technical and IT assistance
- Financial assistance
- Verification systems to ensure respect of payment delays
- Verification system to ensure that terms of contract do not vary without reasonable notice
- Litigation systems (avoid, prevent litigation)
- Joint development projects
- Products from fair trade

- *Technical assistance: The Company provided training on farming techniques aimed to reduce environmental impact and increasing productivity to 475 small and medium growers.*
 - *Financial assistance: The Company reports on giving talks on good manufacturing practices and market tendencies to small and medium suppliers.*
 - *Joint development projects: The company has partnered with Women-Owned Businesses and Adopt an SME in Mexico, as well as the Fertile Soil program and A Growing Hand in Central America in order to promote supplier development.*

Coverage

There is no evidence that the means in place to develop sustainable relations with suppliers are implemented throughout the company

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Transparency and trends of indicators relative to the outcomes of the company's commitment to ensure balanced and sustainable relations with suppliers

The company discloses relevant indicators on the outcomes of its commitment to ensure balanced and sustainable relations with suppliers, but those have deteriorated over the past three years.

The company states that the number of lawsuits filed by suppliers over the last three years increased from 793 in 2015 to 975 in 2016 and then 840 in 2017.

Leadership	21
Visibility	30
Relevance	30
Ownership	0

Implementation	30
Means & resources	30
Coverage	30

Results	28
Performance	65
Trends	0

C&S2.3 Integration of environmental factors in the supply chain

(score: 36, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to including environmental factors in supply chain management in its:

Standards for Suppliers Manual.

Relevance of commitment

The company's environmental requirements for suppliers are general and refer only to applicable laws or corporate environmental policies.

- Reduction of cold chain atmospheric emissions
- Reduction of packaging volume of banner products
- Protection of water resources
- ISO 14001 certification of suppliers

Ownership of commitment

The commitment applies throughout the company, supported by the Ethics and Compliance Vice President for Latin America. In addition, other employees are directly involved through the company's Compliance Program which comprises 14 global leaders specializing in 14 compliance areas, including responsible sourcing.

Resources allocated to integrate environmental issues in the supply chain

The company has set up some measures to include environmental factors in supply chain management:

- integration of environmental issues into contractual clauses
- supplier questionnaires/ evaluation
- supplier support (training, technical assistance, best practice sharing etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers
- international environmental certifications for suppliers
- on site visits prior to selection

- *Supplier questionnaires/evaluation: The company is a member of the Supply Chain Carbon Disclosure Project and receives responses from suppliers regularly,*
 - *Supplier support: Walmex reports on providing training and support for suppliers on issues related to the company's Ethics and Compliance Policy.*
Non-compliance procedures for suppliers: Non-compliance with the company's Supplier Standards will result in corrective measures or contract termination if there is no improvement. Also, due-diligence procedures are reported to be in place for suppliers that interact with gubernamental entities.
 - *Risk assessments for suppliers: The company conducts risk assessments as part of its Responsible Sourcing Program to identify country- and supplier-specific ESG risks.*

Coverage of the measures allocated

There is no evidence that the measures allocated for integrating environmental issues in the supply chain are implemented throughout the company.

Audits of suppliers/subcontractors

The company does not audit its suppliers/subcontractors on environmental issues.

The company uses the independent external audit firms to conduct its audits, but these are general audits under its Responsible Sourcing programme that not include environmental issues.

Coverage of audits

There is no evidence that the audits for suppliers are implemented throughout the company.

Share of corrective measures vs problems uncovered

The company does not disclose quantitative data on the share of environmental problems in the supply chain that were addressed by corrective measures.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	48
Visibility	65
Relevance	30
Ownership	65

Implementation	32
Means & resources	32
Coverage	30

Results	28
Performance	28

C&S2.4 Integration of social factors in the supply chain

(score: 51, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its Standards for Suppliers Manual and sets specific targets on accidents in the supply chain in its Annual Report.

Relevance of commitment

The company's social requirements for suppliers address the main relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)
- Good labour standards for migrant workers

Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, other employees are directly involved.

The commitment applies throughout the company, supported by the Ethics and Compliance Vice President for Latin America. In addition, other employees are directly involved through the company's Compliance Program which comprises 14 global leaders specializing in 14 compliance areas, including responsible sourcing.

Resources allocated to integrate social issues in the supply chain

The company has set up some measures to include social factors in supply chain management:

- integration of social issues into contractual clauses
- supplier questionnaires
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers
- On site visits prior to conducting business

- Supplier support: Walmex reports on providing training and support for suppliers on issues related to the company's Ethics and Compliance Policy.
 - Non-compliance procedures for suppliers: Non-compliance with the company's Supplier Standards will result in corrective measures or contract termination if there is no improvement. Also, due-diligence procedures are reported to be in place for suppliers that interact with gubernamental entities.

- Risk assessments for suppliers: The company conducts risk assessments as part of its Responsible Sourcing Program to identify country- and supplier-specific ESG risks.

Coverage of the measures allocated

There is no evidence that the measures allocated for integrating environmental issues in the supply chain are implemented throughout the company.

Audits of suppliers/subcontractors

Dedicated social audits are carried out by independent, external auditors.

The company uses the independent external audit firms to conduct its audits, but these are general audits under its Responsible Sourcing programme rather than specifically relating to social issues' standards.

Coverage of audits

There is no evidence that the audits for suppliers are implemented throughout the company.

Share of corrective measures / problems uncovered

Information disclosed on the share of social problems in the supply chain that were addressed by corrective measures is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	74
Visibility	100
Relevance	65
Ownership	65

Implementation	51
Means & resources	65
Coverage	30

Results	28
Performance	28

C&S3.1 Prevention of corruption

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C&S3.2 Prevention of anti-competitive practices

(score: 41, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to prevent anti-competitive practices in its:

Global Statement of Ethics.

Relevance of commitment

The company's commitment to preventing anti-competitive practices is very general.

- price-fixing
- abuse of dominant position
- dumping
- market-sharing
- agreement on marketing practices
- non respect of commercial sensitive information

Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, other employees are directly involved.

The commitment applies throughout the company, supported by the Ethics and Compliance Vice President for Latin America. In addition, other employees are directly involved through the company's Compliance Program which comprises 14 global leaders specializing in 14 compliance areas, including product safety.

Involvement of employees

The company has instituted formal training programmes for relevant employees on the prevention of anti-competitive practices.

In 2017, 94% of employees received training on the Global Statement of Ethics.

Means allocated to prevention of anti-competitive practices.

The company has set up reporting systems to prevent anti-competitive practices that include:

- approval procedures for contract prices etc. by an independent department
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- risk assessment of vulnerability areas within the company
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- external audits (by an independent, external specialised organisation)
- external investigations of allegations

- The possibility to contact internal audit, legal or compliance departments directly and confidentially: The company has an Open Door Communications process for employees to directly contact managers,
 - A dedicated confidential hotline or email address: The Global Ethics Helpline is accessible by email, post or telephone.

Coverage to means allocated to prevention of anti-competitive practices.

The measures implemented cover all significant parts of the company.

Reporting

The company does not disclose any quantitative data on the number or nature of antitrust incidents reported internally.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Leadership	51
Visibility	65
Relevance	30
Ownership	65

Implementation	30
Means & resources	30
Coverage	30

Results	43
Performance	43

C&S3.3 Transparency and integrity of influence strategies and practices

(score: 12, weight: 3)



Visibility towards stakeholders

The visibility of the company's commitment to ensuring transparency and integrity of lobbying practices is insufficient.

Comprehensiveness of the commitment

The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

- to prevent any contrast with public international conventions (UN, ILO, OECD)
- not obtain or try to obtain information, or any decision, dishonestly
- not to misrepresent themselves to mislead third parties and/or staff of public authorities
- openly declare the company's business interests
- ensure that information provided is up-to-date, complete and not misleading
- not induce staff of PA to contravene rules of behaviour applicable to them
- if the company employs former staff of PA, to respect their obligation of confidentiality
- to be transparent on the amounts of donations to political parties/organisations
- if the company employs former staff of PA, to respect their obligation of confidentiality

Ownership of commitment

The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

Involvement of employees

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

Measures allocated

Information regarding measure allocated to ensure transparency and integrity of lobbying practices is insufficient.

- publication of detailed information on lobbying activities
- approval procedures for gifts, travel or other privilege by an independent department
- a dedicated confidential hotline or email address
- internal monitoring for lobbying budget
- internal audits for lobbying activities
- independent party for monitoring lobbying budget/external audit
- external investigations of allegations
- disclosure of the positions in the period of preparation of a debate and during the debate

Coverage

Information regarding the percentage of the company covered by such controls and measures is insufficient.

Reporting

The company does not disclose the budget directly and indirectly dedicated to lobbying practices.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

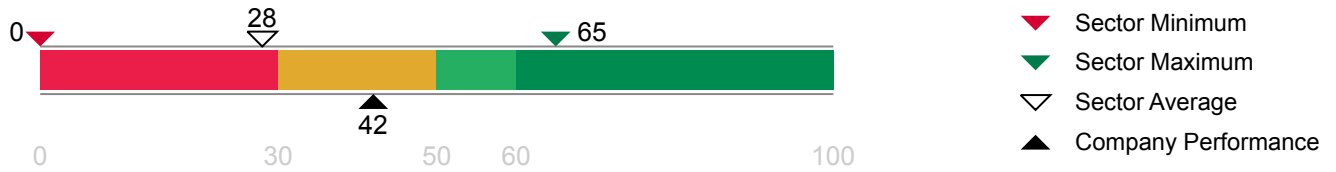
Leadership	0	Implementation	0	Results	35
Visibility	0	Means & resources	0	Performance	35
Relevance	0	Coverage	0		
Ownership	0				

Corporate governance

Score: 37

CGV1.1 Board of Directors

(score: 42, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

No specific committee is in charge of director nomination, which might raise concerns.

The General Meeting is in charge of nominating and electing Board Members.

Independence of the Board Chairman

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

Responsibility allocated over CSR issues

The Company's Corporate Responsibility Committee comprises the CEO and VPs for each area of the Company, and it reports directly to the Board.

Share of independent shareholder-elected Board members

The Board is between 34 and 50% independent, which is less than the recommended level. Four members of the eleven-member Board are considered independent

Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues

- The majority of Board members have significant experience in the retail sector and are either current or former professionals within the industry.

Training and expertise provided to board members

Information obtained from company and public sources regarding training provided to board members is insufficient.

Regular election of Board members

[LISTED COMPANIES] Board members are elected every year.

Board members are elected annually.

Evaluation of Board's functioning and performance

Performance is evaluated regularly, but with no disclosure on the results.

The Board conducts self-evaluation every year.

Review of CSR issues at Board meeting

The formal CSR reporting has been signed by CEO and Chairman, but there is no evidence that relevant CSR issues are reviewed at Board meetings.

Regularity of and attendance at Board meetings

Regular meetings are held, but no attendance rates are disclosed.

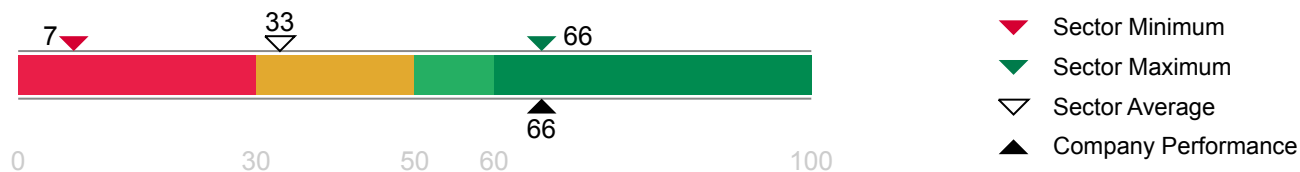
Five Board meetings were held in the last fiscal year.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
Enrique Ostalé	Chairman		X									X	Walmart Inc. Regional CEO for UK, Latin America and Africa.	
Adolfo Cerezo	Audit Committee Chairman		X			X								X
Ernesto Cervera			X			X								X
Lori Flees			X									X	Walmart Inc. Senior VP. Declared non-independent by Company.	
Guilherme Loureiro	CEO, CSR Committee Chairman	X											Walmart México President and CEO.	
Rafael Matute			X					X	X				Former CFO	
Richard Mayfield			X									X	Walmart International Executive VP and CFO. Declared non-independent by Company.	
Roberto Newell			X			X								X
Scott Price			X										Walmart Asia CEO until July 2017 Walmart Inc. Vice-president of Global Leverage until December 2017	
Gisel Ruiz			X									X	Sam's Club (Walmart Inc. Subsidiary)	
Bianca Treviño			X			X								X

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CGV2.1 **Audit & Internal Controls**

(score: 66, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee All members are independent non-executive directors.

Skills and backgrounds of Audit Committee members Members appear to have financial experience and relevant operational experience.

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations.

Operational and CSR risks covered by the company's internal controls system

- Product safety/Information to customers
- Fundamental Human Rights (including in the supply chain)
- Social dialogue
- Environmental issues

- Social dialogue: The company's risk assessment covers social issues such as demographic changes and social behaviours.
 - Environmental: The company's risk assessment covers environmental issues such as hurricanes, earthquakes and other global warming related disasters.

Role of the Audit Committee in overseeing internal and external controls

There is a confidential reporting system in place for accounting issues. In addition, the Audit Committee has a comprehensive role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

The Company's Audit Committee has allocated a procedure to receive, retain and respond to complaints related to accounting practices, controls and audit issues.

Management of the CSR risks

Relevant processes dedicated to management of CSR risks are in place:

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it

-Risk mapping/materiality assessment: The company has a risk mapping system that takes into account eight different criteria of impact, which consider magnitude and probability of occurrence. The assessment output makes possible to classify risks as low, mid and high.

- Reporting system to the Board: Results of the risk assessment procedure is reviewed by the Company's audit committee.

Independence of the firm's external auditors

Information obtained from company and public sources regarding the independence of the firm's external auditors is insufficient.

The Company hired Mancera SC (a subsidiary of Ernst & Young) for external auditing services, but information of the fees paid is not disclosed.

Inclusion of CSR issues in the company's reporting

The company publishes significant CSR reporting on key material issues.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

CGV3.1 Shareholders

(score: 6, weight: 2)



Nonexistence of voting rights restrictions

Information disclosed on voting rights restrictions is insufficient or not relevant.

Safeguards on transactions with major shareholder(s)

Less than half of the board is independent. However, there are other safeguards in place to monitor transactions between the company and its major shareholder. The Audit and Corporate Practices Committees, which are composed by a majority of independent members, are in charge of reviewing and approving transactions with related parties.

Ability to add items to the agenda of the AGM and to convene an EGM

Information obtained from company and public sources, regarding the ability to add items to the agenda of the AGM and to convene an EGM, is insufficient.

Of note, the Company states that its Audit committee is held responsible of convening board meetings and appointing items of the agenda.

Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

There are no major restrictions on shareholders' ability to vote. However, there is no possibility of voting through online services.

Ability to vote on relevant issues in separate resolutions at AGM

Not all major items are put to a shareholder vote.

The following items are not put to a vote at the AGM:
- Selection of external auditors,
- Executive remuneration.

Presentation of CSR strategy to shareholders and investors

Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.

- Product safety/Information to customers
- Fundamental Human Rights (including in the supply chain)
- Social dialogue
- Environmental issues

Board's attitude towards CSR-related shareholder resolutions

Information obtained from company and public sources, regarding the Board's attitude toward legitimate CSR related shareholder resolutions is insufficient.

A review of stakeholder sources revealed that the Company is involved in isolated controversies of high severity

As of 04/2018, Wal-Mart de Mexico was involved in 1 controversy

Stakeholders' feedback

- Case 1 (11/05/2017): Wal-Mart CEO can be deposed in a securities class action over Wal-Mart's alleged Mexican bribery scheme

A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.

Company's responsiveness

Overall, the company is non-communicative

For each of the above mentioned cases, Wal-Mart de Mexico's response is considered:

- case 1: The company is non communicative: the company denies the facts without further explanations OR only provides vague and general statements on the case

The analysis of Wal-Mart de Mexico management of each case is available in Vigeo's controversy profile.

CGV4.1 Executive Remuneration

(score: 30, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee

All members are independent non-executive directors.

Of note, the Company's Audit & Corporate Practices Committee fulfils the role of a Remuneration Committee.

Disclosure of senior executives' individual remuneration

[LISTED COMPANIES] Executive remuneration is disclosed, but on a collective rather than on an individual basis.

Link between Short Term Incentive Plans and the performance of the company

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

Link between the main Long Term Incentive Plan and the performance of the company

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.

Link between variable remuneration and CSR performance of the company

There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.

- Product Safety
- Human Resources development
- Environmental performance
- Human Rights (direct and indirect operations)

Severance pay for senior executives

Information obtained from company and public sources regarding severance pay for senior executives is insufficient.

Evolution of CEO-to-employee compensation ratio

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 04/2018, Wal-Mart de Mexico did not appear to be involved in any controversy related to this sustainability driver

Detailed Scores and Ratings

CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2018/05	++	=	++	+	++	+
2017/10	++	+	++	+	++	=
2015/05	=	=	+	+	+	-

SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	38	36	36	33
Human resources	22	29	13	24
Human rights	46	35	32	70
Community involvement	32	8	31	59
Business behaviour (C&S)	36	36	29	43
Corporate governance	37	45	35	29

SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	55
	4	23
Environment 2	2	46
	4	36
	7	28
Environment 3	1	36

Sub-domain	Criterion	Score
Human resources 1	1	7
Human resources 2	3	12
	4	44
Human resources 3	1	26
	2	29
	3	22

Sub-domain	Criterion	Score
Human rights 1	1	46
Human rights 2	1	22
	4	69

Sub-domain	Criterion	Score
Community involvement 1	1	25
	2	53

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	1	47
	2	36
Business behaviour (C&S) 2	2	26
	3	36
	4	51
Business behaviour (C&S) 3	2	41
	3	12

Sub-domain	Criterion	Score
Corporate governance 1	1	42
Corporate governance 2	1	66
Corporate governance 3	1	6
Corporate governance 4	1	30

Contacts

Analyst: Joaquin Fuenzalida • joaquin.fuenzalida@vigeo-eiris.com
Research Manager: Aida Tahditi • aida.tahditi@vigeo-eiris.com

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Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2018/06	Controversial Activities Screening
2018/05	Full ESG profile