

## Risk Factors Comparison 2025-03-14 to 2024-03-15 Form: 10-K

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The risks described below could, in ways we may or may not be able to accurately predict, materially and adversely affect our business, results of operations, financial position and liquidity. Our business operations could also be affected by additional factors that apply to all companies operating in the U. S. and globally. The following risk factors do not identify all risks that we may face. Strategic Risks Failure to successfully execute our omni- channel strategy and the cost of our investments in eCommerce and technology may materially adversely affect our market position, net sales and financial performance. The retail business continues to rapidly evolve **and with consumers increasingly embracing the digital shopping experience and expecting a robust online marketplace of goods available for purchase and delivery**. As a result, the portion of total consumer expenditures with retailers and wholesale clubs occurring through digital platforms is increasing and the pace of this increase could continue to accelerate. Our strategy, which includes investments in eCommerce, technology, including the use of artificial intelligence (**" AI" and generative AI technologies (which continues to grow and evolve within our Company)**), talent, supply chain automation **and enhancements, advertising**, acquisitions, joint ventures, store remodels and other customer initiatives may not adequately or effectively allow us to continue to grow our eCommerce business, increase comparable sales, maintain or grow our overall market position or otherwise offset the impact on the growth of our business of a moderated pace of new store and club openings and sustain the current pace of remodels. The success of this strategy will depend in large measure on our ability to continue building and delivering a seamless omni- channel shopping experience and interconnected ecosystem for our customers that deepens and maintains our relationships with our customers across our various businesses and partnerships and reinforces our overall enterprise strategy. The success of this strategy is further subject to the related risks discussed in this Item 1A. With the interconnected components of this enterprise strategy and an increasing allocation of capital expenditures focused on these initiatives, changes in customer or member perceptions about our reputation **in general**, or our failure to successfully execute on individual components of this strategy may adversely affect our market position, net sales and financial performance, which could also result in impairment charges to intangible assets or other long-lived assets. In addition, a greater concentration of eCommerce sales, including increasing online grocery sales, could result in a reduction in the amount of traffic in our stores and clubs, which would, in turn, reduce the opportunities for cross- store or cross-club sales of merchandise that such traffic creates and could reduce our sales within our stores and clubs and materially adversely affect our financial performance. Furthermore, the cost of certain investments in eCommerce, technology, talent and automation, including any operating losses incurred for those initiatives, will adversely impact our financial performance in the short- term and failure to realize the benefits of these investments may adversely impact our financial performance over the longer term. If we do not timely identify or effectively respond to consumer trends or preferences, it could negatively affect our **reputation**, relationship with our customers, demand for the products and services we sell, our market share and the growth of our business. It is difficult to predict consistently and successfully the products and services our customers will demand and changes in their shopping patterns, tastes and preferences. The success of our business depends in part on how accurately we predict consumer demand, availability of merchandise, the related impact on the demand for existing products and services and the competitive environment. Our business is dependent on our ability to make critical decisions and predictions with respect to merchandise categories that quickly respond to changing consumer spending patterns, tastes and preferences, **and** any incorrect calculations by us may result in lower sales, spoilage and inventory markdowns, which could adversely impact our results of operations. Our ability to predict and adapt to changing tastes and preferences depends on many factors, including obtaining accurate and relevant data on customer preferences, emphasizing relevant merchandise categories, effectively managing our inventory levels, and implementing competitive and effective pricing and promotion strategies. Price transparency, assortment of products, customer experience, convenience, ease and the speed and cost of shipping are of primary importance to customers and continue to increase in importance, particularly as a result of digital tools and social media available to consumers and the choices available to consumers for purchasing products. We must continue to preserve our reputation, which is impacted **by based on public perceptions and customer experiences**. It may be difficult to address negative publicity across media channels, regardless of whether it is accurate. Negative incidents ~~involving us, our workforce (including the loss of merchandise as a result of shrink or theft )~~, **misuse of AI technologies or a data breach as a result of a cyberattack could quickly erode trust and confidence in our business and could result in consumer boycotts, workforce unrest and government investigations. These incidents may involve us, our vendors that handle our data or personal information, our workforce or others with whom we do business, including third- party service providers and independent contractors.** Societal expectations, preferences, trends and political expression are ever- changing and we try to adapt, evolve and maintain a balance that meets the acceptance of our customers, members, associates, shareholders, suppliers and other stakeholders, **but we may not always move as quickly or in the direction that various competing interests desire or demand, which could impact quickly erode trust and confidence in our business reputation. For instance, strong opinions continue to be publicly expressed both for and could result in against diversity, equity and inclusion and ESG initiatives and positions taken by many corporations, including Walmart, are tracked, monitored and subject to heightened scrutiny from consumers, investors, advocacy groups and public figures, potentially leading to consumer boycotts, workforce unrest and government negative publicity campaigns, investigations----- litigation and reputational harm**. Negative reputational incidents or negative perceptions of us could adversely impact our business and results of operations, including through lower sales, the termination of business relationships and **negative impacts to** associate retention and

recruiting efforts. Moreover, failure to adequately predict customer demand and consumer spending patterns or otherwise optimize and operate our distribution and fulfillment centers could result in excess or insufficient inventory, service interruptions and increased costs, any of which could significantly harm our business. As we continue to add new fulfillment centers, our fulfillment and technology networks become increasingly complex and operating them **becomes more in a way that effectively meets consumer demands continues to be** challenging. There can be no assurance that we will be able to operate our networks effectively. We face strong competition from other retailers, wholesale club operators, omni-channel retailers and other businesses which could materially adversely affect our financial performance. Each of our segments competes for customers, employees, digital prominence, products and services and in other important aspects of its business with many other local, regional, national and global physical, eCommerce and omni-channel retailers, social commerce platforms, wholesale club operators and retail intermediaries, as well as companies that offer services in digital advertising, **data analytics / insights**, fulfillment and delivery services, health and wellness and financial services. The omni-channel retail landscape is highly competitive and rapidly evolving, and the entry of new, well-funded competitors may increase competitive pressures. In addition, for eCommerce and other internet-based businesses, newer or smaller businesses may be better able to innovate and compete with us. We compete in a variety of ways, including the prices at which we sell our merchandise, merchandise selection and availability, services offered to customers, location, store hours, in-store amenities, the shopping convenience and overall shopping experience we offer, the attractiveness and ease of use of our digital platforms, **quality and accessibility of data for customers, suppliers, and associates, and** cost and, speed of and options for **accurate** delivery to customers of merchandise purchased through our digital platforms or through our omni-channel integration of our physical and digital operations. A failure to respond effectively to competitive pressures and changes in the retail and other markets in which we operate, omni-channel innovations and omni-channel ecosystems developed by our competitors or delays or failure in execution of our strategy could materially adversely affect our financial performance. See "Item 1. Business" above for additional discussion of the competitive situation of each of our reportable segments. Certain segments of the retail industry are undergoing consolidation or substantially reducing operations, whether due to bankruptcy, **consolidation economics** or other factors. Such consolidation, or other business combinations or alliances, competitive omni-channel ecosystems or reductions in operations may result in competitors with **greatly** improved financial resources, improved access to merchandise, greater market penetration and other improvements in their competitive positions. Such business combinations or alliances could allow these companies to provide a wider variety of products and services at competitive prices, which could adversely affect our financial performance. General or macro-economic factors, both domestically and internationally, may materially adversely affect our financial performance. General economic conditions and other economic factors, globally or in one or more of the markets we serve, may adversely affect our financial performance. Higher interest rates, higher prices of petroleum products, including crude oil, natural gas, gasoline and diesel fuel, **higher increased** costs for electricity and other energy, weakness in the housing market, inflation, deflation, increased costs of essential services, such as medical care and utilities, higher levels of unemployment, decreases in **GDP and** consumer disposable income, unavailability of consumer credit, higher consumer debt levels, changes in consumer spending and shopping patterns, fluctuations in currency exchange rates, higher tax rates, imposition of new taxes or other changes in tax laws, changes in healthcare laws, other regulatory changes, the imposition of **export and import restrictions, tariffs, trade barriers** or other measures that create barriers to or increase the costs associated with international trade, overall economic slowdown or recession and other economic factors in the U. S., or in any of the other markets in which we operate, could adversely affect consumer demand for the products and services we sell in the U. S. or such other markets, change the mix of products we sell to **any one or more markets** with a lower average gross margin, cause a slowdown in discretionary purchases of goods, adversely affect our net sales, growth rates, operating income and result in slower inventory turnover and greater markdowns of inventory, or otherwise materially adversely affect our operations and operating results and could result in impairment charges to intangible assets, goodwill or other long-lived assets. In addition, the economic factors listed above, any other economic factors or circumstances resulting in higher transportation, labor, insurance or healthcare costs or commodity prices, including energy prices, and other economic factors in the U. S. and other countries in which we operate can increase our cost of sales and operating, selling, general and administrative expenses and otherwise materially adversely affect our operations and operating results. The economic factors that affect our operations may also adversely affect the operations of our suppliers, which can result in an increase in the cost to us of the goods we sell to our customers or, in more extreme cases, in certain suppliers not producing goods in the volume typically available to us for sale, or adversely impact product margins due to higher labor and material costs of our suppliers that we are unable, or choose not, to pass on to our customers. The performance of strategic alliances and other business relationships to support the expansion of our business could materially adversely affect our financial performance. We may enter into strategic alliances and other business relationships in the countries in which we have existing operations or in other markets to expand our business. These arrangements (such as ONE, our fintech venture, ~~and our healthcare initiative with UnitedHealth Group~~) may not generate the level of sales or profitability we anticipate when entering into the arrangement or may otherwise adversely impact our business and competitive position relative to the results we could have achieved in the absence of such alliance. In addition, any investment we make in connection with a strategic alliance, business relationship or in certain of our divested markets, could materially adversely affect our financial performance. Operational Risks Global or regional health pandemics or epidemics, ~~such as COVID-19~~, could negatively impact our business, financial position and results of operations. The emergence, severity, magnitude and duration of global or regional pandemics, epidemics or other health crises are uncertain and difficult to predict. A pandemic, ~~such as COVID-19~~, or other epidemic or contagious disease outbreak **that affects humans or the food supply, such as the avian flu impact on poultry and egg production** could impact our business operations, demand for our products and services, in-stock positions, costs of doing business, access to inventory, supply chain operations, the extent and duration of measures to try to contain the spread of a virus or other disease (such as travel bans and restrictions, quarantines, shelter-in-

place orders, limitations on large gatherings, business and government shutdowns and other restrictions on retailers), our ability to predict future performance, exposure to litigation and our financial performance, among other things. In the event of any global or regional health crisis, customer demand for certain products may fluctuate, customer behaviors may change and consumer disposable income could be negatively impacted, which may challenge our ability to anticipate and / or adjust inventory levels to meet that demand. ~~Other factors and uncertainties may include, but are not limited to: the severity and duration of pandemics, epidemics or other health crises, including disease outbreaks in areas in which we and our suppliers operate; increased operational costs; evolving macroeconomic factors, including general economic uncertainty, unemployment rates and recessionary pressures; unknown consequences on our business performance and initiatives stemming from the substantial investment of time, capital and other resources to a pandemic or other health crisis response; the effectiveness and extent of administration of vaccinations and medical treatments; the pace of recovery when any such pandemic or other health crisis subsides; and the long-term impact of a pandemic or other health crisis on our business, including consumer behaviors.~~ These risks and their impacts are difficult to predict and could otherwise disrupt and adversely affect our operations and our financial performance. To the extent that a future pandemic ~~or~~, epidemic **or contagious disease outbreak** occurs, such events may also heighten other risks described in this section **Item 1A**, including but not limited to those related to consumer behavior and expectations, competition, our reputation, implementation of strategic initiatives, cybersecurity threats, payment-related risks, technology systems disruption, supply chain disruptions, labor availability and cost, **and** litigation and regulatory requirements. Natural disasters, climate change, geopolitical events, catastrophic and other events could materially adversely affect our financial performance. ~~The occurrence of one or more natural~~ **Natural disasters, weather conditions, geopolitical tensions and other catastrophic events may have a material adverse effect on our operations and financial performance. These may include extreme weather-related events** such as hurricanes, tropical storms, **typhoons**, floods, **wildfires** fires, earthquakes, tsunamis, cyclones, **typhoons**; weather conditions **tornadoes, winter storms, droughts, and extreme temperatures, any of which may be exacerbated by a changing climate, as well as other natural disasters** such as **earthquakes** major or extended winter storms, droughts and **tornadoes** tsunamis. **Moreover**, whether as a result of climate change or otherwise, geopolitical tensions or events; and catastrophic and other events, such as war, civil unrest (including theft, looting or vandalism), terrorist attacks or other acts of violence, including active shooter situations (such as those that have occurred in our U. S. stores), or the loss of merchandise as a result of shrink or theft in countries in which we operate, in which our suppliers are located or regions goods are transported from or through, or in other areas of the world (such as in Ukraine and Israel where wars currently exist, and armed hostilities in the Red Sea and surrounding areas through which ocean carrier vessels travel to the Suez Canal **and delays that have occurred traversing the Panama Canal resulting from drought** ) could adversely affect our operations and financial performance. ~~Such~~ **Protecting the safety of our associates, including our senior leaders, is critical to preventing business disruption and executing on our business strategies and objectives. Any of the events described above** could result in physical damage to, or the complete loss of, one or more of our properties, the closure of one or more stores, clubs and distribution or fulfillment centers, limitations on store or club operating hours, the lack of an adequate work force in a market, the inability of customers and associates to reach or have transportation to our stores and clubs affected by such events, the evacuation of the populace from areas in which our stores, clubs and distribution and fulfillment centers are located, the unavailability of our digital platforms to our customers, changes in the purchasing patterns of consumers (including the frequency of visits by consumers to physical retail locations, whether as a result of limitations on large gatherings, travel and movement limitations or otherwise), **temporary or long-term disruption in the supply of products from some suppliers or disruption or delay in the delivery of goods to our distribution and fulfillment centers or stores within a country in which we are operating and could negatively impact our operations and financial performance. In fiscal 2025, Hurricanes Helene and Milton impacted our stores, operations and supply chains in the Southeastern U. S., although** such events did as Hurricane Otis that impacted our stores and operations around Acapulco, Mexico in fiscal 2024, although not material **materially to impact** our consolidated financial performance. Moreover, these disasters and events can negatively impact consumers' disposable income, the temporary or long-term disruption in the supply of products from some suppliers, the disruption in the transport of goods from overseas, the disruption or delay in the delivery of goods to our distribution and fulfillment centers or stores within a country in which we are operating, the reduction in the availability of products in our stores, increases in the costs of procuring products as a result of either reduced availability or economic sanctions, increased transportation costs (whether due to fuel prices, fuel supply or otherwise), the disruption (whether directly or indirectly) of critical infrastructure systems, banking systems, utility services or energy availability to our stores, clubs and our facilities and the disruption in our communications with our stores, clubs and our other facilities. Furthermore, the long-term impacts of climate change, whether involving physical risks (such as extreme weather conditions, drought or rising sea levels) or transition risks (such as regulatory or technology changes) **may** are expected to be widespread and **are** unpredictable. Certain impacts of physical risk may include: temperature changes that increase the heating and cooling costs at stores, clubs and distribution or fulfillment centers; extreme weather patterns that affect the production or sourcing of certain commodities; flooding and extreme storms that damage or destroy our buildings and inventory ; **disruption of electrical grids or utilities required to operate our stores, clubs and information systems** ; and heat and extreme weather events that cause long-term disruption or threats to the habitability of the communities in which we operate. Relative to transition risk, certain impacts may include: changes in energy and commodity prices driven by climate-related weather events; prolonged climate-related events affecting macroeconomic conditions with related effects on consumer spending and confidence; stakeholder perception of our engagement in climate-related policies; and new regulatory requirements resulting in higher compliance risk and operational costs. We bear the risk of losses incurred as a result of physical damage to, or destruction of, any stores, clubs and distribution or fulfillment centers; theft, loss or spoilage of inventory; and business interruption caused by such events. These events and their impacts could otherwise disrupt and adversely affect our operations and could materially adversely affect our financial

performance. Moreover, our operations in the U. S. comprise a significant portion of our financial and operational performance. Therefore, any of the above matters that uniquely impact or are specifically concentrated in the U. S. could materially adversely affect our financial and operational performance. Risks associated with our suppliers could materially adversely affect our financial performance. The products we sell are sourced from a wide variety of domestic and international suppliers. Global sourcing of many of the products we sell is an important factor in our financial performance. We expect our suppliers to comply with applicable laws, including labor, safety, anti- corruption and environmental laws, and to otherwise meet our required supplier standards of conduct. Our ability to find qualified suppliers who uphold our standards, and to access products in a timely and efficient manner and in the large volumes we may demand, **are is a significant challenge-challenges**, especially with respect to suppliers located and goods sourced outside the U. S. Political and economic instability, as well as other impactful events and circumstances (such as **we previously experienced (and could experience again) with the** pandemic recovery related challenges, including supply chain disruption and production, labor shortages and increases in labor costs) in the countries in which our suppliers and their manufacturers are located or regions goods are transported from or through, the financial instability of suppliers, suppliers not having the financial ability or capacity to fulfill their indemnification obligations to us if called upon, thereby exposing us to the full cost of risks and claims, suppliers' failure to meet our terms and conditions or our supplier standards (including our responsible sourcing standards), labor problems experienced by our suppliers and their manufacturers, the availability of raw materials to suppliers, **extreme weather events impacting the growing, manufacturing, mining and harvesting of commodities and products**, merchandise safety and quality issues, disruption or delay in the transportation of merchandise from the suppliers and manufacturers to our stores, clubs and other facilities, including as a result of **extreme weather or** labor slowdowns **and / or strikes** at any port at which a material amount of merchandise we purchase enters into the markets in which we operate, currency exchange rates, transport availability and cost, transport security, inflation and other factors relating to the suppliers and the countries in which they are located are beyond our control. In addition, U. S. and international trade policies, tariffs, **, trade barriers** and other restrictions on the exportation and importation of goods, trade sanctions imposed between certain countries and entities, the limitation on the exportation or importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. These and other factors affecting our suppliers **and**, our access to products **and our access to service providers (such as transportation and logistics providers)** could adversely affect our operations and financial performance. If the quality or safety of products we sell in stores or online fails to meet our customers' expectations or regulatory standards, we could lose customers, incur liability for any injuries caused by a product we sell or otherwise experience a material impact to our brand, reputation and financial performance. Our customers count on us to provide them with quality products at an affordable price. Occasionally, the quality of products that we source from our suppliers fails to meet customer expectations. In many cases, these products are subject to regulatory action or recall. For general merchandise, this could be because the product fails to meet safety standards. For food products, it could be because the product is a source of foodborne illness. For health and wellness products, it could be because the product does not produce the expected result for the customer or harms the customer. Any of these factors could cause customers to avoid purchasing certain products from us, or to choose to buy products from a different retailer, even if the quality issue is outside of our control. Any lost confidence on the part of our customers would be difficult and costly to reestablish. When a product we sell does not meet quality or safety standards, there is an increased risk of liability for harm the product may cause our customers. While we rely on our suppliers to meet our safety and quality expectations, and to indemnify us if their products do not, certain suppliers may not have the financial capacity or ability to fulfill their indemnification obligations. In that case, we **are may be** exposed to the full cost of liability claims. Any issue regarding the quality or safety of products we sell, regardless of the cause, could adversely affect our brand, reputation and financial performance. If the quality or safety of products offered for sale on our third- party marketplace fails to meet our customers' expectations or regulatory standards, we could be held directly liable, lose customers, become subject to regulatory enforcement or otherwise experience reputational harm. Some of the products customers buy from our website are sold by third parties, which we refer to as marketplace transactions. While that transaction ultimately occurs between the third- party seller and the customer, some regulators and courts have taken a view that the retailer is responsible for marketplace transactions that occur on a retailer' s digital platform. Unsettled law on whether a retailer is responsible for intellectual property or product liability claims related to marketplace transactions creates additional risk. Any unfavorable changes or legal interpretations could further expose us to liability. **Our arrangements with our third- party marketplace sellers are complex and we may not be able to implement, maintain and develop the components of these commercial relationships, which may include fulfillment, inventory management, tax collection, payment processing, content and engaging other third parties to perform services.** In addition, poor quality or safety of third- party products offered for sale on our platforms could erode customer trust, leading to loss of sales, reduction in transactions and deterioration of our competitive position. In addition, we may face reputational, financial and other risks, including liability, for third- party products offered for sale on our platform that are controversial, counterfeit, pirated or stolen or that infringe the intellectual property rights of others. We may not be able to collect sufficient damages for these types of breaches from third- party sellers. Furthermore, **even if we are successful in negotiating a contractual shift in risk of loss to third parties**, a regulator may view us as having responsibility for regulatory compliance of the third- party products offered for sale on our platform. Although we have marketplace compliance controls in place and impose contractual terms on sellers to prohibit sales of non- compliant products, we may not be able prevent sellers from offering prohibited items for sale, enforce such terms, or fully protect against regulatory risk. Any of these events could have a material adverse impact on our business and results of operations and impede the execution of our eCommerce growth and enterprise strategy. We rely extensively on information and financial systems to process transactions, summarize results and manage our business. Disruptions in our systems could harm our ability to conduct our operations. Given the number of individual transactions we have each year, it is crucial that we maintain uninterrupted operation of our business- critical

information systems. Our information systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, **ransomware**, worms, other malicious computer programs, denial- of- service attacks, security incidents and breaches from a variety of threat actors, including both cybercriminals and nation state- sponsored actors, catastrophic events such as **fires wildfires**, major or extended winter storms, tornadoes, earthquakes and hurricanes, **utility outages**, usage errors by our associates or contractors **and** civil or political unrest or armed hostilities. The availability of our information systems and the integrity of data are essential to our business operations, including the processing of transactions, management of our associates, facilities, logistics, inventories, physical stores and clubs and our online operations. Our information systems are not fully redundant and our disaster recovery planning cannot account for all eventualities. If our systems are damaged, breached, attacked, interrupted or otherwise cease to function properly, we may have to make a significant investment to repair or replace them, and may experience loss or corruption of data as well as suffer interruptions in our business operations in the interim. Any interruption to the availability of our information systems or corruption of our data may have a material adverse effect on our business or results of operations. In addition, the cost of securing our systems against failure or attack is considerable, and increases in these costs, particularly in the wake of a breach or failure, could be significant. In addition, we frequently update our information technology hardware, software, processes and systems. The risk of system disruption is increased when significant system changes are undertaken. If we fail to timely or successfully integrate and update our information systems and processes, **system disruptions may occur and** we may fail to realize the cost savings or operational benefits anticipated to be derived from these initiatives ~~. For example, during the first quarter of the fiscal year ended January 31, 2024, we initiated an and upgrade to our existing financial system, including our general ledger and other applications. If we are unable to implement this upgrade as planned, the effectiveness of our internal control over financial reporting could be adversely affected; our ability to assess those controls adequately could be delayed; and our reputation,~~ business, results of operations, financial condition and cash flows could be negatively impacted. If the technology- based systems that give our customers the ability to shop with us online and enable us to deliver products and services do not function effectively, our operating results, as well as our ability to grow our omni- channel business globally, could be materially adversely affected. Increasingly, customers are using computers, tablets and smart phones to shop with us and with our competitors and to do comparison shopping. We use social media, online advertising and email to interact with our customers and as a means to enhance their shopping experience. As a part of our omni- channel sales strategy, we offer various pickup, delivery and shipping programs including options where many products available for purchase online can be picked up by the customer or member at a local Walmart store or Sam' s Club, which provides additional customer traffic at such stores and clubs. Omni- channel retailing is a rapidly evolving part of the retail industry and of our operations around the world, and we continue to make investments in supply chain automation **and enhancements** to support our omni- channel strategy. We must anticipate and meet our customers' changing expectations while adjusting for technology investments and developments in our competitors' operations through focusing on the building and delivery of a seamless shopping experience across all channels by each operating segment. ~~Moreover~~ **We continue to invest in AI and generative AI technologies to enhance our customers' shopping experience and our associate work experience and to improve efficiencies of our supply chain , operations, management functions and talent recruitment and development; however, these are evolving technologies and there are inherent operational and legal complexities associated with implementation of these technologies within our business. When integrating and introducing AI and generative AI technologies into our platforms, processes and systems, we may be exposed to new or expanded liabilities and risks due to elevated governmental scrutiny and monitoring, litigation, data privacy risks and compliance issues in a disparate and at times conflicting regulatory environment, all of which could negatively affect our financial performance and business reputation. some** Some of the various technology systems and services on which we rely are provided and managed by **an increasing number of** third- party service providers. To the extent either our or such other third- party systems and services do not perform or function as anticipated, whether because of an inherent flaw in the technology, a faulty implementation or a cybersecurity incident, such failure can significantly interfere with our ability to meet our customers' changing expectations. Any disruption or failure on our part to provide attractive, user- friendly and secure digital platforms that offer a wide assortment of merchandise and services at competitive prices and with low cost and rapid delivery options and that continually meet the changing expectations of online shoppers and developments in online and digital platform merchandising and related technology in a cost- efficient manner could place us at a competitive disadvantage, result in the loss of eCommerce and other sales, harm our reputation with customers, have a material adverse impact on the growth of our eCommerce business globally and have a material adverse impact on our business and results of operations. Any failure to maintain the privacy or security of the information relating to our company, customers, members, associates, business partners and vendors, whether as a result of cyberattacks on our information systems or otherwise, could damage our reputation, result in litigation or other legal actions against us, result in fines, penalties, and liability, cause us to incur substantial additional costs and materially adversely affect our business and operating results. Like most retailers, we process in our information systems personal information and / or payment information about our customers and members, and we also process information concerning our associates and vendors. In addition, our health and wellness business operations ~~the Walmart Health locations,~~ and third- party service providers who handle information on our behalf ~~store and maintain personal-protected~~ **health information . Further, we recently acquired VIZIO Holding Corp. and its subsidiaries, which collects certain consumer data, including certain television viewing data** . Some of this information is stored digitally in connection with the digital platforms and technologies that we use to conduct and facilitate our various businesses. We utilize third- party service providers for a variety of reasons, including, without limitation, for digital storage technology, compute capacity, **medical record documentation**, content delivery to customers and members, back- office support and other functions. Such providers may have access to information we hold about our customers, members, associates, business partners or vendors. In addition, our eCommerce operations depend upon the secure transmission of confidential information over public

networks, including information permitting cashless payments. Cyber threats are rapidly evolving and those threats and the means for disrupting or obtaining access to information systems or information stored in digital and other storage media are becoming increasingly sophisticated and frequent, and in some cases, they may lead to successful attacks. Unauthorized activities directed against information systems and devices, whether our own or those of our third- party service providers and vendors, have resulted in cybersecurity incidents, including malware, ransomware, denial of service attacks or phishing incidents. We expect that our information systems and those of our third- party service providers, vendors and suppliers will continue to experience such ~~attempted~~ attacks in the future, which could include disruptions to our supply chain system. Cyberattacks and threat actors can be sponsored by particular nation- states, or be the work of sophisticated criminal organizations, insiders (including our associates or contractors) or third parties, each with a wide- range of motives and expertise. We and the businesses with which we interact have experienced and continue to experience incidents and threats to data and information systems. These incidents and threats have included and are likely to continue to include both random and targeted cyberattacks, computer viruses, phishing incidents, worms, bot attacks, ransomware or other destructive or disruptive software and attempts to misappropriate customer information, including credit card and payment information, and cause system failures and disruptions. The ~~increased~~ use of remote work infrastructure in recent years has also increased the possible attack surfaces to be exploited. Our logging capabilities, or the logging capabilities of third parties, are also not always complete or sufficiently detailed, affecting our ability to fully investigate and understand the scope of security events. As noted above, some of our information systems and those of our third- party service providers have experienced cybersecurity incidents or breaches, **including during fiscal 2025**, and, although to date they have not had a material adverse effect on our operating results **or business**, there can be no assurance of a similar result in the future. Our digital platforms, which are increasingly important to our business and continue to grow in complexity and scope, and the systems on which they run, including those applications and systems used in legacy operations and acquired eCommerce, technology or other businesses, are regularly subject to cyberattacks. Those attacks involve attempts to impede the operations of our system or gain unauthorized access to our eCommerce websites (including marketplace platforms) or mobile commerce applications to obtain and misuse customers' or members' information including personal information and / or payment information, and related risks discussed in this Item 1A. Such attacks, if successful, may result in potential data **and personal information** misuse and / or loss and may create denials of service or otherwise disable, degrade or sabotage the information systems that enable or support one or more of our digital platforms or otherwise significantly disrupt our customers' and members' shopping experience, our supply chain integrity and continuity and our ability to efficiently operate our business. If we are unable to maintain the security of the information systems that enable or support our digital platforms and keep them operating within acceptable parameters, we could **be subject to regulatory fines**, suffer loss of sales, reductions in transactions, reputational damage and deterioration of our competitive position and incur liability for any damage to customers, members or others whose personal or confidential information is unlawfully obtained and misused, any of which events could have a material adverse impact on our business and results of operations and impede the execution of our strategy for the growth of our business. Associate error or malfeasance, faulty password **and identity** management, social engineering or other vulnerabilities and irregularities may also result in a defeat of our security measures or those of our third- party service providers and a compromise or breach of our or their information systems. Moreover, the hardware, software or applications that comprise our information system and networked environment may have vulnerabilities or defects of design, coding, manufacture or operations that could be intentionally exploited or inadvertently used in a manner that could compromise information security. Given the age, size and complexity of these information systems and our networked environment, patches for certain vulnerabilities may not exist and, even where patches or other risk- mitigating activities are available, the deployment of patches or execution of risk- mitigating actions may not occur before an underlying vulnerability is exploited by threat actors or inadvertently results in the compromise of our information systems or data. Any compromise of our information systems or of those of businesses with which we interact, which results in regulated data or confidential information being accessed, obtained, damaged, disclosed, destroyed, modified, lost or used by unauthorized persons could harm our reputation and expose us to regulatory actions (including, with respect to health information, liability under the Health Insurance Portability and Accountability Act of 1996, **or as amended by the American Recovery and Reinvestment Act of 2009, collectively known as "HIPAA" and with respect to personal information, liability under international and state data breach notification laws**), customer attrition, remediation expenses and claims from customers, members, associates, vendors, financial institutions, payment card networks and other persons, any of which could materially and adversely affect our business operations, **reputation**, financial position and results of operations. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems or data change frequently and may not immediately produce signs of a compromise, we may be unable to anticipate these techniques or to implement adequate preventative measures, or detect the activities of a threat actor. **Moreover, the increasing sophistication of AI technologies poses a greater risk of identity fraud, as malicious actors may exploit AI to create convincing false identities or manipulate verification processes**. Even if we detect a **fraudulent or** cybersecurity incident, the nature and extent of that ~~cybersecurity~~ incident may not be immediately clear. Based on the sophistication of the threat actors and the size and complexity of our information systems and networked environment, among other factors, an investigation into a cybersecurity incident could take a significant amount of time to complete. We may not understand or appreciate that what is detected and treated as multiple individual cybersecurity incidents or events may be associated with the coordinated actions of a single threat actor **or group**. In addition, while our investigation of a cybersecurity incident is ongoing, we may not know the full extent of the harm caused by a threat actor, and such harm may spread both internally and to certain customers, vendors ~~or~~ other third parties. These factors may inhibit our ability to provide rapid, complete and reliable information about the cybersecurity incident to customers, counterparties and regulators, as well as the public. It may also not be clear how best to contain and remediate any harm caused by the cybersecurity incident, and certain errors or actions could be repeated or

compounded before they are discovered and remediated. Any or all of these factors could further increase the costs and consequences of a cybersecurity incident on our business operations, financial position and results of operations. To the extent that any cyberattack, ransomware or incursion in our or one of our third- party service provider' s information systems results in the loss, damage, misappropriation or other compromise of information, we may be materially adversely affected by claims from customers, members, financial institutions, regulatory authorities, payment card networks and others. Our compliance programs, information technology and enterprise risk management efforts cannot eliminate all systemic risk. Disruptions in our systems caused by associate error or malfeasance, security incidents, breaches or cyberattacks – including attacks on those parties we do business with (such as strategic partners, suppliers, banks or utility companies) – could harm our ability to conduct our operations, which may have a material effect on us, may result in losses that could have a material adverse effect on our financial position or results of operations, or may have a cascading effect that adversely impacts our partners, third- party service providers, customers, members, financial services firms and other third parties that we interact with on a regular basis. Our reputation with our customers and members is important to the success of our enterprise strategy, which combines traditional retail, membership models, marketplaces, financial services, ~~healthcare~~ **health and wellness** and other customer and business services into a series of interconnected assets to make it seamless for customers to interact with us. Security-related events could be widely publicized and could materially adversely affect our reputation with our customers, members, associates, vendors and shareholders, could harm our competitive position particularly with respect to our eCommerce operations, and could result in a material reduction in our net sales in our eCommerce operations, as well as in our stores , thereby materially adversely affecting our operations, net sales, growth rates, operating income, results of operations, financial position, cash flows and liquidity. Such events could also result in the release to the public of confidential information about our operations and financial position and performance and could result in litigation or other legal actions against us or the imposition of penalties, fines, fees or liabilities, which may not be covered by our insurance policies. Moreover, a security compromise or operationally impactful malware event, such as ransomware, could require us to devote significant management resources to address the problems created by the issue and to expend significant additional resources to upgrade further the security measures we employ to guard personal and confidential information against cyberattacks and other attempts to access or otherwise compromise such information and could result in a disruption of our operations, particularly our digital operations. We accept payments using a variety of methods, including cash, checks, credit and debit cards, electronic benefits transfer (EBT) cards, mobile payments and our private label credit cards and gift cards, and we may offer new payment options over time, which may have information security risk implications. As a retailer accepting debit and credit cards for payment, we are subject to various industry data protection standards and protocols, such as payment network security operating guidelines and the Payment Card Industry Data Security Standard. We cannot be certain that the security measures we or our third- party suppliers maintain are able to detect, prevent or contain cyberattacks, cyberterrorism, security incidents, breaches or other compromises from malware, ransomware or other threats that are known or may be developed in the future. In certain circumstances, our contracts with payment card processors and payment card networks (such as Visa, Mastercard, American Express and Discover) generally require us to adhere to payment card network rules which could make us liable to payment card issuers and others if information in connection with payment cards and payment card transactions that we process is compromised, which liabilities could be substantial . Additionally, through various financial service....., penalties and harm to our reputation . We also have compliance obligations associated with privacy laws enacted to protect and regulate the collection, use, retention, disclosure and transfer of personal information, which include liability for security and privacy breaches. Among other obligations, breaches may trigger obligations under U. S. federal and state laws and ~~those laws~~ in certain other countries to notify affected individuals, government agencies and the media. Consequently, cybersecurity incidents that result in a data breach **or our failure to comply with such laws** could subject us to fines, sanctions and other legal liability and harm our reputation. Changes in third- party reimbursements and contracts, type or scope of offerings of our health and wellness ~~business or the Walmart Health~~ business could adversely affect our overall results of operations, cash flows and liquidity. We have retail pharmacy operations in our Walmart U. S. and Sam's Club **U. S.** segments across the U. S. and in various of our international markets such as Canada and Mexico . ~~We also provide management services to Walmart Health centers that offer medical, dental, behavioral health and other health services in a number of states, as well as a national telehealth service provider. In addition, our 10- year collaboration with UnitedHealth Group includes agreements for Walmart Health to provide value- based care to patients in certain areas of the U. S., among other initiatives.~~ A large majority of our retail pharmacy net sales are generated by filling prescriptions for which we receive payment through established contractual relationships with third- party payers and payment administrators, such as private insurers, governmental agencies and pharmacy benefit managers (" PBMs"). Our retail pharmacy operations are subject to numerous risks, including: reductions in the third- party reimbursement rates for drugs; changes in our payer mix (i. e., shifts in the relative distribution of our pharmacy customers across drug insurance plans and programs toward plans and programs with less favorable reimbursement terms); changes in third- party payer drug formularies (i. e., the schedule of prescription drugs approved for reimbursement or which otherwise receive preferential coverage treatment); growth in, and our participation in or exclusion from, pharmacy payer network arrangements, including exclusive and preferred pharmacy network arrangements operated by PBMs and / or any insurance plan or program; increases in the prices we pay for brand name and generic prescription drugs we sell; increases in the administrative burdens associated with seeking third- party reimbursement; changes in the frequency with which new brand name pharmaceuticals become available to consumers; introduction of lower cost generic drugs as substitutes for existing brand name drugs for which there was no prior generic drug competition; changes in drug mix (i. e., the relative distribution of drugs customers purchase at our pharmacies between brands and generics); changes in the health insurance market generally; changes in the scope of or the elimination of Medicare Part D or Medicaid drug programs; increased competition from other retail pharmacy operations including competitors offering online retail pharmacy options and / or home delivery options; further consolidation and strategic alliances among

third- party payers, PBMs or purchasers of drugs; overall economic conditions and the ability of our pharmacy customers to pay for drugs prescribed for them to the extent the costs are not reimbursed by a third- party; failure to meet any performance or incentive thresholds to which our level of third- party reimbursement may be subject; changes in laws or regulations or the practices of third- party payers and PBMs related to the use of third- party financial assistance to assist our pharmacy customers with paying for drugs prescribed for them; and any additional changes in the state or federal regulatory environment for the retail pharmacy industry and the pharmaceutical industry, including as a result of health reform efforts, and other changes to or novel interpretations of existing state or federal laws, rules and regulations that affect our retail pharmacy business. If the supply of certain pharmaceuticals provided by one or more of our vendors were to be disrupted for any reason, our pharmacy operations could be severely affected until at least such time as we could obtain a new supplier for such pharmaceuticals. Any such disruption could cause reputational damage and result in a significant number of our pharmacy customers transferring their prescriptions to other pharmacies. ~~Walmart Health clinical operations are also subject to numerous risks, including but not limited to: reductions in the third- party reimbursement rates for services; changes in our payer mix; changes in the health insurance market generally; our inability to retain and negotiate favorable contracts with private third- party payers, including managed care plans; competition for patients from other healthcare providers, including those that offer telehealth services; changes to healthcare provider utilization practices and treatment methodologies; trends toward value- based purchasing and price transparency; overall economic conditions and the ability of patients to pay for services; staffing challenges, including retention of a sufficient number and quality of healthcare professionals; compliance with the complex and extensive laws and regulations governing the healthcare industry; changes in laws and regulations, including as a result of health reform efforts; and healthcare technology initiatives, including those related to patient data and interoperability; and public health conditions.~~ One or a combination of the factors above may adversely affect the volumes of brand name and generic pharmaceuticals we sell, our cost of sales associated with our retail pharmacy operations, ~~and~~ the net sales and gross margin of those operations or result in the loss of cross- store or cross- club selling opportunities. In addition, these and other factors may adversely affect the type, volume and mix of services we provide, ~~and~~ the reimbursement we receive for health and wellness services rendered, ~~and the scope and pace of expansion of Walmart Health and related offerings.~~ Any of these developments could, in turn, adversely affect our overall net sales, other results of operations, cash flows and liquidity. Our failure to attract and retain qualified associates, increases in wage and benefit costs, changes in laws and other labor issues could materially adversely affect our financial performance. Our ability to continue to conduct and expand our operations depends on our ability to attract and retain a large and growing number of qualified associates globally. Our ability to meet our labor needs, including our ability to find qualified personnel to fill positions that become vacant at our existing stores, clubs, distribution and fulfillment centers and corporate offices, while controlling our associate wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the work force of the markets in which we operate, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. Additionally, our ability to successfully execute organizational changes, including our enterprise strategy and management transitions within our senior leadership, and to effectively motivate and retain associates are critical to our business success. We compete for talent with other retail and non-retail businesses, including, for example, technology, health and wellness and fintech businesses, and invest significant resources in training and motivating our associates. Increased competition among potential employers at all levels, including senior management and executive levels, could result in increased associate costs or make it more difficult to recruit and retain associates. If we are unable to locate, attract or retain qualified personnel, or manage leadership transition successfully, the quality of service we provide to our customers may decrease and our financial performance may be adversely affected. In addition, if our costs of labor or related costs increase for other reasons or if new, revised or novel interpretations of existing labor laws, rules or regulations or healthcare laws, including those related to worker classification, are adopted or implemented that further increase our labor costs, our financial performance could be materially adversely affected. **Illegal or inappropriate activity of our independent contractors or third- party service providers could expose us to liability and adversely affect our business, reputation and financial performance. We are subject to risks related to our engagement of independent contractors or other third- party service providers. The qualification processes and background checks we utilize when engaging independent contractors may not reveal all potentially relevant information, including accurate worker authorization information and criminal history. If these independent contractors engage in misconduct, consumers may not consider our goods and services safe, and we may receive negative press coverage. Further, we have in the past incurred, and may in the future incur, losses from various types of fraud with respect to unauthorized uses of another person's identity and use of fraudulent identification documents. Any physical injury, loss of life, fraud, property and / or financial damage caused by our independent contractors or third- party service providers could adversely affect our business reputation, which could negatively affect demand for our goods and services, lead to increased regulatory or litigation exposure and adversely affect our financial performance.** Financial Risks Failure to meet market expectations for our financial performance could adversely affect the market price and volatility of our stock. We believe that the price of our stock generally reflects high market expectations for our future operating results. Any failure to meet or delay in meeting these expectations, including our consolidated net sales, consolidated operating income, growth rates, eCommerce growth rates, advertising and other higher- margin initiatives (which ~~is~~ **are** expected to help drive our operating income growth at a rate faster than net sales over the long term), capital expenditures, comparable store and club sales growth rates or earnings and adjusted earnings per share could cause the market price of our stock to decline, as could changes in our dividend or stock repurchase programs or policies, changes in our effective tax rates, changes in our financial estimates and recommendations by securities analysts or, failure of our performance to compare favorably to that of other retailers may have a negative effect on the price of our stock. Fluctuations in foreign exchange rates may materially adversely affect our financial performance and our reported

results of operations. Our operations in countries other than the U. S. are conducted primarily in the local currencies of those countries. Our Consolidated Financial Statements are denominated in U. S. dollars, and to prepare those financial statements we must translate the amounts of the assets, liabilities, net sales, other revenues and expenses of our operations outside of the U. S. from local currencies into U. S. dollars using exchange rates for the current period. In recent years, fluctuations in currency exchange rates that were unfavorable have had adverse effects on our reported results of operations. As a result of such translations, fluctuations in currency exchange rates from period- to- period that are unfavorable to us may also result in our Consolidated Financial Statements reflecting significant adverse period- over- period changes in our financial performance or reflecting a period- over- period improvement in our financial performance that is not as robust as it would be without such fluctuations in the currency exchange rates. Such unfavorable currency exchange rate fluctuations will adversely affect the reported performance of our Walmart International operating segment and have a corresponding adverse effect on our reported consolidated results of operations. We may pay for products we purchase for sale in our stores, clubs and eCommerce platforms around the world with a currency other than the local currency of the country in which the goods will be sold. When we must acquire the currency to pay for such products and the exchange rates for the payment currency fluctuate in a manner unfavorable to us, our cost of sales may increase and we may be unable or unwilling to change the prices at which we sell those goods to address that increase in our costs, with a corresponding adverse effect on our gross profit. Consequently, unfavorable fluctuations in currency exchange rates have adversely affected, and may continue to adversely affect, our results of operations.

**Legal, Tax, Regulatory, Compliance, Reputational and Other Risks** Our international operations subject us to legislative, judicial, accounting, legal, regulatory, tax, political and economic risks and conditions specific to the countries or regions in which we operate, which could materially adversely affect our business or financial performance. In addition to our U. S. operations, we operate retail and eCommerce businesses in Africa, Canada, Central America, Chile, China, India and Mexico. During fiscal **2024-2025**, our Walmart International operations generated approximately 18 % of our consolidated net sales. Walmart International's operations in various countries also source goods and services from other countries. Our future operating results in these countries could be negatively affected by a variety of factors, most of which are beyond our control. These factors include political conditions, including political instability, local and global economic conditions ; legal and regulatory constraints, such as regulation of product and service offerings including regulatory restrictions (such as foreign ownership restrictions) on eCommerce and retail operations in international markets, such as **in India** ; restrictive governmental actions (, such as trade protection measures or nationalization ); antitrust and competition law regulatory matters (, such as those underway in Canada, Mexico and India (relating to our Flipkart subsidiary) ); local product safety and environmental laws ; tax regulations ; local labor laws ; anti- money laundering laws and regulations ; trade policies ; foreign exchange or currency regulations ; laws and regulations regarding consumer and data protection ; and other matters in any of the countries or regions in which we operate, now or in the future. Changing our operations in accordance with new or changed restrictions on international trade or newly imposed sanctions can be expensive, time- consuming and disruptive to our operations , and such **Such** restrictions can be announced with little or no advance notice and we may not be able to effectively mitigate all adverse impacts from such measures. In addition, tensions between nation- state governments and conflicts of laws may lead to challenges for our operations. If disputes and conflicts further escalate in the future, actions by governments in response , **or consumer boycotts in certain regions,** could be significantly more severe and restrictive and could adversely affect our business or financial performance and our reputation. Political uncertainty surrounding trade and other international disputes could also have a negative effect on consumer confidence and spending, which could also adversely affect our business or financial performance and our reputation. The economies of some of the countries in which we have operations have in the past suffered from high rates of inflation and currency devaluations, which, if they recur, could adversely affect our financial performance. Other factors which may impact our international operations include foreign trade, monetary and fiscal policies of the U. S. and ~~of~~ other countries, laws, regulations and other activities of foreign governments, agencies and similar organizations, and risks associated with having numerous facilities located in countries that have historically been less stable than the U. S. Additional risks inherent in our international operations generally include, among others, the costs and difficulties of managing international operations, adverse tax consequences and greater difficulty in enforcing intellectual property rights in countries other than the U. S. The various risks inherent in doing business in the U. S. generally also exist when doing business outside of the U. S., and may be exaggerated by the difficulty of doing business in numerous sovereign jurisdictions due to differences in culture, geopolitical tensions or events, laws and regulations. In foreign countries in which we have operations, a risk exists that our associates, contractors or agents could, in contravention of our policies, engage in business practices prohibited by U. S. laws and regulations applicable to us, such as the Foreign Corrupt Practices Act or U. S. sanctions laws and regulations or the laws and regulations of other countries. ~~Our We maintain~~ global policies ~~which appropriately designed to~~ regulate such business practices and ~~our have in place~~ global compliance programs designed to ensure compliance with these laws and regulations **may not be adequate**. Nevertheless, we remain subject to **prevent** the risk that one or more of our associates, contractors or agents, including those based in or from countries where practices that violate such U. S. laws and regulations or the laws and regulations of other countries may be customary, will engage in business practices that are appropriately regulated by our policies, circumvent our compliance programs and, by doing so, violate such laws and regulations. Any such violations, even if prohibited by our internal policies, could subject us to fines and penalties and adversely affect our business or financial performance and our reputation. Changes in tax and trade laws, regulations and interpretations could materially adversely affect our financial performance. In fiscal **2024-2025**, our Walmart U. S. and Sam's Club **U. S.** operating segments generated approximately 82 % of our consolidated net sales. Significant changes in tax and trade policies, including tariffs , **trade barriers, other restrictions on the exportation and importation of goods** and government regulations affecting trade between the U. S. and other countries where we source many of the products we sell in our stores and clubs could have an adverse effect on our business and financial performance. A significant portion of the general merchandise we sell

in our U. S. stores and clubs is manufactured in other countries. Any such actions, including the imposition of further tariffs on imports could increase the cost to us of such merchandise (whether imported directly or indirectly) and cause increases in the prices at which we sell such merchandise to our customers, which could materially adversely affect the financial performance of our U. S. and international operations as well as our business. We are subject to income taxes, other taxes and tax collection and reporting obligations in both the U. S. and the foreign jurisdictions in which we currently operate or have historically operated. The determination of our worldwide provision for income taxes and current and deferred tax assets and liabilities requires judgment and estimation. Our taxes could be materially adversely affected by earnings being lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, by changes in the valuation of our deferred tax assets and liabilities, or by changes in worldwide tax laws, tax rates, regulations or accounting principles and the interpretations of those rules. In addition, we also may not have sufficient notice to enable us to build systems and adopt processes to properly comply with new reporting or collection obligations by the effective date of those obligations. We are also exposed to future tax legislation, as well as the issuance of future regulations and changes in administrative interpretations of existing tax laws, and changes in transfer pricing arrangements with our subsidiaries, any of which can impact our or our subsidiaries' current and future years' tax provision. The effect of such changes in tax law, changes in administrative interpretations of existing tax laws or changes in transfer pricing arrangements could also have a material effect on our business, financial position and results of operations. In the U. S., the Tax Cuts and Jobs Act of 2017 (the "Tax Act") significantly changed federal income tax laws that affect U. S. corporations. As further guidance is issued by the U. S. Treasury Department, the Internal Revenue Service and other standard-setting bodies, any resulting changes in our estimates will be treated in accordance with the relevant accounting guidance. Compliance with the Tax Act and any other new tax rules, regulations, guidance and interpretations, including collecting information not regularly produced by us or unexpected changes in our estimates, may require us to incur additional costs and could affect our results of operations. In addition, legislatures and taxing authorities in many jurisdictions in which we operate may enact changes to or seek to enforce novel interpretations of their tax rules. These changes could include modifications that have temporary effect and more permanent changes. For example, the Organization for Economic Cooperation and Development (the "OECD"), the European Union and other countries (including countries in which we operate) have committed to enacting substantial changes to numerous long-standing tax principles impacting how large multinational enterprises are taxed. In particular, the OECD's Pillar Two initiative introduces a 15 % global minimum tax applied on a country-by-country basis, which became effective in many jurisdictions in which we operate starting January 1, 2024. The impact of these potential new rules as well as any other changes in domestic and international tax rules and regulations could have a material effect on our effective tax rate. Furthermore, we are subject to regular review and audit by both domestic and foreign tax authorities as well as subject to the prospective and retrospective effects of changing tax regulations, legislation and interpretations. Although we believe our tax estimates are reasonable, the ultimate tax outcome may materially differ from the tax amounts recorded in our Consolidated Financial Statements and may materially affect our income tax provision, net income or cash flows in the period or periods for which such determination and settlement is made. Changes in and / or failure to comply with other laws, regulations and interpretations of such laws and regulations specific to the businesses and jurisdictions in which we operate could materially adversely affect our reputation, market position or our business and financial performance. We operate in complex regulated environments in the U. S. and in other countries in which we operate and could be materially adversely affected by changes to existing legal requirements, including the related interpretations and enforcement practices, new legal requirements and / or any failure to comply with applicable regulations. In addition, the degree of regulatory, political, and media scrutiny we face increases the likelihood that our efforts to adhere to our practices and procedures to comply with these laws and legal requirements may be subject to frequent or increasing challenges. **If we fail to prevent independent contractors or third-party service providers from violating our policies or applicable laws or committing any fraudulent acts against us or our customers, it could harm our business or damage our reputation, and we could face liability for unlawful activities by such third parties.** Our health and wellness operations in the U. S. and the operations of the Walmart Health locations are subject to numerous federal, state and local laws and regulations including, but not limited to, those related to: licensing; reimbursement arrangements and other requirements and restrictions; registration and regulation of pharmacies; dispensing and sale of controlled substances and products containing pseudoephedrine; governmental (including Medicare and Medicaid) and commercial reimbursement; data privacy and security and the sharing and interoperability of data, including obligations and restrictions related to health information (such as those imposed under HIPAA); **protection of consumer health data;** billing and coding for healthcare services and properly handling overpayments; debt collection; necessity and adequacy of healthcare services; relationships with referral sources and referral recipients and other fraud and abuse issues, such as those addressed by anti-kickback and false claims laws and patient inducement regulations; qualification of healthcare practitioners; quality and standards of medical services and equipment; and the practice of the professions of pharmacy, ~~medical, dental and~~ **optometry** behavioral healthcare services, including limitations on the corporate practice of medicine in certain states. Health-related legislation at the federal and state level may have an adverse effect on our business or require us to modify certain aspects of our operations. For example, in the U. S., the Drug Enforcement Administration ("DEA") and various other regulatory authorities regulate the purchase, distribution, maintenance and dispensing of pharmaceuticals and controlled substances. We are required to hold valid DEA and state-level licenses, meet various security and operating standards and comply with the federal and various state-controlled substance acts and related regulations governing the sale, dispensing, disposal and holding of controlled substances. The DEA, the U. S. Food and Drug Administration and state regulatory authorities have broad enforcement powers, including the ability to seize or recall products and impose significant criminal, civil and administrative sanctions for violations of these laws and regulations. In addition, there has been recent heightened governmental and public scrutiny of pharmaceutical product pricing, which has resulted in federal and state legislation and regulations, executive orders and other initiatives and proposals designed

to increase transparency in pharmaceutical product pricing and reform government program reimbursement methodologies (for example, the Inflation Reduction Act, which includes, among other matters, policies designed to impact drug prices and reduce drug spending by the federal government). Other health reform efforts at the federal and state levels may also impact our business or require us to modify certain aspects of our operations. **States may enact conflicting laws, mandating changes in operations that negatively impact our ability to execute uniformly and achieve economies of scale across states.** We may not be able to predict the nature or success of reform initiatives, and the resulting uncertainties may have an adverse effect on our business. Additionally, through various financial service partners and our ONE fintech venture, we offer various services such as money transfers, digital payment platforms, bill payment, money orders, check cashing, prepaid access, co-branded credit cards, installment lending and earned wage access. These products and services require us to comply with legal and regulatory requirements, including those ~~intended related~~ **to help detect and prevent fraud and other illicit activity**, privacy, information security, anti-money laundering and sanctions regimes and consumer protection, under **both** U.S. state and federal laws and regulations, as well as those of certain other countries. Failure to comply with these laws and regulations could result in fines, sanctions, **penalties and harm to our reputation**. We are also governed by foreign, national and state laws and regulations of general applicability, including laws and regulations related to competition and antitrust matters; protection of the environment and health and safety matters, including exposure to, and the management and disposal of, hazardous substances; food and drug safety, including drug supply chain security requirements; ~~trade~~, consumer protection, and safety, including the availability, sale, price label accuracy, advertisement and promotion of products we sell and the financial services we offer (including through our digital channels, stores and clubs, as well as our ONE fintech venture); anti-money laundering prohibitions; consumer financial protection laws; economic, trade and other sanctions matters; licensure, **including supply chain logistics licensure**, certification and enrollment with government programs; **cross border data transfer**; data privacy and ~~cybersecurity~~, cybersecurity and the sharing and interoperability of data; working conditions, workplace health and safety, equal employment opportunity, worker classification, employee benefit and other labor and employment matters; and health and wellness related regulations for our pharmacy **and optometry** operations ~~outside of the U. S.~~ In addition, certain financial services we offer or make available are subject to U. S. and international legal and regulatory requirements, including those intended to help detect and prevent money laundering, fraud and other illicit activity, as well as consumer financial protections and sanctions laws. Failure to meet these requirements could affect the profitability of our business activities; limit our ability to pursue business opportunities or conduct business in certain jurisdictions; require changes to business practices or governance or alter our relationships with our customers, partners and other third parties, including our ability to continue certain relationships in Mexico, India or other international jurisdictions; result in increased costs related to regulatory oversight and compliance, litigation-related settlements, judgments or expenses, restitution to customers or the imposition of fines or monetary penalties. ~~Increased U. S. regulation of non-bank financial institutions may also result in additional requirements and scrutiny of certain financial services we offer.~~ Increasing governmental **Governmental** and societal attention to ESG matters, including expanding mandatory and voluntary reporting diligence, and disclosure topics such as climate change, sustainability (including with respect to our supply chain), natural resources, waste reduction, energy, human capital and risk oversight could ~~expand~~ **change** the nature, scope and complexity of matters that we are required to control, assess and report. Data privacy and protection laws or customer expectations relating to the collection, use, retention, disclosure, transfer and processing of personal information continue to undergo a rapid transformation in the U. S. and ~~in non-~~ U. S. jurisdictions. Recently enacted state laws, such as the California Consumer Privacy Act ("CCPA"), in a number of states that have become effective, or will soon be effective, have created a substantially more complex regulatory regime associated with data-handling practices. Moreover, other laws and regulations related to data-handling and privacy that apply to our business, such as the Illinois Biometric Information Privacy Act, the European Union's General Data Protection Regulation ("GDPR"), the United Kingdom's General Data Protection Regulation (which implements the GDPR into U. K. law), China's Personal Information Protection Act ("PIPL"), and similar legislation in Quebec, Canada further ~~increases~~ **increase** the compliance obligations of our business. Certain of these laws have required us to modify our data processing practices and policies and to incur substantial costs and expenses to comply, which we anticipate will continue in the future. These and other privacy and cybersecurity laws may carry significant potential damages and civil penalties for noncompliance. For example, in the case of ~~non-compliance~~ **noncompliance** with a material provision of the GDPR (such as non-adherence to the core principles of processing personal data), regulators have the authority to levy a fine in an amount that is up to the greater of € 20 million or 4 % of global annual turnover (i. e., revenue) in the prior year. These administrative fines are discretionary and based, in each case, on a multi-factored approach. Further, PIPL took effect in China in November 2021. PIPL raises the ~~protection~~ requirements for processing personal information and requires ~~government~~ **our China business to undergo a cybersecurity assessment and obtain approval from to either allow the access** **Cyberspace Administration of China ("CAC") as well as consent from the personal information owner before personal information collected** in China by someone **may be transferred to, or accessed from,** outside of China ~~or conduct personal data transfers outside of China.~~ **Walmart obtained CAC approval in September 2023.** Fines for PIPL violations range from approximately RMB 50 million to up to 5 % of the infringing company's previous year's revenues generated from within China. We have made changes, and we may in the future make additional adjustments to our business practices, to comply with the personal information protection laws and regulations in China as they evolve. Residents in jurisdictions with comprehensive privacy laws **generally** have rights to access, correct and require deletion of their personal information, opt out of certain personal information sharing and **selling**, receive detailed information about how their personal information is used and may have a private right of action for data breaches. Furthermore, our marketing and customer engagement activities are subject to communications privacy laws such as the Telephone Consumer Protection Act. We may be ~~subjected~~ **subject** to penalties and other consequences for noncompliance, including ~~changing~~ **being required to change** some portions of our business. Even an unsuccessful challenge by customer or regulatory authorities of our activities could result in adverse publicity, impact our

reputation and could require a costly response from and defense by us. The impact of new laws, regulations and policies and the related interpretations, as well as changes in enforcement practices or regulatory scrutiny as to existing laws and regulations (including, but not limited to, in the U. S., shifting enforcement priorities for existing antitrust, competition and pricing laws, **use and disposal of plastics, recycled plastics or other packaging materials, ESG, consumer protection and AI technology,** as well as proposed new rules and regulations) generally cannot be predicted, and changes in applicable laws, regulations and policies and the related interpretations and enforcement practices of existing laws and regulations may require extensive system and operational changes, be difficult to implement, increase our operating costs, require significant capital expenditures, ~~or~~ adversely impact the cost or attractiveness of the products or services we offer, or result in adverse publicity and harm our reputation. If we fail to predict or respond adequately to changes, including by implementing strategic and operational initiatives, or do not respond as effectively as our competitors, our business, operations and financial performance may be adversely affected. **We acquired VIZIO Holding Corp. and its subsidiaries (collectively " VIZIO") in December 2024. As part of its business, VIZIO collects certain consumer data, including viewing data from its opted- in internet- connected televisions. In 2017, VIZIO stipulated to the entry of a judgment in federal district court with the Federal Trade Commission and the New Jersey Attorney General to settle alleged violations related to certain of its business practices (the" VIZIO Order"). The VIZIO Order remains in effect until 2037 and requires VIZIO to comply with specified obligations related to its collection and use of certain information collected from a VIZIO internet- connected device. These requirements apply to certain VIZIO entities and all other persons in active concert or participation with them. Our ownership of VIZIO and these compliance obligations are new, and if we fail to adequately design or implement controls for these matters, we may face additional regulatory action, penalties or monetary fines, any of which could have a substantial negative impact on our business, operations and financial performance.** In addition, we may face audits or investigations by one or more government agencies relating to our compliance with applicable laws and regulations. The regulatory, political and media scrutiny we face, which may continue, amplifies these risks. To the extent a regulator or court disagrees with our interpretation of these laws and determines that our practices are not in compliance with applicable laws and regulations, we could be subject to civil and criminal penalties that could adversely affect the continued operation of our businesses, including: suspension of payments from government programs; loss of required licenses and certifications; loss of authorizations to participate in or exclusion from government programs, including the Medicare and Medicaid programs in the U. S.; termination from contractual relationships, including those with our drug suppliers and third- party payers; and significant fines or monetary damages. Failure to comply with applicable legal or regulatory requirements in the U. S. or in any of the countries in which we operate could result in significant legal and financial exposure, damage to our reputation and have a material adverse effect on our business operations, financial position and results of operations. We are subject to risks related to litigation and other legal proceedings that may materially adversely affect our results of operations, financial position and liquidity. We operate in a highly regulated and litigious environment. We are **or may be** involved in legal proceedings, including litigation, arbitration and other claims, ~~and~~ investigations, inspections, audits, claims, inquiries and similar actions by pharmacy, healthcare, tax, **consumer protection, employment,** environmental and other governmental authorities **as well as private individuals. We may also be involved in legal proceedings brought by regulatory authorities, organizations and individuals relating to product packaging, including that such packaging is made of plastic, is not appropriately disposed, contains PFAS, or contains misrepresentations about its recyclability, compostability, biodegradability or reusability.** We may also have indemnification obligations for legal commitments of certain **business customers we contract with and** businesses we have divested. Legal proceedings, in general, and securities, derivative ~~action actions~~ **and**, class **and representative action actions** and multi- district litigation, in particular, can be expensive and disruptive. Some of these suits may purport or may be determined to be class actions and / or involve parties seeking large and / or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years. For example, we are currently a defendant in a number of cases containing class **, representative** or collective ~~action~~ **allegations , or both,** in which the plaintiffs have brought claims under federal ~~and~~ **state and local** wage and hour **and employment** laws, as well as a number of cases containing class- action allegations in which the plaintiffs have brought claims under federal and state **competition and consumer protection** laws. We have been responding to subpoenas, information requests and investigations from governmental entities related to nationwide controlled substance dispensing and distribution practices involving opioids. We are ~~also~~ a defendant in numerous litigation proceedings related to opioids, including the ~~consolidated~~ multidistrict litigation entitled In re National Prescription Opiate Litigation (MDL No. 2804) currently pending in the U. S. District Court for the Northern District of Ohio **, cases pending in various state and federal courts,** and a lawsuit filed against us by the ~~United States~~ **U. S.** Department of Justice in the District of Delaware in 2020 ~~. Similar cases that name us also have been filed in state courts by state, local and tribal governments, healthcare providers and other plaintiffs. Plaintiffs in these cases are seeking compensatory and punitive damages, as well as injunctive relief including abatement. We have entered into a settlement framework to resolve certain of these matters and accrued a liability for approximately \$ 3. 3 billion, almost all of which was paid in fiscal 2024. We cannot predict the ultimate number of opioids- related claims that may be filed or their outcomes and cannot reasonably estimate any loss or range of loss that may arise from opioids- related matters. In addition, we have been responding to subpoenas, information requests and investigations from governmental entities regarding the independent contractor classification of drivers and payment and operational practices with respect to our driver platform, as well as defending putative class and representative action civil litigation relating to driver classification and defending other civil litigation and arbitration claims in connection with the driver platform. On December 23, 2024, the Consumer Financial Protection Bureau (" CFPB") filed a lawsuit against the Company and Branch Messenger, Inc. in the District of Minnesota alleging the Company violated the Consumer Financial Protection Act by allegedly requiring independent contractor drivers on the Spark platform to receive payments through a financial product offered by Branch. The CFPB seeks an injunction~~

and unspecified restitution, damages and civil penalties. On February 20, 2025, the Court entered an order that indefinitely stays the case and vacates all deadlines. We cannot predict the outcome of the investigations by the governmental entities or the civil litigation and arbitration matters. We cannot provide any assurance as to the scope and outcome of these matters and no assurance that our business, financial position, results of operations or cash flows will not be materially adversely affected. In July 2021, the Directorate of Enforcement in India issued a show cause notice to Flipkart Private Limited and other parties—one of its subsidiaries ("Flipkart"), and to unrelated companies and individuals, including certain current and former shareholders and directors of Flipkart. The notice requesting requests the recipients to show cause as to why further proceedings under India's Foreign Direct Investment rules and regulations (the "Rules") should not be initiated against them based on alleged violations during the that related to a period from 2009 to 2015, prior to our acquisition of a majority stake in Flipkart in 2018 (the "Notice"), in addition to more recent requests for information from the Directorate of Enforcement to Flipkart for periods prior and subsequent to April 2016 regarding the Rules, including the most recent request in February 2025 (the "Requests"). The Notice is an initial stage of proceedings under the Rules which could, depending upon the conclusions at the end of the initial stage, lead to a hearing to consider the merits of the allegations described in the Notice. If a hearing is initiated, whether with respect to the Notice or from further proceedings related to the Requests, and if it is determined that violations of the Rules occurred, then the regulatory authority has the authority to impose monetary and / or non- monetary relief, such as share ownership restrictions. We are unable to predict whether the Notice will lead to a hearing on the merits or, if it does, the final outcome of the resulting proceedings, as well as whether any further proceedings will arise with respect to the Requests. We cannot reasonably estimate any loss or range of loss that may arise from these matters and can provide no assurance as to the scope or outcome of any proceeding that might result from the Notice or the Requests and further can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected. On January 13, 2020, the Competition Commission of India ("CCI") ordered its Director General (the "DG") to investigate certain matters alleging competition law violations by certain subsidiaries of Flipkart in India and other parties. On September 13, 2024, those subsidiaries received a non- confidential version of the DG's Investigation Report (the "Report"), alleging certain competition law violations. CCI is not bound by the Report, and will conduct its independent analysis of the allegations, including hearing objections from the subsidiaries and other parties before issuing its final order in the matter, which could include monetary and non- monetary relief. CCI's final order would also be subject to appropriate appellate proceedings. We can provide no assurance as to the scope and outcome of this matter, cannot reasonably estimate any loss or range of loss that may arise, and can provide no assurance that its business, financial position, results of operations or cash flows will not be materially adversely affected.

Also, in October 2023, the main Mexican operating subsidiary of Wal- Mart de México, S. A. B. de C. V. ("Walmex") was notified of the initiation of a quasi- judicial administrative process against it for alleged relative monopolistic practices in connection with the supply and wholesale distribution of certain consumer goods, and retail marketing practices of such consumer goods and related services. On December 12, 2024 we cannot provide any assurance as to the scope and outcome of this matter, the Comisión Federal de Competencia Económica and cannot reasonably estimate any loss or range of loss-México ("COFECE") issued a split decision that Walmex's subsidiary had engaged in a single relative monopolistic practice in relation to the negotiation of two types of contributions with its suppliers. The resolution imposed a monetary penalty on Walmex's subsidiary and certain non- structural conduct measures. Walmex and its business operations may arise continue to be closely monitored and subject to heightened scrutiny from this regulatory authorities on these matter matters leading . We can provide no assurance as to the scope or outcome of any possible negative publicity, additional litigation proceeding proceedings that might result from the notice, the amount of proceeds we may receive in indemnification, and reputational harm, all of which could have can provide no assurance as to whether there will be a material adverse effect to on our business or Consolidated operations, Financial financial Statements position and results of operations . We are also a defendant in litigation with the Federal Trade Commission regarding our money transfer agent services and is-are also cooperating with and responding to subpoenas issued by the U. S. Attorney's Office for the Middle District of Pennsylvania on behalf of the U. S. Department of Justice regarding our consumer fraud prevention program and anti- money laundering compliance related to our money transfer services, where we are an agent. We are unable to predict the outcome of the litigation or investigations or any other related actions by governmental entities regarding these matters and can provide no assurance as to the scope and outcome of these matters and whether our business, financial position, results of operations or cash flows will not be materially adversely affected. We discuss in more detail these cases and other litigation to which we are party below under the caption" Item 3. Legal Proceedings" and in Note 10 in the" Notes to our Consolidated Financial Statements," which are part of this Annual Report on Form 10- K. Our amended and restated bylaws designate provide that, unless we consent in writing to the Delaware selection of an alternative forum, the Court of Chancery of as the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for certain shareholder claims, including derivative claims alleging that are based upon a violation of a duty by a current or former director, officer, associate or shareholder, unless we agree otherwise in writing such capacity or as to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery. The This exclusive forum provision may increase the costs- cost for shareholders to bring claims or limit their ability to choose a favorable shareholder to bring a claim or limit a shareholder's ability to bring a claim in a judicial forum that the shareholder finds favorable for disputes with us or our

directors, **potentially** officers, associates or shareholders in such capacity, which may discourage **discouraging** such lawsuits against us and such persons. Alternatively, if a court were to find **finds** these **this** provisions **provision** of our bylaws inapplicable to, or unenforceable in respect of, the claims as to which they are intended to apply, then we may incur additional **face higher** costs associated with resolving such matters in other jurisdictions, which could adversely **negatively impact our business and financial results. However, this provision does not** affect our business, financial position or results of operations. While the exclusive forum provision applies to state and federal law claims, our shareholders will not be deemed to have waived our compliance with, and the exclusive forum provision will not preclude or contract the scope of exclusive federal or concurrent jurisdiction for **of federal courts over** actions brought under the federal securities laws, including the Exchange Act, as amended, or the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder. **Not** Our reputation may be adversely affected if we are not able to satisfy **satisfying** varied stakeholder expectations with respect to our ESG goals **efforts could adversely affect our reputation or subject us to regulatory or litigation risk**. We strive to deliver shared value through our business, **although stakeholder expectations continue to evolve and are not uniform**, and our diverse stakeholders expect us to make significant progress in certain ESG priority issue areas. **Stakeholder expectations regarding ESG matters continue to evolve and are not uniform**. We have established, and may continue to establish, various goals and initiatives on these **certain** matters, including with respect to climate change **initiatives, waste, packaging, plastic usage and other topics**. We **periodically publish information about our shared value priorities, strategies, progress and challenges through our online ESG reporting, which is not incorporated by reference into and does not form any part of this Annual Report on Form 10-K. Achievement of these aspirations and goals is subject to risks and uncertainties, many of which are outside of our control, and we** cannot guarantee that we will achieve these **our** goals **and or that our** initiatives **will**. Any failure, or perceived failure, by us to achieve **their desired results** these goals and initiatives or to otherwise meet evolving and varied stakeholder expectations could adversely affect our reputation. **Consequently** We periodically publish information about our ESG priorities, strategies and progress on our corporate website and update our ESG reporting from time to time. Achievement of these aspirations and goals is subject to risks and uncertainties, many of which are outside of our control, and it is possible that we may fail, or be perceived to have failed, in the achievement of our ESG goals **and or that** certain of our customers, associates, shareholders, investors, suppliers, business partners, government agencies and non-governmental organizations might not be satisfied with our **goals progress. Furthermore, federal, state and local regulatory authorities, private organizations and individuals may challenge or our approach to ESG issues, including allegations that we failed in our efforts toward achieving those goals, should not have undertaken such efforts or that we improperly engaged with other entities in our approach to ESG issues**. **Certain** **These** challenges could involve **administrative proceedings** we face in the achievement of our **or litigation, including as class** ESG objectives are also captured within our **or mass actions** ESG reporting, which is not incorporated by reference into and does not form any part of this Annual Report on Form 10-K. A failure or perceived failure to meet our goals **or to otherwise meet evolving and diverse stakeholder expectations** could adversely affect public perception of our business, associate morale or customer or shareholder support.