Compliance & Ethics Issues in the Retail Industry

Lance Lanciault – Walmart
Eric Hinton – 7-Eleven

A Few Observations . . .

Compared to other industry groups, Retail often has—

• more locations, sometimes in high crime areas
• basic employee language proficiency and education
• higher employee turnover
• complex assortment of regulatory compliance requirements
• larger online presence with ecommerce
• lower levels of E&C staffing and budget
• variable levels of maturity for E&C programs
Lance Lanciault

Lance Lanciault
Vice President, U.S. eCommerce Regulatory Compliance – Walmart

Lance is responsible for ensuring that Walmart’s people, processes and procedures are designed to mitigate risk and facilitate trust among all of Walmart’s stakeholders. Before joining Walmart, Lance served as Chief Legal Officer and Secretary for StubHub, Inc., overseeing all legal, regulatory and legislative affairs at the leading U.S. online secondary ticketing marketplace.

Lance also held senior legal positions with GE Healthcare and eBay Inc., where he served as eBay’s first Global Competition Counsel. Before eBay, Lance defended merger investigations and antitrust lawsuits at the law firm of Arnold & Porter, LLP. Lance served as a law clerk to the Honorable Judge Alexander Harvey II, U.S. District Court for the District of Maryland, and the Honorable Frank X. Altman, U.S. Court of Appeals for the Second Circuit. He graduated with High Honors from George Washington University where he served as Editor-in-Chief of the Law Review.

Our Businesses

Walmart U.S.  Walmart International  Sam’s Club  Global eCommerce
• Nearly 260 million customers visit our stores each week
• More than 2 million associates
• 11,488 retail units under 71 different banners in 27 countries
• $482 billion net sales in fiscal year 2015

Walmart provides a seamless experience that lets customers shop in the way that’s most convenient for them: online, through mobile and in stores.
Compliance by Design

Customer Value Proposition
Operational Excellence
Business Model

Compliance by Design
Trust and Safety
Processes
Systems
Compliance SMES

Compliance Subject Matter Areas

- Anti Corruption
- Antitrust
- Consumer Protection
- Environmental
- Financial Services
- Food Safety
- Health and Safety
- Health and Wellness
- Trade
- Labor and Employment
- Licenses & Permits
- Privacy
- Product Safety
- Responsible Sourcing
Trust and Safety – Enabling our Marketplace

Customer Expectations

- Positive Word of Mouth
- Clean Platform
- Trusted Seller
- Item on time as described
- Smooth Issue Resolution

Consider → Browse → Buy → Receive → Return

Trust and Safety Goals

Eric F. Hinton

Chief Ethics and Compliance Officer – 7-Eleven, Inc.

Eric is responsible for overseeing the 7-Eleven, Inc. Business Conduct Office and ethics and compliance program. He is an attorney and has significant experience in ethics and compliance matters.

Eric has been in-house for many years, including with two Fortune 500 NYSE companies as well as a private equity-owned technology company. He began his career with an international law firm in Washington, DC, practicing international trade law and has worked in Illinois, Texas, and Brussels, Belgium. Eric holds degrees from the University of Leiden, The Netherlands; BYU Law School; the University of Limerick, Ireland; and Utah State University. He regularly lectures at the University of Texas at Dallas School of Management and the SMU School of Law and was previously an adjunct professor of law at the John Marshall Law School.
7-Eleven, Inc. is a subsidiary of Seven Eleven Japan and Seven & i Holdings.

- Seven & i Holdings is a public company that had 2015 revenue of approximately $54 billion.
- Seven & i Holdings has over 57,000 stores in 18 countries.
- Approximately 57 million customers frequent a Seven & i Holdings location each day.

7-Eleven, Inc., founded in 1927, is headquartered in Dallas, TX and includes approximately 10,500 stores in the US, Canada, and Mexico.

- The majority of stores in the US are franchised locations and employ approximately 80,000 people in the US.
- 7-Eleven, Inc. employs approximately 24,000 people in the US and Canada.
Of US retailers, 7-Eleven sells the most USA Today newspapers, cold single-serve beer, cold single-serve bottled water, cold Gatorade bottled drinks, and lottery tickets, and has the largest ATM network.

7-Eleven is the second largest whole-pizza retailer in the US.

In 2014, 7-Eleven sold more than 60 million grilled hot dogs and 83 million taquitos. 7-Eleven stores sell almost 45 million gallons of fountain drinks and 40 million gallons of milk each year. 7-Eleven sells more than 5,100 fresh sandwiches per hour.

7-Eleven Ethics & Compliance Program Governance Structure
Discussion
Key Takeaways

- **Understand the Business and Identify Key Risks**
  - Listen and analyze
  - Introduce action plans
  - Tailor Program to the risks

- **Challenge Your Compliance Team**
  - Get involved early
  - Be an enabler and not the road block
  - Find ways to say “yes” with acceptable risks