

## Falabella is committed to addressing the climate crisis and will become Net Zero by 2035

- *The company announced an ambitious plan that involves its entire ecosystem and includes Falabella.com, Falabella Retail, Sodimac, Tottus, Banco Falabella and Mallplaza. The plan will start with mitigating controlled emissions<sup>1</sup> and will require changes to how it works and collaborates with suppliers.*

**Santiago, Chile, February 22, 2023.** Climate change is an urgent problem. Accordingly, Falabella has announced an ambitious plan that actively addresses this issue, which will change how it manages its business. Its ecosystem includes Falabella.com, Falabella Retail, Sodimac, Tottus, Banco Falabella and Mallplaza and it will mitigate its greenhouse gas emissions and decarbonize its business to become Net Zero by 2035 under its scope 1 and 2 emissions<sup>2</sup>. This requires reducing its impact as far as possible and then offsetting any residual emissions with high quality carbon credits<sup>3</sup>.

The company's CEO, Gaston Bottazzini, said that "the climate crisis concerns us at Falabella, but it also inspires us to urgently address it. This plan involves an ambitious roadmap with clear, measurable goals and positions us as an industry leader worldwide. We will become pioneers in controlling our emissions and we are very excited about that as a team."

The company will begin the project with an investment of over US\$15 million in 2023 and has a medium-term goal of reducing its emissions under scopes 1 & 2 by 65% in 2030 compared to 2021, and to reach Net Zero 5 years later under the same scopes.

The Strategy and Sustainability Manager at Falabella S.A., Andrea González, pointed out that "this is a long-term commitment that involves changing our culture and how we tackle projects, and it requires tremendous collaboration." These changes will also introduce new standards for the group's stores and sites, such as replacing refrigeration equipment with environmentally friendly technologies<sup>4</sup>; switching to LED lighting; sourcing 65% of its electricity from renewable sources by 2030; electrifying equipment to avoid using fossil fuels; and improving how it monitors and controls lighting and air conditioning.

She added that "this challenging plan complements our continual focus on reducing the indirect emissions within our value chain<sup>5</sup>, as we are working together with our suppliers to achieve this and continually expanding electromobility. We hope that Falabella's commitment will inspire more companies to join us."

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<sup>1</sup> Scopes 1 & 2.

<sup>2</sup> As defined by the GHG Protocol standard and using the market method for scope 2.

<sup>3</sup> Capture or elimination credits.

<sup>4</sup> Transcritical CO<sub>2</sub> compressors.

<sup>5</sup> Scope 3, mainly carbon emissions associated with manufacturing and transporting our products.

### ***About Falabella***

*Falabella began over 130 years ago and now has 37 million customers. It has developed the leading physical-digital ecosystem in Latin America, based on its payment platforms, financial and logistics services, e-commerce and marketplace, which are enhanced by its extensive network of stores and shopping centers. It operates in 7 countries and employs 100,000 people in Latin America, India and China. This ecosystem aims to "make life simpler and more enjoyable" through its brands Falabella, Sodimac, Tottus, Banco Falabella, Falabella.com, Mallplaza, FPay and the Ikea franchise.*

*It is currently the only Chilean retailer in four Dow Jones Sustainability Indices, which are its World, Emerging Markets, MILA and Chile indices, due to its achievements in the five priority areas of Climate Action, Circularity and Waste, Diversity and Inclusion, Social Impact and Corporate Governance.*