

**F A L A B E L L A**  
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COMPLIANCE PRACTICAL GUIDE FOR SUPPLIERS

**Dear Supplier,**

We are aware of our responsibility to meet our customers' expectations and those of the community. Because we believe that acting ethically and responsibly does not mean just to do what is right, but also the correct way to do business, we have implemented different initiatives oriented to a responsible and ethical relationship with our suppliers.

This practical guide states our corporate integrity standards on which we base our work, and that illustrates the behaviour that our suppliers should observe in their business relationships with us.

If you are an IKEA supplier, you should supplement the content of this guide with IWAY.

## 1. Our Purpose and Values

### **Making life simpler and more enjoyable**

is our purpose. This common vision is at the heart of our conversations and guides our cultural and digital transformation projects. Our purpose is based on four values that we believe are shared challenges for all businesses and countries.

#### **Our values:**

##### *We are one team*

- Diverse

Our team includes various perspectives, identities, cultures, ages and backgrounds. A diverse team performs better and achieves more.

- Trusting

Where everyone feels heard, can express their opinions and concerns, and can work in a horizontal and collaborative manner.

- Developing

Where there are regular development conversations with teams, to learn about their interests, explore growth opportunities, seek feedback, celebrate achievements, and appreciate milestones.

##### *We are nimble*

- Proactive

We encourage people to question how they do things, to continuously improve and innovate, while always adding value for customers.

- Leaders

We give autonomy to our teams and support them as they improve their approach to prioritizing and executing solutions.

- Learning

We encourage teams to experiment and test, to make mistakes, to learn and unlearn, to reflect and rapidly implement what they have learnt.

##### *We are passionate about the customer*

- Empathetic

We inspire through example; we create opportunities to engage with our wide range of customers with an empathetic attitude that encourages them to share their pain and solutions.

- Understand

We ensure that the customer is at the centre of all our decisions. We want our decisions to be based on information, trends and past experience, to ensure that they are correct.

- Simplify

We challenge our teams to reflect every day on how we can simplify what we do, so that customers find their experience more enjoyable.

##### *Protecting the future*

- Integrity and honesty

We ensure that our words and our deeds are consistent, and we align our teams with the Company's strategy, values, purpose, and policies.

- Sustainability

We foster respect for people, the environment and society at all times.

## 2. Corporate Integrity

We are ruled by a unique ethical standard reflected in our Integrity Code. The Code is our guide of conduct, and the document where our principles and values are expressed, requiring that our activities should be performed respecting people, fairly competing in the markets, being transparent as to conflicts of interest, managing them accordingly, and preventing any form of corruption, etc. We invite you to read the Code and follow its recommendations.

In addition, our Integrity Channel is at the disposal of all third parties with whom the company relates, by which they will be able to make enquiries or report any bad practices or inappropriate behaviour they might detect in their relationship with us, anonymously if they wish, confidentially and without retaliation.

We also expect our suppliers to make available to third parties with whom they have dealings communication channels that serve the purpose described above, and not to retaliate for their use.

All the information received through the different means of access to the Integrity Channel will be treated as strictly confidential, safeguarding the identity of the person who makes the query or complaint, of the accused and of everyone who takes part in an investigation, as well as its background.

### Contact the Integrity Channel

You can contact us:

1. By email sent to [contactochile@gerenciadeteetica.com](mailto:contactochile@gerenciadeteetica.com)
2. By phone to the number 800 726 100
3. Through the Integrity Channel link in our web page

### 3. Crime Prevention

As a supplier, we need you to take all the necessary measures to ensure that your workers, contractors, and their subcontractors do not engage in any behaviour that might generate criminal liability for legal entity.

For this purpose, all our suppliers must implement a crime prevention model or, at least, an organizational system that allows

them to effectively prevent the commission of crimes.

➤ Case study: You are participating in a process to be our supplier, and a few days before the final selection you come up with the idea of sending a gift to a member of the awarding committee of our company. Can you do it?

Of course not. This situation can alter the rules of healthy competition, besides being contrary to the laws currently in force. Additionally, it is forbidden to our workers to receive gifts from suppliers that are participating in a competitive process of service proposal.

### 4. Anti-corruption

We do not tolerate any act of corruption; therefore, we demand that none of our suppliers, their workers, contractors or subcontractors, partners or representatives get involved in any act which might consist in the offer, promise, delivery or authorization for the delivery of bribes, discounts, compensations, commissions or other illegal or improper payments, directly or indirectly, to a public official or to other individuals in the development of their relationship with us.

That is why we invite you to be part of our campaign "Playing Fair", which proposes to comply with a series of measures to prevent corruption in the interaction with public officials, either national or foreign.

For this purpose, please remember the following guidelines:

1. In the exceptional case you must meet with public officials on our behalf, in person or not, you must always obtain our previous approval and attend the meeting accompanied.

2. You must send to your counterpart in our company, with copy to the mailbox [cumplimiento@falabella.cl](mailto:cumplimiento@falabella.cl) a minute detailing the topics that were discussed at the meeting.
3. If the meeting must be scheduled in the Lobby web portal, do not forget to request it through the referred platform.
4. For your communications with public officials when acting on our behalf, keep in mind that personal emails or other unofficial means of communication such as WhatsApp, should not be used, but the email of your company and the institutional email of the corresponding public or government office.
5. Finally, remember that you must meet with the public official at the premises of the public agency or at your office.

## 5. Free Competition

We prohibit any anti-competitive behaviour, and we strictly comply with the laws designed to promote and protect free competition.

To the authorities, the transfer of commercial sensitive information among competitors might constitute a presumption of collusive agreement or concerted practice, which are among the most heavily sanctioned conducts. This is why:

1. You should only send us the strictly necessary information for the development of your business with us. At the same time, we will only send you the information you need in your role as supplier.

2. We will never ask you or accept, sensitive commercial information from our competitors.
3. We will never share sensitive commercial information from other suppliers.
4. In the communications held with us, please use institutional emails, but never use personal emails or non-official communication channels.
5. For us, respect of fair competition represents a fundamental pillar in all competitive processes.
6. If by mistake you send us sensitive commercial information which we are not supposed to know, please inform us sending an email to the mailbox [cumplimiento@falabella.cl](mailto:cumplimiento@falabella.cl) and prevent it from happening again in the future.

What is sensitive commercial information?

It means all strategic information of a company which is not publicly known and that, if known by a competitor, might influence its market behaviour, such as the one related to current or future prices, the one used to determine prices, income, or sales volume, offers or bids, lists of customers or suppliers, price lists, discount or promotion policies, cost structures, investments, R&D plans, and any other kind of strategic information of a company.

➤ Case study: As a supplier you have information of the stock of products we are going to purchase. In addition, you are a provider of one of our competitors who, before placing an order, asks you in relation to what we ordered for the season. Can you deliver that kind of information?

Of course not. The volume of purchased products is sensitive commercial information, along with prices, sales

volume, etc. Therefore, you must not disclose our information and, additionally, you should implement the necessary means to keep such information safe.

At the same time, you must not disclose or deliver us sensitive commercial information of our competitors and, if any of our workers request that information, you must refrain to deliver it and report the situation immediately through our Integrity Channel.

## 6. We protect and respect Intellectual Property Rights

We are a company that promotes innovation and creativity, respecting industrial and intellectual property rights of third parties. This is why we have implemented a series of protocols in our businesses aimed at ensuring the legitimate origin of the products we market and the due protection of designs. We also require that any third party to respect our industrial and intellectual property.

Therefore, you must not sell us counterfeit or non-original products, that is, copies of models patented or registered by third parties, as well as those whose brand belongs to a third party that has not contracted with us.

If you have any questions, queries or complaints related to property rights, you can write to: [propiedadintelectual@falabella.com](mailto:propiedadintelectual@falabella.com).

## 7. Conflict of Interests Management

There is a conflict of interest if our personal interest and that of the company we work for are opposed, as well as any other situation in which our independence to make decisions is diminished. The existence of conflicts of interests does not

necessarily mean something negative or reprehensible, as far as they are properly and timely managed.

Therefore, we have implemented different controls that are intended to prevent the occurrence of these situations.

If in any negotiation or commercial operation in which you are participating with us, you consider that you have a conflict of interests or have doubts about it, we invite you to timely report it through our Integrity Channel, and refrain from participating in the operation until the conflict has been managed.

➤ Case study: A potential supplier, who is participating in a tendering process for our company, learns that his/her cousin participates in the commission which has to allocate the service. What should you do?

Both our worker and the supplier must timely declare the situation so that we can manage it and, that way, avoid cases that may compromise the independence in the decision-making process.

Which circumstances may result in a Conflict of Interest?

- Kinship

Family relations, for example, if the person who represents a supplier in a negotiation with our company, is a relative of the person acting in representation of the latter.

- Property

If one of our workers (or one of his/her relatives, spouse, partner, or close friend), participates in the property of a supplier that is related to or wants to engage with us.

- Management

If one of our workers (or one of his/her relatives, spouse, partner, or close friend), participates in the management of a supplier that is related to or wants to engage with us.

- Friendship

If the person acting on behalf of one of our suppliers holds a bond of friendship with one of our workers, might also generate a conflict of interests.

- Previous Professional Relations

If in a negotiation, the person acting on behalf of one of our suppliers is a former worker of our company; or if the supplier is a former employer of one of our workers (in both cases up to 12 months since the former worker left our company, or since the termination of the work relation of one of our workers with the supplier).

- Other Relations

It is impossible to list all the situations that could create a conflict of interest. That is why we should be aware of any other situation which might compromise the impartiality of our decisions in an operation between a supplier and our company.

## 8. Gifts and Invitations

The tradition of extending gifts and invitations in the context of a commercial relation may have the genuine purpose of being kind or polite, and of reinforcing professional bonds of closeness and trust. However, some gifts and invitations might seek to influence a decision, thus generating an improper behaviour or create a perception of inappropriateness that may be harmful, and that we want to avoid.

Due to the above, suppliers must not give, accept, or compromise gifts, trips or invitations, or any other form of compensation to influence a business decision.

And please remember, in our company we say, "Thanks a lot, but no thanks". This implies that our workers do not accept gifts, except for those of courtesy, that is, those of little value, such as a pen with the logo of the company or a notebook for notes.

## 9. Consumer Rights

We understand that our responsibility is not only limited to a correct operation, but also involves a proper relation with our customers.

Through our activities we do not only announce our offer of products and services to our customers, but it is also the way through which we build our image and value proposal.

We expect you to help us meet this commitment to always deliver the best to our customers, which includes but is not limited to ensuring the certification and labelling of the products in accordance with current regulations, as well as its quality, especially caring that they comply with their informed characteristics and specifications. Also, you must timely inform us of any situation which may involve customers safety or product recalls. Because we have chosen you to be part of our value chain, we expect from you the same level we demand for ourselves.

We have a Customer Rights Protection Policy, which is articulated in the following principles:

1. Respect of the laws that establish and protect the rights of



consumers and to the binding regulations that establish a legal status for consumer relations and the protection of customer rights.

2. Customer security, both in their shopping experience as well as in the use or consumption of the product or service purchased (including health and environment protection), and the protection of personal data of customers.
3. Respect for the person's dignity, avoiding deriding, caricaturing, stereotyping, offending, or denigrating.
4. Prohibition of any kind of arbitrary discrimination towards customers.
5. Respect for the authorities and to the instructions and requirements rightfully ordained.
6. Respond to customer requests and complains as quickly as possible.
7. Display advertising adjusted to the law and respecting competitors; therefore, it is forbidden any form of advertising that may denigrate or underestimate a competitor.

## 10. Environment

We are committed to taking care of the environment and to comply with environmental regulations applicable to our operations. Therefore, we also expect our suppliers, their workers, contractors or subcontractors to comply with environmental regulations that apply to them, adopting the necessary measures for that purpose. We especially demand that you do not tolerate, cause or conceal any activity that may be constitutive of environmental infraction or crime.

We also expect our suppliers to implement a strategy that promotes, considering the nature and impact of their activities: (i) the

prevention of environmental pollution, the reduction in the generation of waste from their activities, services and products, and, the reduction, reuse and recycling of such waste, promoting circular economy criteria; (ii) the rational use of natural, water and energy resources used in their operations, activities and in their distribution and logistics chain; (iii) biodiversity, ecosystems and the prevention of degradation of natural habitats that may be caused by their activities; and, iv) reducing their carbon footprint and anticipating, preparing and adapting to the risks and opportunities arising from the effects of climate change, by reducing the consumption of electricity and fossil fuels in their value chain.

In case of any breach or doubt about the foregoing, please contact us immediately through any of the communication lines of the Integrity Channel.

## 11. Personal Data Protection

We strictly comply with the legislation aimed at protecting and ensuring the privacy and confidentiality of personal information. For this reason, our suppliers must recognize and respect that the personal data of our clients and workers, and of other suppliers and third parties related to us, and to which they have access because of their relationship with our company, constitute a relevant part of our assets and that its protection is a fundamental right of people.

Therefore, neither the supplier nor his workers or representatives may, by any means or under any circumstances, spread, communicate, or use such personal data to any purpose other than the provision of the service or the fulfillment of the commercial relationship they have with us.



For example, if a supplier receives, processes, or hosts personal data delivered by our company in a cloud platform, they must comply with the necessary security measures to protect the data against breaches or incidents of information security.

Moreover, if a supplier experiences a threat to his information assets, which may eventually compromise the data delivered by us, he must inform us about this situation as soon as possible, take the corresponding mitigation measures, and cooperate in the delivery of the information that will allow us to comply with our legal obligations.

We also expect our Suppliers to comply with legal and constitutional guarantees on the protection of privacy, as well as with any other applicable or becoming applicable regulations on the protection of personal data.

➤ Case study: Our company shares with a supplier a data base with customer contact information so that he can send to them advertising communications. A month later, that data base is published in a mass communication medium.

What measures should the supplier have adopted to prevent disclosure?

The supplier should have generated enough and necessary controls to prevent leaks and the non-authorized use of the information by his workers, besides implementing security measures to prevent non-authorized third parties from accessing such information. An example of a security measure that could have been adopted, is to verify the secure deletion of the data base once the service to us has been provided.

## 12. Human Rights

We are committed to being a socially responsible company towards our customers, employees, suppliers, the communities in which we operate, the environment and society in general.

For this reason, and aware that our activities can impact the living conditions of our stakeholders, we have mechanisms in place that allow us to properly identify and assess risks in order to prevent these impacts and, if necessary, remediate them.

In this regard, our suppliers shall align their conduct with the standards, guidelines and principles set out in our Human Rights and Business Policy and, where necessary, remedy those negative impacts directly related to their operation.

We expect our suppliers to engage in their activities in strict adherence to local legislation, international treaties, declarations, and conventions that promote and protect human rights, such as the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, in particular those that forbid forced labour, child labour, migrant smuggling and human trafficking.

We also expect our suppliers to respect the guidelines of the International Labour Organisation relating to a safe and healthy working environment and those relating to working conditions, such as working hours and remuneration, and the United Nations International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families for companies located in countries that have ratified these conventions.

### **13. Diversity, Equity and Inclusion**

We believe that a diverse, pluralistic, inclusive and equitable society allows all the people, without distinction, to contribute to the development of the country, participating in its economic, social and cultural activities with their capacities and potentialities.

For this reason we have approved our Diversity and Inclusion Policy which, among other aspects, establishes as principles the respect of human dignity; the inclusion in the labour environment regardless of the conditions, characteristics or particular orientation of persons; the rejection of arbitrary discrimination; and the appreciation of diversity in the sense of recognizing the value of work teams formed by people with different ways of thinking, origins, religious beliefs, convictions, experiences, academic backgrounds and physical capacities, where different points of view are listened, valued and respected.

We also have a Gender Equity Policy, which seeks to consolidate an organisational culture that actively promotes gender equity and the work-life balance of our employees, by promoting the participation of women in executive and management positions, or in those positions or areas where they are under-represented; equal pay for people in the same position or function; the prevention of gender-based violence; and internal and external communications without gender bias, among others.

In the business relationship we maintain with our suppliers, we demand from them to adopt measures against arbitrary discrimination or against those conducts that might affect the dignity and equality of their workers or the people with whom

they associate or relate, becoming part of the principles that govern us in this matter. We also expect them to be aligned with the promotion of gender equity in their organisations.

### **14. Labour Compliance**

We perform our activities in strict compliance with the law in force, recognizing individual and collective labour rights of our workers.

In this regard, we require our suppliers to fully comply with their obligations under legislation on social security, occupational health and safety, minimum wage, timely and full payment of remuneration, and those arising from employment contracts with their workers in particular.

In addition, our suppliers must comply with applicable laws regarding the freedom of association of their employees and the right to collective bargaining. They must also prohibit any form of intimidation, harassment, retaliation and/or violence against union members and their representatives.