

FALABELLA



ENVIRONMENTAL AND CLIMATE CHANGE POLICY

## **I. Introduction**

Falabella is committed to sustainable development and respect for the Environment and Environmental Regulations.

This commitment implies driving the sustainable development of our activities, reducing the adverse impact of our operation on the Environment.

## **II. Objective**

This Policy aims at establishing the general principles which must guide the behavior of Falabella and its Associates, so as to: **i)** demand and promote compliance with Environmental Regulations; **ii)** detect and measure the Environmental Impact of its activities so as to mitigate or reduce the adverse ones and boost the positive ones; **iii)** promote the efficient use of natural resources, energy and water; and, **iv)** promote circular economy criteria in the generation, reduction, reuse and recycling of waste.

## **III. Scope**

This Policy has a corporate scope, thus being applicable to Falabella as a whole, having to be implemented and its compliance demanded from all Associates. Additionally, Falabella will promote its Suppliers to adjust their behavior to the standards, guidelines and principles established in this Policy.

## **IV. Definitions**

The terms used in capital letters in this Policy are defined in Appendix N° 1.

## **V. General Principles**

The general principles that guide the behavior of Falabella and its Associates in relation to the Environment are the following:

### **1. Compliance with Environmental Legislation and Commitments**

Falabella demands and promotes compliance with Environmental Regulations in all the jurisdictions where it operates, as well as compliance with the environmental commitments voluntarily acquired.

### **2. Environment Protection**

Falabella, with the purpose of protecting the Environment and reducing Environmental Impact, foster the sustainable development of its activities adopting initiatives,

strategies and controls which, in agreement with the results of its risk management, promote development compatible with the Environment in the locations where it operates.

### **3. Operational Ecoefficiency**

Falabella fosters the rational use of natural resources, water and energy in its operations, activities and distribution and logistics chain. It will also encourage the preference for raw materials that are certified for their sustainable attributes or for including recycled materials.

### **4. Transparency of Environmental Performance**

Falabella promotes transparency in its environmental performance, which implies informing our Interest Groups as required by the Environmental Regulations and/or each Company's voluntarily acquired commitments.

## **VI. Actions, Measures, Application Scope and Commitment**

### **1. Implementation of Compliance Program**

Each Company should adopt and implement a compliance program in environmental and climate change matters which, according to the nature of its activities, incorporates the general objectives and principles established in this Policy.

Such a program should, at least: **i)** establish mechanisms to communicate, promote, guide, and train on the expected behaviors of Associates and Suppliers related to the Environment and climate change, and the impact of their activities; **ii)** lay down the mechanisms that allow compliance with the legal requirements and environmental commitments assumed by each Company; **iii)** manage the risks and opportunities present for each Company in its relation with the Environment; and, **iv)** appoint an Associate as Compliance Officer for the implementation and management of such a program.

### **2. Commitment with Climate Change**

Each Company will implement a strategy to allow, considering the nature and impact of its activities, a decrease in its Carbon Footprint and the anticipation, preparation and adaptation to risks and opportunities derived from climate change effects.

To that purpose, each Company will comply with applicable regulations and will implement concrete projects and actions to meet its voluntary commitments or surpass these standards when deemed appropriate. Furthermore, Falabella commits not to invest directly in the expansion of the fossil fuel industry.

Falabella promotes engagement with its external Interest Groups, such as suppliers, non-governmental organizations, and local authorities, to develop environmental capacities and best practices throughout the value chain, considering products and services as well as their distribution and logistics, from the origin of the raw material to its final disposal.

### **3. Waste Management**

Each Company will implement a strategy to promote, considering the nature and impact of its activities, the reduction in waste generation arising from its activities, services and products; as well as the reuse, recycling and valorization of such a waste, fostering circular economy criteria and complying with applicable Environmental Regulations. Waste that cannot be valorized will be treated in accordance with these regulations.

Likewise, such a strategy should contribute to the promotion of a culture of waste reduction, reuse and recycling in each Company.

### **4. Biodiversity Protection**

Each Company will promote, considering the nature and impact of its operation, the development of best practices for the protection of biological biodiversity, ecosystems and the prevention of natural habitat degradation that may be caused by its activities, in accordance with current Environmental Regulations.

### **5. Relationship with Suppliers and Other Counterparties**

Each Company will implement objectives and activities that promote the adoption of environmental practices by its Suppliers and other counterparties with whom they engage commercially.

### **6. Environmental Compliance Review**

In the processes of acquisition, merger, or venture with third companies in which Falabella participates, it will include, among the negotiations previous to the operation implementation, a review of the legal and regulatory environmental compliance of the company under analysis, based on the nature of the latter's operations.

### **7. Continual Improvement**

Falabella adopts mechanisms for the continual improvement of its environmental performance. To that purpose, it establishes quantifiable environmental management objectives, goals and indicators, together with the necessary instruments to determine improvement opportunities and process adaptation so as to guarantee its efficacy and to be able to reach greater sustainability standards in our business.

### **8. Compliance Commitments**

Each Company will establish its own environmental and climate change compliance objectives. Such objectives should consider, among others: **i)** concrete goals to be reached; **ii)** the specific measures to be implemented; **iii)** the indicators which will enable the effectivity measurement of the assumed commitments; **iv)** the committed terms and resources; and, **v)** the people responsible for the implementation and supervision of compliance with the measures and terms determined. The established objectives should be

reviewed at least every 2 years to adapt to new Environmental Regulations, or earlier if deemed necessary by the Company.

## **9. Integrity Channel**

Associates must channel the available information, or the reports regarding any activity against this Policy or the Environmental Regulation through the Integrity Channel.

The Integrity Channel may be contacted: **i)** by email sent to the address ; **ii)** on the phone, to the number 800 726 100; **iii)** on the online platform established to that purpose by the Company; and, **iv)** personally attending the offices of the Ethics Department or Ethics Officer of Falabella S.A.

## **VII. Compliance with the Policy**

Every Associate has the responsibility of ensuring faithful compliance with this Policy, the internal regulations on the subject passed by the Company and, the Environmental Regulations.

Any infringement of the aforementioned regulations will be liable to disciplinary measures with respect to the Associate, in accordance with the provisions of the Integrity Code, Environmental Regulations and the Internal Orderliness, Health and Safety Regulations of the Company, to the extent of separation from the Company in serious or repeated cases.

Those Associates who might have some doubts regarding a specific behavior which might violate the provisions in this Policy, internal regulations and Environmental Regulations, should consult the Corporate Legal Affairs and Governance Department of Falabella S.A. and refrain from acting while not receiving a reply to such enquiry.

## **VIII. Related Documents**

- Code of Integrity
- Sustainability Policy
- Crime Prevention Model

## Appendix No.1

### Definitions

The words and terms defined below, when written in initial capital letter as in their corresponding definitions, whether necessary or not according to the capitalization spelling rules, and regardless their position in this Policy, or used in a person, mood, tense or grammatical variable as considered necessary for their proper understanding, will have the meanings assigned to each of the words or terms as follows:

**“Integrity Channel”** means the set of means Falabella makes available to its Associates or third parties, through which they can directly contact the Ethics Department to pose their doubts, or make enquiries or complaints related to ethical topics or Environmental Regulations.

**“Associate”** means: **i)** each and every person connected to a Company through a work contract and/or rendering services for a fee; **ii)** whoever acts on behalf of a Company independently of the kind of relationship with it; and, **iii)** all the Board members and advisors, administration council or any other collegiate body of higher administration which in accordance with the applicable law corresponds to a Company.

**“Company”** means that Falabella company for which what is said in this document may be asserted for a specific case.

**“Falabella”** means: **i)** Falabella S.A.; **ii)** every other legal entity, in any jurisdiction, in which Falabella S.A. directly or through another legal entity or natural person controls over 50% of its capital with a right to vote or capital, if it were not a Joint Stock Company, or might elect or appoint most of its board members, advisors or administrators; and, **iii)** every other legal entity, in any jurisdiction, in which Falabella S.A. directly or through another natural person or legal entity owns 50% or less of its capital with a right to vote or capital, provided the first one appears to the public as a business with trademarks of Falabella S.A., or of any of the Falabella companies described in ii) above.

**“Interest Group”** means every group identified as such by each Company, which might affect and/or be impacted by the development of its activities by the Company, directly or indirectly, which is why they should be considered in the management of the Company.

**“Carbon Footprint”** means the set of greenhouse gas emissions produced, directly or indirectly, by people, organizations, products, services, events, in terms of CO<sub>2</sub> equivalent, and which is used as a management tool to understand the behaviors or actions which contribute to increase emissions, how they can be reduced and make a more efficient use of resources.

**“Environmental Impact”** means every change in the Environment, whether adverse or beneficial, generated as a result of the activities made by a Company.

**“Environment”** means the surroundings where Falabella operates, including air, water, land, natural resources, flora, fauna, human beings, and their interrelations.

“**Environmental Regulations**” means every binding rule established by an environmental and climate change legal statute applicable to a Company.

“**Supplier**” means the natural or legal entity providing goods or services to any Company.

<b>CLASSIFICATION</b> Internal Use	<b>DATE OF APPROVAL</b> 05/26/2020	<b>POLICY NO.</b> 17
---------------------------------------	---------------------------------------	-------------------------

VERSION CONTROL					
Date	Version	Modifications	Responsible	Reviewer	Approver
05/26/2020	1	Original Text	Governance, Ethics and Compliance Department – Falabella S.A.	Corporate Legal Affairs and Governance Department-Falabella S.A.	Board of Directors Falabella S.A.
27/08/2024	2	Update of formal aspects and incorporation of requirements from the Sustainability Department	Governance, Ethics and Compliance Department Falabella S.A.	Sustainability Department Falabella S.A.	Board of Directors Falabella S.A.