

FALABELLA



POLICY ON HUMAN RIGHTS AND BUSINESS

## **I. Introduction**

Falabella is committed to being a socially responsible company to its customers, Associates, suppliers, the communities where it operates, the environment and the society in general.

For this reason, and in the understanding that its activities may have an Impact in the life conditions of its Interest Groups, it is necessary for Falabella to count on mechanisms to adequately identify and evaluate risks for the prevention of these Impacts, and if necessary, their remediation.

## **II. Objective**

This Policy aims at establishing Falabella's commitment to respect and promote Human Rights, defining the general principles and specific measures which will guide its behaviour to maintain, actively and sustainedly, a standard of observance of Human Rights in the Impacts generated by the development of its activities, in compliance with its corporate values and internal rules.

## **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 that its Suppliers might adjust their behaviour to the standards, guidelines and principles established in this Policy. Likewise, it will work together with its Suppliers to remedy the negative impacts that they have generated and that are directly connected with Falabella's operation, provided that the latter has contributed Substantially to their occurrence.

## **IV. Definitions**

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

## **V. General Principles**

The activities of Falabella and its Associates must conform to the following principles:

### **1. Respect for the Internationally Recognized Human Rights**

According to the United Nations Guiding Principles on Business and Human Rights, Falabella promotes, and considers in its Impacts, the respect for Human Rights.

Falabella's commitment to promote Human Rights results in the following general actions: i) preventing its own activities from causing or contributing to cause negative consequences on Human Rights and to address those Impact when they occur; and, ii) seek to prevent or mitigate negative consequences on Human Rights directly related to operations, products or services developed, produced or rendered by third parties in connection with their commercial bonds with Falabella, even when Falabella has not contributed to generate them.

In addition, Falabella is committed to respect the fundamental rights of its Associates in accordance with the declaration of the International Labour Organization, related with the fundamental principles and rights at work.

## **2. Promotion of a Diverse, Equitable and Inclusive Organizational Culture**

Falabella, in accordance with its Diversity and Inclusion Policy, promotes a diverse and inclusive organizational culture and work environment, integrating people regardless of their conditions, characteristics or personal orientations.

Falabella also promotes the elimination of obstacles or difficulties that normally arise in the hiring process and adequate work performance of people who, due to different circumstances, have had low participation or inadequate insertion in the labour market, or have been discriminated.

Accordingly, Falabella actively promotes gender equality and the work-life balance of its employees, based on the guidelines of the United Nations Convention on the Elimination of All Forms of Discrimination Against Women. To this end, and in accordance with its Gender Equity Policy, Falabella encourages the participation of women in positions or areas in which they are under-represented; ensures equal pay for people in the same position or function; and implements measures to prevent, detect and punish any type of gender-based violence, as well as support measures in the event of such behaviour occurring.

## **3. Non-Arbitrary Discrimination**

Falabella does not tolerate acts of arbitrary discrimination, that is, those that are not based on a person's ability or suitability to perform his job. Such acts of arbitrary discrimination include, but are not necessarily limited, to those based on attributes such as nationality, place of residence, national or ethnic origin, sex, sexual orientation, gender identity, religion, or disability.

## **4. Respect for Labour Rights and Rejection of Forced Labour**

Falabella, in compliance with current regulations and in recognition of the individual and collective labour rights of its Associates, rejects any form of forced or involuntary labour, as well as human trafficking. Falabella provides and maintains a safe and healthy work environment, free from violence, harassment, and intimidation.

Likewise, and in accordance with current legislation, it respects the freedom of its Associates to form and join or not to join trade unions; collective bargaining; the guidelines of the International Labour Organisation on working hours; and the United Nations International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.

## **5. Respecting and Promoting the Rights of Children and Adolescents**

Falabella respects and promotes the rights of children and adolescents in line with the United Nations Children's Fund, Save the Children and the United Nations Global Compact's Children's Rights and Business Principles; rejecting the use of child labour, with respect to which it will strictly comply with applicable legislation regarding the minimum working age in each country in which it has operations.

## **6. Recognition of Integrity as a Central Element in the Organization**

Falabella recognizes the value of integrity as a fundamental element in the development of its activities and in those of its Associates. Therefore, these activities should be performed with strict adherence to the provisions stated in the Integrity Code, respecting people, competing fairly in the markets, being transparent and managing conflicts of interest, and preventing any form of corruption, whether related to the public or private sector.

## **7. Promotion of Transparency in the Performance of its Activities**

Falabella promotes the delivery of clear, timely, and honest information related to its performance in the area of Human Rights, as required by the applicable regulation in each country of operation and/or the commitments it has voluntarily acquired, maintaining the confidentiality of the information that may be considered privileged or that, in compliance with the applicable regulations, must be kept private, confidential, or protected.

## **8. Protection and Respect for the Environment**

Falabella, in accordance with its Environmental and Climate Change Policy, is committed to sustainable development and the respect of the environment.

In compliance with the above, Falabella promotes: i) compliance with environmental regulations in all jurisdictions in which it performs its activities; ii) protection of the environment; iii) operational ecoefficiency; and iv) transparency of environmental performance.

## **VI. Specific Measures**

### **1. Due Diligence**

Each Company must carry out a Due Diligence process to identify and evaluate Human Rights risks, incorporating to its risk matrices the gaps detected and the respective action plans proposed for their remediation. The risk matrices must be updated every three years, or whenever events or facts occur that might affect the compliance standard set by each Company or have an influence on the Company's risk management.

### **2. Adoption of a Human Rights and Business Program**

Each Company shall adopt an organizational system of corporate behaviour modelling under the name of Human Rights and Business Program.

The purpose of this program shall be to establish, communicate and guide the expected behaviour of its Associates in order to: i) prevent risks in terms of Human Rights; ii) detect possible violations of this Policy, the Human Rights and Business Program and/or the regulations applicable on the subject to each Company; iii) timely respond in case of materialization of the risks that have been identified; and, iv) monitor, continuously improve and update the Program.

The Legal Affairs and Governance Department of Falabella S.A. will deliver to each Company the methodological guidelines for the elaboration of the aforementioned Program, complying with the standards of this Policy.

### **3. Establishing Communication Channels with Stakeholders**

Falabella seeks to build long-term relationships of trust, closeness, and transparency with its Stakeholders, and therefore undertakes to consider, analyse, and respond to enquiries and concerns that they may express, in order to better comply with this Policy and the Human Rights documents to whose compliance it has committed.

## **VII. Compliance Officer**

The responsibility of the implementation and maintenance of the Human Rights and Business Program will lie on the Company's senior management, its General Manager and the Compliance Officer, the latter having administrative responsibility for its implementation.

The Compliance Officer shall have the attributes recommended by the best international practices for the execution of his/her position, with the purpose of implementing, monitoring and demanding compliance with the referred Program.

## **VIII. Integrity Channel**

In case of any doubts or queries that Associates may have regarding the application of this Policy, or complaints they wish to make in relation with any infringement to it, they may do it through the Integrity Channel.

The means of communication of the Integrity Channel are: i) by e-mail to [contactochile@gerenciadeetica.com](mailto:contactochile@gerenciadeetica.com); ii) by telephone at 800 726 100; and iii) through the Integrity Channel link located on each Company's website and intranet.

## **IX. Compliance with the Policy**

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

The Sustainability area of each Company shall be responsible for the implementation and execution of this Policy.

## **X. Non-Compliance with the Provisions of this Policy**

Any violation of this Policy by an Associate may give rise to disciplinary measures against the offender, in accordance with the provisions in the Integrity Code, the legislation in force and the Internal Regulations of Order, Hygiene and Safety of the Company.

## **XI. Related Documents**

- Integrity Code
- Crime Prevention Model

- Anti-Bribery Policy
- Free Competition Policy
- Sustainability Policy
- Environmental and Climate Change Policy
- Diversity and Inclusion Policy
- Gender Equity Policy
- Anti-Sexual and Workplace Harassment Policy

## Appendix N° 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:

**“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 regardless of the kind of relationship with it; and, iii) all the members of the Board of Directors, administration council or any other collegiate body of higher administration which, in accordance with the applicable law, corresponds to any Company.

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

**“Due Diligence”** means the proactive process aimed at identifying actual and potential negative social, environmental, or economic Impacts of an organization’s activities, with the objective of preventing and mitigating such negative Impacts.

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

**“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.

**“Gender Equity”** means that everyone, regardless of gender, should be granted equal opportunities and treatment, recognising, in any case, the obstacles or difficulties that many women face in entering or during their working life, which may require the implementation of specific actions aimed at overcoming them.

**“Human Rights”** means the set of rights inherent to all human beings, regardless the race, gender, sexual orientation, nationality, place of residence, ethnic origin, language, religion, or any other condition, recognized in national and international documents, including the International Bill of Human Rights which encompasses the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.



**“Impact”** means a change, favourable or adverse, that a Company may cause to its Stakeholders as a consequence of its present or past decisions and activities.

**“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 or Human Rights topics.

**“Substantially”** means a significant contribution by Falabella to the generation of a negative human rights impact by a Supplier, either: i) because it encouraged or motivated such impact, which increased the risk of it occurring; ii) because it should have been aware of the negative impact or the possibility of it occurring; or, iii) because it should have been aware of it, but did not engage in activities to mitigate the risk of a negative impact.

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

**“Stakeholder”** means any group of persons with common conditions, characteristics, interests, or orientations, identified as such by a Company, that may be affected or impacted by the development of the latter’s activities, either directly or indirectly.