

**Company Name** SACI Falabella  
**Industry** Agricultural Products & Apparel (Supply Chain only)  
**Overall Score** 8.7 out of 100

Theme Score	Out of	For Theme
1.7	10	A. Governance and Policies
1.3	25	B. Embedding Respect and Human Rights Due Diligence
3.0	20	C. Remedies and Grievance Mechanisms
1.0	25	D. Performance: Company Human Rights Practices
1.7	20	E. Performance: Responses to Serious Allegations

Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2022 Methodology document for the sector concerned. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: General HRs commitment: The Human Rights policy states that 'the activities of Falabella and its Associates must conform to the following principles: 1. Respect for the Internationally recognized human rights'.</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Met: Commitment to the UNGPs: The Human Rights policy states that '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'. [Policy on Human Rights and Business, 21/12/2021: <a href="https://www.falabella.com/s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul>
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Company has a commitment to the ILO Core: The Human Rights policy states that 'Falabella is committed to respect the fundamental rights of its Associates [employees] in accordance with the declaration of the International Labor Organization, related with the fundamental principles and rights at work'. [Policy on Human Rights and Business, 21/12/2021: <a href="https://www.falabella.com/s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>Not Met: Company has an explicit commitment to All four ILO Core: The Human rights policy states that '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 [...]. In compliance with current regulations and in recognition of the individual and collective labor rights of its Associates, provides and maintains a safe and healthy work environment, free of violence, harassment and intimidation. It also respects the freedom of its Associates to form unions and to join them or not.</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Falabella rejects the use of any form of forced or involuntary labor and human trafficking. It also rejects the use of child labor, this being a subject on which Falabella will strictly comply with the applicable legislation in each country of operation regarding the minimum working age'. No explicit evidence was found, however, to respect the right to collective bargaining. The Company also provides the Diversity and inclusion policy. However, no evidence found in such document of commitments in respect to missing evidence. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Company expect suppliers to commit to ILO Core: The Practical Guide for suppliers [assumed to be a supplier code] states that 'we expect our suppliers to comply with international treaties, declarations and conventions that promote and protect human rights, such as the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work'. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Company explicitly list All four ILO for suppliers: In relation to 'human rights' the supplier code requires suppliers to 'comply with international treaties, declarations and conventions that promote and protect human rights [...] suppliers must respect national and international regulations regarding the prohibition of forced labor', 'comply with the laws and regulations related with child labor'. It also states that 'in the business relationship we maintain with our suppliers, we demand from them to adopt measures against arbitrary discrimination'. Finally, in relation to 'compliance with labor law', the supplier code requires to comply 'with the regulation referring to the freedom of association, the right to collective bargaining, and that related to working hours and overtime payment'. However, it is not clear whether the Company requires to respect freedom of association and collective bargaining right in all contexts, as the commitment is placed in relation to compliance with labor law and regulation compliance. In these cases (companies referring to local laws in freedom of association and collective bargaining), companies are expected to require alternative mechanisms or equivalent workers bodies where the right to freedom of association and collective bargaining is restricted under law. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul>
A.1.2.b	Commitment to respect the human rights of workers: Health and safety and working hours	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to respect H&amp;S of workers: The Integrity Code indicates that the Company 'is committed to the following principles: (...) Protecting the health and dignity of all those with whom the company relates'. The Human rights commits to provide and maintain 'a safe and healthy work environment, free of violence, harassment and intimidation'. 'No further evidence found, including a formal statement of policy to respect safety (beyond the mentioned context of harassment and intimidation). Previous evidence was based on the Company's annual report, which CHRB no longer considers a suitable source for policy statements. [Integrity Code, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Respect ILO labour standards on working hours or Commits to 48 hours regular work week</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Expect suppliers to commit to H&amp;S of their workers: The guide for suppliers requires, in the context of human rights, to comply with the laws and regulations related with health and occupational health and safety'. Similar requirement is placed In the context of labor law, which requires to 'comply with the health and safety standards at work established by legislation in force'. [Integrity Code, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Expect suppliers to commit to ILO labour standard or to 48 hours regular work week: The guide for suppliers requires that they comply 'with the regulation referring to the freedom of association, the right to collective bargaining, and that related to working hours and overtime payment'. No specific requirement found, however to comply with the ILO conventions on labor standards on working hours or not requiring workers to work more than 48 hours in a regular work week or 60 hours including overtime and that all overtime work must be consensual and be paid at a premium rate.</li> </ul>
A.1.3.a.AG	Commitment to respect human rights particularly relevant to the	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Respect land ownership and natural resources as set out in VGGT</li> <li>• Not Met: Respect land ownership and natural resources as set out in The IFC Performance Standards</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	industry – land, natural resources and indigenous peoples' rights (AG)		<ul style="list-style-type: none"> <li>• Not Met: Respecting indigenous peoples' rights or ILO Convention No.169 or UN Declaration</li> <li>• Not Met: Expecting suppliers to make these commitments</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Respecting the right to water: Although the Human Rights policy establishes a commitment of protection and respect for the environment, no particular commitment found to respect the right to water. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Company's policy commits to obtain FPIC</li> <li>• Not Met: Expecting suppliers to make these commitments</li> </ul> : Although the supplier guide establishes a requirement to not incur in any activity that 'may be constitutive of environmental infraction or crime', no particular requirement found to respect the right to water. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a> ]
A.1.3.b.AG	Commitment to respect human rights particularly relevant to the industry – vulnerable groups (AG)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Women's rights: The Diversity and inclusion policy considers 'women' to be within its 'inclusion groups'. Which are those made up of people who present common conditions or characteristics and have had low participation or inappropriate labor insertion or have been subject to discrimination. The policy indices that inclusion groups will benefit from measures that each Group company implements to foster participation and insertion. However, this subindicator looks for a specific commitment to 'women's rights', or to the 'Women Empowerment Principles' or to the Convention on the Elimination of Discrimination Against Women. The Company also has a 'Política de igualdad de género' (Policy on Gender Equality). However, the document provided by the Company is in Spanish. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [Diversity and inclusion policy, 30/11/2018: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Children's rights: The Company has provided feedback to CHRB regarding this subindicator. However, evidence was not material. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Migrant worker's rights: The Company has provided feedback to CHRB regarding this subindicator. However, evidence was not material. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Expects suppliers to respect at least one of these rights: Although the Guide for suppliers includes a requirement to respect regulations regarding 'migrant smuggling'. No specific requirement to respect the rights of Migrants was found. No specific requirement to explicitly respect women's or children rights was found. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: CEDAW/Women's Empowerment Principles</li> <li>• Not Met: Child Rights Convention/Business Principles: Previous assessment used evidence from the Company's Annual Report, which CHRB no longer considers a suitable source for policy statements. No further evidence found.</li> <li>• Not Met: Convention on migrant workers</li> <li>• Not Met: Expecting suppliers to respect these rights</li> </ul>
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry – vulnerable groups (AP)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Women's rights: The Diversity and inclusion policy considers 'women' to be within its 'inclusion groups'. Which are those made up of people who present common conditions or characteristics and have had low participation or inappropriate labor insertion or have been subject to discrimination. The policy indices that inclusion groups will benefit from measures that each Group company implements to foster participation and insertion. However, this subindicator looks for a specific commitment to 'women's rights', or to the 'Women Empowerment Principles' or to the Convention on the Elimination of Discrimination Against Women. The Company also has a 'Política de igualdad de género' (Policy on Gender Equality). However, the document provided by the Company is in Spanish. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [Diversity and inclusion policy, 30/11/2018: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Children's rights: The Company has provided feedback to CHRB regarding this subindicator. However, evidence was not material. In addition, Falabella's website states that 'Falabella respects and promotes the principles enshrined in the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, and it complies with all laws and regulations governing child labor and apprenticeship programs. It also adheres to the United Nations Global Compact, and its initiatives are aligned with the Sustainable</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Development Goals'. However, policy commitments are expected to be placed in policy documents. Company's websites (unless the website itself is the policy) are not considered a suitable source for policy statements under CHRB revised approach. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Migrant worker's rights: The Company has provided feedback to CHRB regarding this subindicator. However, evidence was not material. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Expects suppliers to respect these rights: Although the Guide for suppliers includes a requirement to respect regulations regarding 'migrant smuggling'. No specific requirement to respect the rights of Migrants was found. No specific requirement to explicitly respect women's or children rights was found. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: CEDAW/Women's Empowerment Principles</li> <li>• Not Met: Child Rights Convention/Business Principles: The Company has provided feedback to CHRB regarding this subindicator. However, evidence was not material. In addition, Falabella's website states that 'Falabella respects and promotes the principles enshrined in the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, and it complies with all laws and regulations governing child labor and apprenticeship programs. It also adheres to the United Nations Global Compact, and its initiatives are aligned with the Sustainable Development Goals'. However, policy commitments are expected to be placed in policy documents. Company's websites (unless the website itself is the policy) are not considered a suitable source for policy statements under CHRB revised approach.</li> <li>• Not Met: Convention on migrant workers</li> <li>• Not Met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to remedy	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: The Company commits to remedy: 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'. The Policy also states that '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'. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Company expect suppliers to make this commitment</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Collaborating with other remedy initiatives</li> <li>• Not Met: Work with suppliers to remedy impact</li> </ul>
A.1.5	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Zero tolerance attacks on HRs Defenders (HRDs)</li> <li>• Not Met: Company expect suppliers to make this commitment</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Work with HRD to create safe and enabling environment</li> </ul>

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Board level responsibility for HRs: The Mallplaza annual report (one of the Group's companies) states that 'Sustainability governance is made up of two instances: Sustainability Committee, which meets bimonthly with participation of the General Manager [...]. At the same time is working the Sustainability Table, which meets monthly and is made up of the areas linked to the strategy that participate in the planning and execution of the sustainability strategy [...] Thus, the Board of directors also has an active role in ESG Issues [which explicitly includes human rights]. The reports regarding this area are delivered to the Board of Directors twice a year, under the responsibility of the Corporate Affairs Management, which reports directly to the General Management, and of Sergio Cardone Solari, Chairman of the Board of Directors, who has been the director responsible for sustainability issues since 2014'. However, the Group Falabella annual report states that 'each business unit has a Sustainability Committee, which is composed of a member of its Board of Directors, its Chief Executive Officer, managers of the departments involved in business strategy and managers responsible for sustainability projects. The purpose of this Committee [in each business unit] is to review compliance with the guidelines issues by the Board of Directors, approve strategies and review progress. The Mallplaza's annual report evidence referring to the Chairman of the Board of directors refers to the individual company's board. Although Sergio Cardone Solari is a Group Board of Directors member, the evidence found refers to its position in Mallplaza. Carlo Solari Donaggio is the SACI Falabella Group Chairman. [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>] &amp; [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Describe HR expertise of Board member</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Speeches/letters by Board members or CEO: Although the Company refers to individual company's reports, this subindicator looks for Group's Bord of directors level speeches or communications. These have to evolve around human rights, discussing why human rights matter to the business or any challenges to respecting human rights encountered by the business'.</li> </ul>
A.2.2	Board responsibility	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Board/Committee review HRs strategy: Mallplaza annual report states that 'Sustainability governance is made up of two instances: Sustainability Committee, which meets bimonthly with participation of the General Manager, the Executive Committee, the division managers, and the managers of the areas linked to sustainability. At the same time is working the Sustainability Table, which meets monthly and is made up of the areas linked to the strategy that participate in the planning and execution of the sustainability strategy. This is how the active role of senior management is reflected in the detection, evaluation, management, and monitoring of risks on sustainability issues, especially environmental, social, and human rights, with particular emphasis on climate change. Thus, the Board of Directors also has an active role in ESG issues. The reports regarding this area are delivered to the Board of Directors twice a year, under the responsibility of the Corporate Affairs Management, which reports directly to the General Management, and of Sergio Cardone Solari, Chairman of the Board of Directors, who has been the director responsible for sustainability issues since 2014'. However, as indicated in previous indicator, this evidence refers to one of the Group companies' structure. it is not clear if there's a similar structure in other Group companies, and the process at Group's Board of Directors Level to discuss human rights strategy or management processes at Supervisory Board or Supervisory board committee level. [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> <li>• Not Met: Examples/trends re HR discussion in the last reporting period</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: How affected stakeholders/HR experts informed discussions</li> </ul>
A.2.3	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Incentives for at least one board member</li> <li>• Not Met: At least one key HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Performance criteria made public</li> <li>• Not Met: Review of other board performance criteria</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.4	Business model strategy and risks	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Board process to review bussiness model and strategy</li> <li>• Not Met: Describe frequency and triggers for reviewing</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: Example of actions decided</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Score of 1 on A.1.2.a: See indicator A.1.2.a</li> <li>• Met: Senior responsibility for HR implementation and decision making: The Human Rights policy indicates that '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'. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: How it assigns Day-to-day responsibility: It also states that 'Each Company shall adopt an organizational system of corporate behavior modelling under the name of Human Rights and Business Program. The purpose of this program shall be to establish, communicate and guide the expected behavior 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'. However, no details found on how it assigns responsibility for implementing day-to-day management across relevant departments. The Mallplaza [company within the Group] annual report states that a 'sustainability committee which meets bimonthly with participation of the General Manager, the Executive Committee, the division managers, and the managers of the areas linked to sustainability' is one of the instances in charge of sustainability governance. The other instance is a Sustainability Table, which meets monthly and is made up of the areas linked to the strategy that participate in the planning and execution of the sustainability strategy. This is how the active role of senior management is reflected in the detection, evaluation, management, and monitoring of risks on sustainability issues, especially environmental, social, and human rights [...]. However, it is not clear if there's a similar Group structure or that all companies have an equivalent day-to-day responsibility allocation. The Company has provided additional sources to CHRB regarding this indicator. However, evidence was not material. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> <li>• Not Met: Day-to-day resources and expertise allocation in own ops</li> <li>• Not Met: Resources and expertise allocation in the supply chain: The Company provided comments to CHRB regarding this subindicator, including the SMETA Audit Protocol. However, this subindicator looks for evidence of how the Company 'allocates resources and expertise for the day-to-day management of relevant human rights issues for its supply chain. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul>
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Senior manager incentives for human rights</li> <li>• Not Met: At least one key HR risk, beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Performance criteria made public</li> <li>• Not Met: Review of other senior management performance</li> </ul>
B.1.3	Integration with enterprise risk management	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: HR risks is integrated as part of enterprise risk system: The Company's annual report states that 'each business unit must perform due diligence to identify and evaluate any human rights risks. It should incorporate any gaps into its risk</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>matrices and prepare appropriate action plans to resolve them [...] All our business units will conduct due diligence during 2022, which will complement the analysis carried out in Mallplaza in 2020 and 2021 [see explanation below], in order to assess any existing potential human rights risks to our business and value chain. The Human Rights policy also states that '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'. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Provides an example: Mallplaza indicates that 'based on the due diligence process in Human Rights carried out in 2020, during 2021 they human Rights Committee was create, made up of collaborators belonging to the prosecutor's Office, the Sustainability Division, and the risk Management division, which meets twice a month. This committee reviewed the risks raised from the due diligence process, comprising seven relevant factors: Health and Safety, Employment Freedom of Association and Collective Bargaining, Non-discrimination, local Communities, Access to Information and Complaint Mechanisms. These were analyzed together with their respective controls and the necessary adjustments were made. For example, the decision was made to include these Human Rights clauses in the contracts with the different interest groups, as a risk prevention and mitigation mechanism [...]' [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> <li>Score 2</li> <li>• Not Met: Audit Ctte or independent risk assessment</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) to workers and external stakeholders	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Score of 1 on A.1.2.a: See indicator A.1.2.a</li> <li>• Not Met: Communicates its policy to all workers in own operations: Although the Company's human rights policy is publicly available on different group companies websites (provided in feedback) and it reports in relation to human rights in the Annual report, this subindicator looks for evidence of how human rights commitments are proactively communicated to all Company employees, including in local languages where relevant. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>Score 2</li> <li>• Not Met: Communication of policy commitments to stakeholder: Although the Company's human rights policy is publicly available on different group companies websites (provided in feedback) and it reports in relation to human rights in the Annual report, this subindicator looks for evidence of how human rights commitments are proactively communicated to external stakeholders (not suppliers).</li> <li>• Not Met: How policy commitments are made accessible to audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Meets ILO requirement for suppliers on A.1.2.a: See indicator A.1.2.a</li> <li>• Not Met: Steps to communicate policy commitments to supply chain: Although the Company has created a 'practical compliance guide for suppliers' [assumed to act as a supplier code of conduct], no evidence was found in relation to how it is proactively communicated to suppliers and indirect suppliers (or requires its suppliers to do so). Evidence found refers to contract clause in some business units. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Requires suppliers to communicate policy requirements</li> <li>Score 2</li> <li>• Not Met: How HR commitments made binding/contractual: The Company indicates that '51% of our supplier contracts in the retail business and 100% in the real estate business had social responsibility clauses, which specify that ethical and human rights conditions that suppliers must respect'. Mallplaza (real state business) reports that 'we incorporated CSR, Human and Environmental Rights clauses in all contracts and purchase orders'. However, it is not clear if these contractual clauses are generally applied across all Group business units. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> <li>• Not Met: Company requires suppliers to cascade down to their suppliers</li> </ul>
B.1.5	Training on Human Rights	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Scores at least 1 on A.1.2.a</li> <li>• Not Met: How workers are trained on HR policy commitments: The Company refers to one of the Group's companies sustainability report. However, this report is disclosed in Spanish. [2021 Reporte sostenibilidad Sodimac (Spanish), N/A: <a href="https://assets.contentstack.io">assets.contentstack.io</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not Met: Trains relevant managers including procurement</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Score of 2 on A.1.2.a</li> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: Trains suppliers to meet company's HR commitment</li> <li>• Not Met: Disclose % trained</li> </ul>
B.1.6	Monitoring and corrective actions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Scores at least 1 on A.1.2.a: See indicator A.1.2.a</li> <li>• Not Met: Monitoring implementation of HR policy commitments across global ops and supply chain: The Company reports in relation to how one of the Company's Human Rights Committee reviewed the risks raised from the due diligence process: 'these were analyzed together with their respective controls and the necessary adjustments were made'. However, this process seems to refer to due diligence to identify and assess which are the Company's salient issues. This subindicator looks for evidence of how the Company monitors compliance with its policy commitments [in addition, evidence referred only to one of the Group's companies]. In relation to the supply chain, the Company reports its supplier monitoring and auditing process through Sedex and the SMETA Social Audit Protocol. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> <li>• Not Met: Proportion of supply chain monitored: The Company indicates that 'the social and environmental aspects of more than 600 suppliers were evaluated during 2021, in order to improve the productive conditions of our supply chain'. It is not clear, however, the proportion of the supply chain that this figure represents. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Describe how workers are involved in monitoring</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Score of 2 on A.1.2.a: See indicator A.1.2.a</li> <li>• Not Met: Describes corrective action process</li> <li>• Not Met: Disclose findings and number of corrective action: The Company indicates that 96 suppliers were found to have negative social impacts. However, it is not clear which are the findings and number of corrective actions implemented. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul>
B.1.7	Engaging and terminating business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: HR affects selection of suppliers</li> <li>• Not Met: HR affects on-going supplier relationships: Mallplaza, one of the Company's companies, states that there are 'suppliers with improvement agreement or end of business relationship agreement': 'improvements for social issues: in Chile, 11 suppliers agreed on improvements. We spoke with three of them by phone to learn about their risk mitigation plan'. However, this seems to refer to how performance can affect one of the Group's companies. No evidence found that these practices where the supplier either implements action plans that derive on improvements or the relationship comes to an end are implemented across the Group generally. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describe positive incentives offered to respect human rights</li> <li>• Not Met: Working with suppliers to meet HR requirements: Mallplaza reports indicates that 'to detect and manage risks with suppliers of labor-intensive services, such as cleaning, security, and construction, at Mallplaza we have protocols to ensure compliance with health and safety regulations by suppliers, as well as the hiring conditions of its workers'. However, this subindicator looks for evidence of how the Group proactively works with supplier to help them improve their performance in relation to human rights requirements. [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> </ul>
B.1.8	Approach to engagement with affected stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Stakeholder process or systems to identify and engage with workers/communities in the last two years: The Company discloses a table in its annual report in which it indicates stakeholder group, relevant issues, examples of groups represented in each stakeholder larger group, engagement tools and frequency'. It also indicates that 'this [stakeholder engagement] was achieved by first identifying all the stakeholders along Falabella's value chain, we analyzed their involvement and how our business model potentially impacts them. We maintain open communication channels in order to understand their requirements'. However, this subindicator looks for evidence of the process by which it identified</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>stakeholders with whom to engage in relation to human rights and how it did so in the last two years. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Discloses stakeholders that HRs may be affected</li> <li>• Not Met: Provides two examples of engagement with stakeholders</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Analysis of stakeholder views on company's HR issues</li> <li>• Not Met: Describe how views influenced company's HR approach</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Identifying risks in own operations: The Human rights policy indicates that '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'. It also indicates that 'All our business units will conduct due diligence during 2022, which will complement the analysis carried out in Mallplaza in 2020 and 2021, in order to assess any existing or potential human rights risks to our business and value chain'. However, no evidence was found in relation to the actual processes followed by the Company to identify which are its potential human rights risks and impacts. The Company has provided additional comments to CHRB regarding this indicator. However, evidence was not material (see B.2.3) [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Identifying risks through relevant business relationships: The Company reports in relation to 'supplier monitoring and auditing', including the use of SMETA Social Audit Protocol. However, this refers to how the Company monitors compliance in suppliers This subindicator looks for evidence of how the Company performs due diligence, including a process to identify which are the potential human rights risks and impacts that it faces through the supply chain. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describe ongoing global risk identification in consultation with stakeholder/HR experts</li> <li>• Met: Triggered by new circumstances: The Human rights policy states that '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'. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Describes risks identified</li> </ul>
B.2.2	Assessing human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Describe process for assessment of HR risks and discloses salient HR issues</li> <li>• Not Met: How process applies to supply chain</li> <li>• Not Met: Public disclosure of the results of HR assessment: Mallplaza Annual report states that 'this committee [Mallplaza Human Rights Risk Committee], reviewed the risks raised from the due diligence process, comprising seven relevant factors: Health and Safety, Employment Freedom of Association and Collective Bargaining, Non-Discrimination, Local Communities, Access to Information, and Complaint Mechanisms. These were analyzed together with their respective controls and the necessary adjustments were made'. However, this seems to refer to relevant issues for one of the Group's companies. No further details found, including Group's disclosure of results of HR assessments (even if they are aggregated by operations and/or locations). [2021 Mallplaza integrated report, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: How it involved affected stakeholders in the assessment</li> </ul>
B.2.3	Integrating and acting on human rights risks and	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Action Plans to mitigate risks: The Mallplaza annual report states that 'Based on the due diligence process in Human Rights carried out in 2020, during 2021 the Human Rights Committee was created, made up of collaborators belonging to the Prosecutor's Office, the Sustainability Division, and the Risk</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	impact assessments		<p>Management Division, which meets twice a month. This committee, reviewed the risks raised from the due diligence process, comprising seven relevant factors: Health and Safety, Employment Freedom of Association and Collective Bargaining, Non-Discrimination, Local Communities, Access to Information, and Complaint Mechanisms. These were analyzed together with their respective controls and the necessary adjustments were made. However, it is not clear whether there are similar mechanisms and processes for other Group companies, as this refers specifically to Mallplaza, one of the Company's business units. [2021 Mallplaza integrated report, N/A: <a href="#">s29.q4cdn.com</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Description of how global system applies to supply chain</li> <li>• Not Met: Example of actions decided on at least 1 salient HR issues: See above. In addition, the reports indicates: 'For example, the decision was made to include these Human Rights clauses in the contracts with the different interest groups, as a risk prevention and mitigation mechanism. In addition, given the regionalization context of the company, these controls were validated in Peru and Colombia'. However, examples of actions taken are expected to refer to at least one of the Company's salient issues. [2021 Mallplaza integrated report, N/A: <a href="#">s29.q4cdn.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Involve stakeholders in decisions about actions</li> </ul>
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: System for tracking or monitor if actions taken are effective</li> <li>• Not Met: Lessons learnt from checking system effectiveness</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: Involve stakeholders in evaluation of actions taken</li> </ul>
B.2.5	Communicating on human rights impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Provides two examples of comms with stakeholders</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describe challenges to effective comms and how it is working to address them</li> </ul>

### C. Remedies and Grievance Mechanisms (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Human rights policy states that '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'. Then the policy provides different means of communication.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Channel is available in all appropriate languages and workers aware: See above. However, it is not clear if the mechanisms are available in all appropriate languages (no language clarification was found). Also, no evidence was found on whether and how employees are made aware of the existence of these channels and how can be used. The Company reports that it conducted 57 training courses. However, these seemed to take place for 'Integrity Investigators and Counselors'. [2021 Annual report, N/A: <a href="#">s22.q4cdn.com</a>] &amp; [Policy on Human Rights and Business, 21/12/2021: <a href="#">s22.q4cdn.com</a>]</li> <li>• Not Met: Describe how workers in the supply chain have access to grievance mechanism: The Annual report states that 'an important component of the Ethical program is the Integrity Channel for any employee, supplier, customer or individual who wishes to register an ethical inquiry or complaint, or register doubts or concerns related to non-compliance with the law or internal regulations'. 'The Guide for suppliers states that 'our Integrity Channel is at your disposal, by which you will be able to make enquiries or report any bad practices or inappropriate behavior you might detect in your relationship with us'. However, it is not clear whether suppliers' employees can use this channel to report grievances in relation to supplier behavior towards them. It seems that the channel is available to report in relation to 'your relationship with us'. [2021 Annual report, N/A: <a href="#">s22.q4cdn.com</a>] &amp; [Compliance practical guide for suppliers (supplier code), N/A: <a href="#">s22.q4cdn.com</a>]</li> <li>• Not Met: Expect Suppliers to convey expectation to their own suppliers</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Grievance mechanism for community: The Annual report states that 'An important component of the Ethical program is the Integrity Channel for any employee, supplier, customer or individual who wishes to register an ethical inquiry or complaint, or register doubts or concerns related to non-compliance with the law or internal regulations. The corresponding communication channels are e-mail, telephone, the link on each company's web site and Intranet, [...]'. [2021 Annual report, N/A: <a href="https://www.q4cdn.com/s22/q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Describes accessibility and local languages and stakeholder awareness</li> <li>Not Met: Communities access mechanism direct or through suppliers</li> <li>Not Met: Expect supplier to convey expectation to their own suppliers</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not Met: Engages users to create or assess system</li> <li>Not Met: Examples (at least two) of how they do this</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Engages with potential or actual users on the improvement of the mechanism</li> <li>Not Met: Provides user engagement example (at least two) on improvement</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are equitable, publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not Met: Response timescales and how complainants will be informed: The Company indicates that 'In the event of a complaint, the person can choose to communicate through any of the communication channels described. Once completed, an investigation is carried out from the Ethics Management area to investigators trained for such purposes, who subsequently deliver a report so that, together with each business, the necessary measures are taken. These can translate into disciplinary actions up to the dismissal of the collaborator. An important point to mention is that during the process confidentiality is promoted, the absence of reprisals for complainants or witnesses, and anonymous complaints and queries are admitted, unless the current regulations require otherwise'. No evidence was found, however, in relation to estimated timescales and procedures for informing the complainant. [Falabella compliance, ethics and governance website, N/A: <a href="https://investors.falabella.com">investors.falabella.com</a>]</li> <li>Not Met: Describe support (technical, financial, etc) available for equal access by complainants</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Describe types of outcome to complainant through use of mechanism</li> <li>Not Met: Escalation to senior/independent level</li> </ul>
C.5	Prohibition of retaliation for raising complaints or concerns	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Public statement prohibiting retaliation: The Annual report states that 'confidentiality is assured throughout this process, complainants or witnesses are protected against reprisals and anonymous complaints and inquiries are accepted, unless legal regulations require identities'. The report also clarifies that 'any employee, supplier, customer or individual who wishes to register an ethical inquiry or complaint'. [2021 Annual report, N/A: <a href="https://www.q4cdn.com/s22/q4cdn.com">s22.q4cdn.com</a>]</li> <li>Met: Practical measures to prevent retaliation: The Company allows anonymity 'unless legal regulations require identities'. The Human Rights policy states that 'any violation of this policy by an Associate may give rise to disciplinary measures against the offender, in accordance with the provision of the Integrity Code'. The annual report states that complainants are protected against reprisals and that training courses were held for 'Integrity investigators and counselors'. [Policy on Human Rights and Business, 21/12/2021: <a href="https://www.q4cdn.com/s22/q4cdn.com">s22.q4cdn.com</a>] &amp; [2021 Annual report, N/A: <a href="https://www.q4cdn.com/s22/q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Company indicate it will not retaliate against workers/stakeholders</li> <li>Not Met: Expects suppliers to prohibit retaliation against workers/stakeholders</li> </ul>
C.6	Company involvement with state-based judicial and non-judicial	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not Met: Complainants not asked to waive rights</li> <li>Not Met: Company does not require confidentiality provisions</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Will work with state based non judicial mechanisms</li> <li>Not Met: Example of issue resolved (if applicable)</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	grievance mechanisms		
C.7	Remediating adverse impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Describes how remedy has been provided</li> <li>• Not Met: Says how it would provide remedy for victims if no adverse impact identified</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Changes to systems, processes and practices to stop similar impact</li> <li>• Not Met: Describe approach to monitoring implementation of agreed remedy</li> <li>• Not Met: Approach to learning from incident to prevent future impacts</li> </ul>
C.8	Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Number grievances filed, addressed or resolved and outcome achieved: The Company states in its Annual Report that 'The Integrity Channel makes it possible to identify the most frequently asked or reported matters and, also, to adequately resolve the issues reported, along with focusing efforts on training and communication. Similarly, said Channel has investigation processes in which due process, confidentiality and the absence of reprisals are promoted for complainants or witnesses in good faith.' However, it is not clear how many complaints were related to human rights. [Annual Report 2020, 31/12/2020: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: How lessons from mechanism improve management system</li> <li>• Not Met: Evaluation of the channel/mechanism and changes made as result</li> <li>• Not Met: Describes procedures to address delays of outcomes agreed with stakeholders</li> </ul>

## D. Performance: Company Human Rights Practices (25% of Total)

### D.1 Agricultural Products

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.b	Living wage (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Discloses timebound target for suppliers to pay living wage or include in code or contracts</li> <li>• Not Met: Improving living wage practices of suppliers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of number affected by payment below living wage</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.2	Aligning purchasing decisions with human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Avoids business model pressure on HRs (purchasing practices)</li> <li>• Not Met: Practices adopted to pay suppliers in line with agreed timeframes</li> <li>• Not Met: Review own operations to mitigate negative impact</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Examples of how it assessed, addressed and change purchasing practices</li> </ul>
D.1.3	Mapping and disclosing the supply chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Identifies direct and indirect suppliers back to manufacturing sites (factories or fields)</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Discloses names and locations of significant parts of SP and why</li> <li>• Not Met: Discloses which direct or indirect suppliers is involved in higher-risk activities</li> </ul>
D.1.4.b	Prohibition of child labour: Age verification and corrective actions (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Child Labour rules in codes or contracts: The Guide for suppliers states that 'they also should strictly comply with the laws and regulation related with child labor, learning programs, labor regulations applicable to working conditions [...]'. No explicit requirement was found to have processes in place to verify age of workers recruited and remediation programs. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: How working with suppliers on child labour</li> <li>• Not Met: Assessment of number affected by child labour in supply chain</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not Met: Analysis of trends in progress made</li> </ul>
D.1.5.b	Prohibition of forced labour: Recruitment fees and costs (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Debt and fees rules in codes or contracts</li> <li>• Not Met: How working with suppliers on debt &amp; fees</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of the number affected by payment of recruitment fees</li> <li>• Not Met: Analysis of trends in progress made</li> </ul>
D.1.5.d	Prohibition of forced labour: Wage practices (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Suppliers to pay workers in full and on time in codes or contracts: The Guide for suppliers states that 'Our suppliers must respect national and international regulations regarding the prohibition of forced labor, migrant smuggling and human trafficking. In addition, all its workers must have the necessary documentation to work as determined by current legislation. They also should strictly comply with the laws and regulations related with child labor, learning programs, labor regulations applicable to working conditions, along with that related to the minimum legal wage, social security'. However, no explicit requirement found to pay suppliers' workers in full and on time. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: How working with supply chain to pay workers regularly and on time</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of the number affected by failure to pay directly</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.5.f	Prohibition of forced labour: Restrictions on workers (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Free movement rules in codes or contracts</li> <li>• Not Met: How working with suppliers on free movement</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of the number affected by retaining docs or restricting movement</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: FoA &amp; CB rules in codes or contracts: In the context of 'compliance with labor law', the supplier code requires the following: 'our suppliers must comply with the health and safety standards at work established by the legislation in force, with the regulation referring to the freedom of association, the right to collective bargaining, and that related to working hours and overtime payment'. No evidence found, however, in relation to requirement to prohibiting harassment, intimidation and retaliation against trade union members and representatives. In addition, it is not clear if the Company requires suppliers to promote alternative mechanisms or equivalent worker bodies where these rights are restricted under law. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: How working with suppliers on FoA and CB</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of the number affected by restrictions to FoA and CB in the SP</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.7.b	Health and safety: Fatalities, lost days, injury, occupational disease rates (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Sets out clear Health and Safety requirements: The Company states in its Annual Report that 'In order to identify the main risks and subsequently integrate them into our continuous improvement processes, we have experts in risk prevention and Health and Safety Committees, both in our stores and in our distribution centers, whose policies are reported directly by each of our businesses.' This can be used to assure that the requirements are extended to the supply chain. [Annual Report 2020, 31/12/2020: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Met: Injury Rate or Lost days or Near miss disclosures for last reporting period: The Company states: 'In the quantitative context, 2,758 work accidents were recorded during 2019, which shows an accident rate of 3.5%, where as a 3.5% rate was observed during 2018'. [Annual Report 2019, 06/2020: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Met: Fatalities rate for lasting reporting period: The Company states that in 2018, "no fatal accidents occurred within the facilities of all the business units of Falabella." [Annual Report 2019, 06/2020: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Occupation disease rate for last reporting period: The Company indicates 255 as the total of occupation disease in 2020. Also the occupational illness frequency rate was reported as 1,49%. [Annual Report 2020, 31/12/2020: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: How working with suppliers on H&amp;S</li> <li>• Not Met: Assessment of the number affected by H&amp;S issues in the SP</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.8.b	Land rights: Land acquisition (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Rules on land &amp; owners in codes or contracts</li> <li>• Not Met: How working with suppliers on land issues</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Includes resettlement requirements that the supplier provides financial compensation</li> <li>• Not Met: Assessment of the number affected by land rights issues in its SP</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.9.b	Water and sanitation (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Rules on water stewardship in codes or contracts</li> <li>• Not Met: How working with suppliers on water stewardship issues</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment on the number affected by lack of access to water and sanitation</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.10.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Women's rights in codes or contracts: Though the company has joined an initiative to promote gender equality, there is no requirement for suppliers and it is not in contracts with suppliers [Annual Report 2019, 06/2020: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment on the number affected by discrimination or unsafe working conditions</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>

## D.2 Apparel

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Discloses living wage requirements in supplier code or contracts</li> <li>• Not Met: Improving living wage practices of suppliers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of number affected by payment below living wage</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.2.2	Aligning purchasing decisions with human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Avoids business model pressure on HRs (purchasing practices)</li> <li>• Not Met: Practices adopted to pay suppliers in line with agreed timeframes</li> <li>• Not Met: Review own operations to mitigate negative impact</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Examples of how it assessed, addressed and change purchasing practices</li> </ul>
D.2.3	Mapping and disclosing the supply chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Identifies direct and indirect suppliers back to manufacturing sites (factories or fields)</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Discloses names and locations of significant parts of SP and why</li> <li>• Not Met: Discloses which direct or indirect suppliers is involved in higher-risk activities</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.4.b	Prohibition of child labour: Age verification and corrective actions (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Child Labour rules in codes or contracts: The Guide for suppliers states that 'they also should strictly comply with the laws and regulation related with child labor, learning programs, labor regulations applicable to working conditions [...]'. No explicit requirement was found to have processes in place to verify age of workers recruited and remediation programs. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: How working with suppliers on child labour</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of number affected by child labour in supply chain</li> <li>• Not Met: Analysis of trends in progress made</li> </ul>
D.2.5.b	Prohibition of forced labour: Recruitment fees and costs (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Debt and fees rules in codes or contracts</li> <li>• Not Met: How working with suppliers on debt &amp; fees</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of the number affected by payment of recruitment fees</li> <li>• Not Met: Analysis of trends in progress made</li> </ul>
D.2.5.d	Prohibition of forced labour: Wage practices (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Requirement for suppliers to pay workers in full and on time in codes or contracts: The Guide for suppliers states that 'Our suppliers must respect national and international regulations regarding the prohibition of forced labor, migrant smuggling and human trafficking. In addition, all its workers must have the necessary documentation to work as determined by current legislation. They also should strictly comply with the laws and regulations related with child labor, learning programs, labor regulations applicable to working conditions, along with that related to the minimum legal wage, social security'. However, no explicit requirement found to pay suppliers' workers in full and on time. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: How working with supply chain to pay workers regularly and on time</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of the number affected by failure to pay directly</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.2.5.f	Prohibition of forced labour: Restrictions on workers (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Free movement rules in codes or contracts</li> <li>• Not Met: How working with suppliers on free movement</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of the number affected by retaining docs or restricting movement</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: FoA &amp; CB rules in codes or contracts: In the context of 'compliance with labor law', the supplier code requires the following: 'our suppliers must comply with the health and safety standards at work established by the legislation in force, with the regulation referring to the freedom of association, the right to collective bargaining, and that related to working hours and overtime payment'. No evidence found, however, in relation to requirement to prohibiting harassment, intimidation and retaliation against trade union members and representatives. In addition, it is not clear if the Company requires suppliers to promote alternative mechanisms or equivalent worker bodies where these rights are restricted under law. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: How working with suppliers on FoA and CB</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of the number affected by restrictions to FoA and CB in the SP</li> <li>• Not Met: Provides analysis of trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.7.b	Health and safety: Fatalities, lost days, injury, occupational disease rates (in the supply chain)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Sets out clear Health and Safety requirements: The Company states that "Suppliers must commit to comply with the norms of ethical commerce for Sedex members (SMETA)." Sedex guidelines specify Health and Safety requirements [Annual Report 2019, 06/2020: <a href="https://www.sedex.com/2020/06/2020/s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>Met: Injury Rate or Lost days or Near miss disclosures for last reporting period: The Company states: 'In the quantitative context, 2,758 work accidents were recorded during 2019, which shows an accident rate of 3.5%, where as a 3.5% rate was observed during 2018'. [Annual Report 2019, 06/2020: <a href="https://www.sedex.com/2020/06/2020/s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>Met: Fatalities for last reporting period: The Company states: 'there were no workplace fatalities at any of our businesses during 2019'. [Annual Report 2019, 06/2020: <a href="https://www.sedex.com/2020/06/2020/s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>Not Met: Occupation disease rate for last reporting period</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: How working with suppliers on H&amp;S</li> <li>Not Met: Assessment of the number affected by H&amp;S issues in the SP</li> <li>Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.2.8.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not Met: Women's rights in codes or contracts: Though the company has joined an initiative to promote gender equality, there is no requirement for suppliers and it is not in contracts with suppliers [Annual Report 2018, 2019: <a href="https://www.sedex.com/2020/06/2020/s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [Integrity Code, N/A: <a href="https://www.sedex.com/2020/06/2020/s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>Not Met: How working with suppliers on women's rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Assessment on the number affected by discrimination or unsafe working conditions</li> <li>Not Met: Provides analysis of trends demonstrating progress</li> </ul>
D.2.9.b	Working hours (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not Met: Working hours in codes or contracts</li> <li>Not Met: How working with suppliers on working hours</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Assessment of number affected by excessive working hours</li> <li>Not Met: Provide analysis of trends in progress made</li> </ul>

## E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 7.00 out of 80 points scored in themes A-D has been applied to produce a score of 1.75 out of 20 points for theme E.

### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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