

**Corporate Human Rights Benchmark  
2023 Company Scorecard**

**Company name** Falabella  
**Sector** Food and agricultural products & Apparel (supply chain only)  
**Overall score** 6.7 out of 100

Theme score	Out of	For theme
1.7	10	A. Governance and Policy Commitments
1.3	25	B. Embedding Respect and Human Rights Due Diligence
2.0	20	C. Remedies and Grievance Mechanisms
0.3	25	D. Performance: Company Human Rights Practices
1.3	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 Policy Commitments (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 • 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'. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a> ] Score 2 • Met: Commitment to 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://s22.q4cdn.com">s22.q4cdn.com</a> ]
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 • Met: Commitment to ILO core principles: 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://s22.q4cdn.com">s22.q4cdn.com</a> ] • Not Met: Explicitly lists all four ILO core principles: 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

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>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. 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. No further evidence found in latest revision. [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: Expects suppliers to commit to ILO core principles: 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: Explicitly lists all four ILO core principles 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. No further evidence found in latest revision. [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>• Met: Commitment to respect H&amp;S of workers: The Integrity Code indicates: 'Our company is committed to protecting its associates' [workers] and clients' health and safety'. [Integrity Code, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Commitment to ILO working hours standards or 48 hour regular work week</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Expects suppliers to commit to H&amp;S of 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'. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Expects suppliers to commit to ILO working hours standards or 48 hour 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. No further evidence found in latest revision. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul>
A.1.3.a.AG	Commitment to respect human rights particularly relevant to the sector – land,	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: Commitment to respect land ownership/natural resources as in VGGT</li> <li>• Not Met: Commitment to respect land ownership/natural resources as in IFC Performance Standards</li> <li>• Not Met: Commitment to respect indigenous rights or ILO No.169 or UN Declaration: The Diversity and inclusion policy considers 'indigenous groups' to be</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	natural resources and indigenous peoples' rights (AG)		<p>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 respecting indigenous peoples' rights or references the relevant part(s) of the ILO Convention on Indigenous and Tribal Peoples No.169 or of the UN Declaration on the Rights of Indigenous Peoples. [Diversity and Inclusion Policy, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Expects suppliers to make these commitments</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to respect 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. The Environmental and Climate Change Policy adds: 'This Policy aims at establishing the general principles which must guide the behavior of Falabella and its Associates, so as to: [...] promote the efficient use of natural resources, energy and water; [...]. Falabella fosters the rational use of natural resources, water and energy in its operations, activities and distribution and logistics chain'. However, no commitment to respecting the right to water found. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [Environmental and Climate Change Policy, 26/05/2020: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Commitment to obtain FPIC or zero tolerance to land grabbing</li> <li>• Not Met: Expects suppliers to make these commitments: 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. No further evidence found in latest revision. [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul>
A.1.3.b.AG	Commitment to respect human rights particularly relevant to the sector – vulnerable groups (AG)	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: Commitment to 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. No further evidence found in latest revision. [Diversity and Inclusion Policy, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Commitment to children's rights: 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. No further evidence found in latest revision. [Compliance, Ethics and Governance_web, N/A: <a href="https://investors.falabella.com">investors.falabella.com</a>]</li> <li>• Not Met: Commitment to migrant worker's rights: No evidence found in latest revision.</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. No further evidence found in latest revision. [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: Commitment refers to CEDAW/Women's Empowerment Principles</li> <li>• Not Met: Commitment refers to Child Rights Convention/Business Principles: 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</li> </ul>

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			<p>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. No further evidence found in latest revision. [Compliance, Ethics and Governance_web, N/A: <a href="https://investors.falabella.com">investors.falabella.com</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment refers to Convention on migrant workers</li> <li>• Not Met: Expects suppliers to respect these rights</li> </ul>
A.1.3.AP	Commitment to respect human rights particularly relevant to the sector – vulnerable groups (AP)	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: Commitment to 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. No further evidence found in latest revision. [Diversity and Inclusion Policy, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Commitment to children's rights: 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. No further evidence found in latest revision. [Compliance, Ethics and Governance_web, N/A: <a href="https://investors.falabella.com">investors.falabella.com</a>]</li> <li>• Not Met: Commitment to migrant worker's rights: No evidence found in latest revision.</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. No further evidence found in latest revision. [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: Commitment refers to CEDAW/Women's Empowerment Principles</li> <li>• Not Met: Commitment refers to Child Rights Convention/Business Principles: 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. No further evidence found in latest revision. [Compliance, Ethics and Governance_web, N/A: <a href="https://investors.falabella.com">investors.falabella.com</a>]</li> <li>• Not Met: Commitment refers to Convention on migrant workers</li> <li>• Not Met: Expects 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: Commitment to remedy adverse HRs impacts: 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</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>action plans proposed for their remediation'. [Policy on Human Rights and Business, 21/12/2021: <a href="https://www.mallplaza.com/s22.q4cdn.com">s22.q4cdn.com</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Expects suppliers to make this commitment</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to collaborate with judicial or non-judicial mechanisms</li> <li>• Not Met: Commitment to work with suppliers on remedy</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 of threats/attacks on HRDs</li> <li>• Not Met: Expects suppliers to make this commitment</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to working with HRDs to create safe and enabling environment</li> </ul>

## A.2 Board Level Accountability (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 Integrated Report Mallplaza, N/A: <a href="https://www.mallplaza.com/s29.q4cdn.com">s29.q4cdn.com</a>] &amp; [2021 Annual report, N/A: <a href="https://www.mallplaza.com/s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Describes HRs expertise of Board member</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Board member/CEO signal importance of HRs in their communications: 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'. [2021 Integrated Report Mallplaza, N/A: <a href="https://www.mallplaza.com/s29.q4cdn.com">s29.q4cdn.com</a>]</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: Process to review HRs strategy at board level: 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</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>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 Integrated Report Mallplaza, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</p> <ul style="list-style-type: none"> <li>• Not Met: Example of HRs issues/trends discussed in 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: Describes how affected stakeholders / HRs experts inform board 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: At least one board member incentive linked to HRs commitments</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Incentive scheme linked to key HRs risks beyond employee H&amp;S</li> <li>• Not Met: Performance criteria linked to HRs made public</li> <li>• Not Met: Review of other board incentives for coherence with HRs policies</li> </ul>
A.2.4	Business model strategy and risks	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 process to review business model and strategy for HRs risks</li> <li>• Not Met: Describes frequency and triggers for reviewing business model</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: Example of actions resulting from reviews</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	<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: Score of 1 on A.1.2.a</li> <li>• Met: Senior responsibility for HRs 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> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes day-to-day responsibility for implementing HRs commitments: 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 Integrated Report Mallplaza, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> </ul> <ul style="list-style-type: none"> <li>• Not Met: Day-to-day resources and expertise allocation in own operations</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not Met: Resources and expertise allocation in 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	<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: Senior manager incentives linked to HRs commitments</li> <li>• Not Met: Incentive scheme linked to key HRs risks beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Performance criteria linked to HRs made public</li> <li>• Not Met: Review of other senior management incentives for coherence with HRs policies</li> </ul>
B.1.3	Integration with enterprise risk management	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: HRs risks 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 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>]</li> <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 s risk prevention and mitigation mechanism [...]' [2021 Integrated Report Mallplaza, 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: Risk assesment by Audit Committee or independent third party</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:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Score of 1 on A.1.2.a</li> <li>• Not Met: Communicates HRs policies 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> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Communicates HRs policies to stakeholders: 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: Example of how HRs policies are accessible for intended 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:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Meets ILO requirement for suppliers on A.1.2.a</li> <li>• Not Met: Describes steps to communicate HRs policies 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> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not Met: Requires suppliers to communicate HRs policies</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes how HRs policies are contractual/binding for suppliers: 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="#">s22.q4cdn.com</a>] &amp; [2021 Integrated Report Mallplaza, N/A: <a href="#">s29.q4cdn.com</a>]</li> <li>• Not Met: Requires suppliers to cascade contractual/binding HRs policies to its suppliers</li> </ul>
B.1.5	Training on 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: Score of at least 1 on A.1.2.a</li> <li>• Not Met: Describes how workers are trained on HRs 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="#">assets.contentstack.io</a>]</li> <li>• Not Met: Trains relevant managers including procurement on HRs</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 HRs commitments</li> <li>• Not Met: Discloses % suppliers 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: Score of at least 1 on A.1.2.a</li> <li>• Not Met: Monitors implementation of HRs 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="#">s22.q4cdn.com</a>] &amp; [2021 Integrated Report Mallplaza, N/A: <a href="#">s29.q4cdn.com</a>]</li> <li>• Not Met: Discloses % 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="#">s22.q4cdn.com</a>]</li> <li>• Not Met: Describes 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</li> <li>• Not Met: Describes corrective actions process</li> <li>• Not Met: Discloses findings and number of correction action processes: 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="#">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: HRs performance affects selection suppliers</li> <li>• Not Met: HRs performance affects continuation 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="#">s22.q4cdn.com</a>] &amp; [2021 Integrated Report Mallplaza, N/A: <a href="#">s29.q4cdn.com</a>]</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes positive HRs incentives for business relationships</li> <li>• Not Met: Works with suppliers to meet HRs 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 Integrated Report Mallplaza, N/A: <a href="#">s29.q4cdn.com</a>]</li> </ul>
B.1.8	Approach to engagement with affected stakeholders	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: Describes how workers and communities identified and engaged 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 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="#">s22.q4cdn.com</a>]</li> <li>• Not Met: Discloses stakeholders whose 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 HRs issues</li> <li>• Not Met: Describes how stakeholders views influenced company's HRs 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: Describes process of 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="#">s22.q4cdn.com</a>] &amp; [2021 Annual report, N/A: <a href="#">s22.q4cdn.com</a>]</li> <li>• Not Met: Describes process for identifying risks in 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="#">s22.q4cdn.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes global risk identification system incl. stakeholder consultation</li> <li>• Met: Describes how risk identification system is 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="#">s22.q4cdn.com</a>]</li> <li>• Not Met: Describes risks identified in relation to new circumstances</li> </ul>
B.2.2	Assessing human rights	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: Describes assessment process and discloses salient HRs risks</li> <li>• Not Met: Describes how process applies to supply chain</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	risks and impacts		<ul style="list-style-type: none"> <li>• Not Met: Public disclosure of results of HRs risk 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 Integrated Report Mallplaza, 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: Meets all requirements under score 1</li> <li>• Not Met: Describes how assessment involved affected stakeholders</li> </ul>
B.2.3	Integrating and acting on human rights risks and impact assessments	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 system to prevent, mitigate and remediate HRs issues: 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 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 Integrated Report Mallplaza, N/A: <a href="https://s29.q4cdn.com">s29.q4cdn.com</a>]</li> <li>• Not Met: Describes how global system applies to supply chain</li> <li>• Not Met: Example of actions decided on at least 1 salient HRs issue: 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 Integrated Report Mallplaza, 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: Meets all requirements under score 1</li> <li>• Not Met: Describes how stakeholders involved in decisions about actions taken</li> </ul>
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and 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 system for evaluation effectiveness of actions</li> <li>• Not Met: Example of lessons learned from evaluation effectiveness of actions</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Involves stakeholders in evaluation effectiveness of actions</li> </ul>
B.2.5	Communicating on human rights 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: Provides two examples of comms with stakeholders</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes 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 mechanism(s) for workers	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 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. [Policy on Human Rights and Business, 21/12/2021: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Grievance mechanism available in appropriate languages and workers made 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 Counsellors'. [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>]</li> <li>• Not Met: Describes how workers in supply chain access 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="https://s22.q4cdn.com">s22.q4cdn.com</a>] &amp; [Compliance practical guide for suppliers (supplier code), N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Expects suppliers to convey expectation to their suppliers</li> </ul>
C.2	Grievance mechanism(s) for external individuals and communities	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: Grievance mechanism accessible to all external individuals and communities: 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, [...]'. However, it is not clear whether communities can raise concerns. [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: Grievance mechanism available in appropriate languages and affected stakeholders made aware</li> <li>• Not Met: Describes how external individuals/communities access grievance mechanism</li> <li>• Not Met: Expects supplier to convey expectation to their suppliers</li> </ul>
C.3	Users are involved in the design and performance of the mechanism(s)	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: Describes how users engaged on design and performance</li> <li>• Not Met: Provides user engagement examples (at least two) on design and performance</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes how users engaged on improvement of mechanism</li> <li>• Not Met: Provides user engagement examples (at least two) on improvement</li> </ul>
C.4	Procedures related to the mechanism(s) are equitable, publicly available and explained	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: Describes procedure and timescales for managing complaints or concerns: 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: Describes technical, financial, advisory support to enable equal access</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describe types of outcome to complainant through use of mechanism</li> <li>• Not Met: Describes escalation to senior levels / independent adjudicators</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.5	Prohibition of retaliation for raising complaints or concerns	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: Public statement prohibiting retaliation against workers/stakeholders: 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://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>Met: Describes 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 counsellors'. [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> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not Met: Specifies no legal action, firing or violence</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 grievance mechanisms	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: Complainants not asked to waive legal rights</li> <li>Not Met: Does not require confidentiality provisions</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not Met: Cooperates with state based non judicial mechanisms</li> <li>Not Met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remedying adverse 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: Describes approach taken to remedy adverse HRs impacts</li> <li>Not Met: Describes how remedy would be provided if no adverse impact identified</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not Met: Describes changes to systems, processes and practices to prevent future impacts</li> <li>Not Met: Describes approach to monitoring/implementing agreed remedy</li> <li>Not Met: Describes approach to learning from incidents if no adverse impacts identified</li> </ul>
C.8	Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned	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: Discloses number of grievances filed, addressed or resolved and outcomes 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. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>Not Met: Example of how lessons from mechanism improved HRs management system</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not Met: Describes process to evaluate mechanism and changes made as a 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 Food and Agricultural Products

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.b	Living wage (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: Requirements on living wage in supplier codes and contracts</li> <li>Not Met: Describes work with suppliers on living wage</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not Met: Assessment of scope of payment below living wage 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 demonstrating progress</li> </ul>
D.1.2	Aligning purchasing decisions with human rights	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: Describes practices to avoid price or short notice requirements that undermine HRs</li> <li>• Not Met: Describes practices to pay suppliers in line with agreed timeframes</li> <li>• Not Met: Reviews own operations to mitigate negative impact of purchasing practices</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: Example of assessing and changing of purchasing practices</li> </ul>
D.1.3	Mapping and disclosing 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: Identifies direct and indirect suppliers including manufacturing sites</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Discloses names and locations of significant parts of supply chain and how significance was defined</li> <li>• Not Met: Discloses direct or indirect suppliers 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	<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: Requirements on child labour in supplier codes and 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> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes work with suppliers on eliminating child labour</li> <li>• Not Met: Assessment of scope of child labour in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</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: Requirements on debt/fees in supplier codes and contracts</li> <li>• Not Met: Describes work with suppliers on debt/fees for job seekers/workers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment scope of payment of recruitment fees in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</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: Requirements on paying in full and on time in supplier codes and 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> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes work with suppliers on paying workers regularly, in full and on time</li> <li>• Not Met: Assessment scope of failure to pay workers in full and on time in supply chain</li> <li>• Not Met: 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: Requirements on free movement in supplier codes and contracts</li> <li>• Not Met: Describes working with suppliers on free movement of workers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of restriction of movement in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
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: Requirements on FoA/CB in suppliers codes and 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: Describes work with suppliers on FoA/CB</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of restriction of FoA/CB in supply chain</li> <li>• Not Met: 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)	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: Requirements on H&amp;S in supplier codes and contracts: 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: Discloses injury rate or lost days in supply chain in last reporting period: The company presents quantitative data for occupational health and safety which discloses the lost time injury frequency, total accidents, etc. [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Discloses fatalities for workers in supply chain in last reporting period</li> <li>• Met: Discloses occupational disease rate in supply chain in last reporting period: The company discloses quantitative data for occupational health and safety which discloses the occupational illness frequency rate (OIFR). [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: Describes work with suppliers of H&amp;S</li> <li>• Not Met: Assessment of scope of H&amp;S issues in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
D.1.8.b	Land rights: Land acquisition (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: Requirements on land and tenure rights in supplier codes and contracts</li> <li>• Not Met: Describes work with suppliers on land issues</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Requirement for suppliers to provide compensation in resettlement</li> <li>• Not Met: Assessment of scope of land rights issues in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
D.1.9.b	Water and sanitation (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: Requirements on access to water and sanitation in supplier codes and contracts</li> <li>• Not Met: Describes work with suppliers on access to water</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of water and sanitation issues in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
D.1.10.b	Women's rights (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: Requirements on women's rights in supplier codes and 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 [2021 Annual report, N/A: <a href="https://s22.q4cdn.com">s22.q4cdn.com</a>]</li> <li>• Not Met: Describes work with suppliers on women's rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of women's rights issues in supply chain</li> <li>• Not Met: 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: Requirements on living wage in supplier codes and contracts</li> <li>• Not Met: Describes work with suppliers on living wage</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of payment below living wage in supply chain</li> <li>• Not Met: 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: Describes practices to avoid price or short notice requirements that undermine HRs</li> <li>• Not Met: Describes practices to pay suppliers in line with agreed timeframes</li> <li>• Not Met: Reviews own operations to mitigate negative impact of purchasing practices</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Example of assessing and changing of 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 including manufacturing sites</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Discloses names and locations of significant parts of supply chain and how significance was defined</li> <li>• Not Met: Discloses direct or indirect suppliers involved in higher-risk activities</li> </ul>
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: Requirements on child labour in supplier codes and 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://www.s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes work with suppliers on eliminating child labour</li> <li>• Not Met: Assessment of scope of child labour in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</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: Requirements on debt/fees in supplier codes and contracts</li> <li>• Not Met: Describes work with suppliers on debt/fees for job seekers/workers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment scope of payment of recruitment fees in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</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: Requirements on paying in full and on time in supplier codes and 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://www.s22.q4cdn.com">s22.q4cdn.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes work with suppliers on paying workers regularly, in full and on time</li> <li>• Not Met: Assessment scope of failure to pay workers in full and on time in supply chain</li> <li>• Not Met: 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: Requirements on free movement in supplier codes and contracts</li> <li>• Not Met: Describes working with suppliers on free movement of workers</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of restriction of movement in supply chain</li> <li>• Not Met: 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: Requirements on FoA/CB in suppliers codes and 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: Describes work with suppliers on FoA/CB</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of restriction of FoA/CB in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
D.2.7.b	Health and safety: Fatalities, lost days, injury, occupational disease rates (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: Requirements on H&amp;S in supplier codes and contracts</li> <li>• Not Met: Discloses injury rate or lost days in supply chain in last reporting period</li> <li>• Not Met: Discloses fatalities for workers in supply chain in last reporting period</li> <li>• Not Met: Discloses occupational disease rate in supply chain in last reporting period</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes work with suppliers of H&amp;S</li> <li>• Not Met: Assessment of scope of H&amp;S issues in supply chain</li> <li>• Not Met: 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: Requirements on women's rights in contracts/codes with suppliers</li> <li>• Not Met: Describes work with suppliers on women's rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of unsafe working conditions/discrimination against women in supply chain</li> <li>• Not Met: 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: Requirements on working hours in codes/contracts with suppliers</li> <li>• Not Met: Describes work with suppliers on working hours</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of excessive working hours in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</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 5.34 out of 80 points scored in themes A-D has been applied to produce a score of 1.33 out of 20 points for theme E.

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