

Company Name Falabella
Industry Agricultural Products & Apparel (Supply Chain only)
Overall Score (*) 9.7 out of 100

Theme Score	Out of	For Theme
1.4	10	A. Governance and Policies
0.5	25	B. Embedding Respect and Human Rights Due Diligence
2.1	15	C. Remedies and Grievance Mechanisms
1.1	20	D. Performance: Company Human Rights Practices
1.9	20	E. Performance: Responses to Serious Allegations
2.8	10	F. Transparency

(*) 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 2019 Methodology document. 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	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: General HRs commitment: The company states on its website that it has a HR policy which commits to the UDHR [Ethics, human rights and transparency, June 2018: falabella.com] Met: UDHR: The company states on its website that it has a HR policy which commits to the UDHR [Ethics, human rights and transparency, June 2018: falabella.com] Score 2 <ul style="list-style-type: none"> Not met: UNGPs Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: ILO Core: Though the Company presents its commitment to prohibit discrimination, forced labour, and child labour, there is no evidence for the commitment regarding freedom of association or collective bargaining. [Annual Report 2018, 2019: s22.q4cdn.com & Integrity Code, June 2019: s22.q4cdn.com] Met: UNGC principles 3-6: In its annual report the company states: "S.A.C.I. Falabella, Sodimac S.A. and Falabella Retail S.A., form part of the United Nations Global Compact, and have pledged to publish and comply with its 10 fundamental principles addressing global sustainability issues, for four areas: Human Rights, Employment Rights, the Environment and Anti-corruption. [Annual Report 2018, 2019: s22.q4cdn.com & Annual report 2016, 2017: falabella.com] Score 2 <ul style="list-style-type: none"> Not met: Explicitly list All four ILO for AG suppliers

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Explicitly list ALL four ILO for AP suppliers Score 2 <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core • Met: Respect H&S of workers: In its Annual report the company states "Our employee's health and safety is a priority for Empresas Falabella, accordingly, we have policies that aim to prevent occupational risks and promote a healthy environment" [Annual Report 2018, 2019: s22.q4cdn.com] • Met: H&S applies to AG suppliers: In its annual report the company states that supplier must commit to Sedex ethical trade standards which include H&S. [Annual Report 2018, 2019: s22.q4cdn.com] • Met: H&S applies to AP suppliers: See above • Not met: working hours for workers • Not met: Working hours for AP suppliers
A.1.3.AG.a	Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Respect land ownership and natural resources • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights Score 2 <ul style="list-style-type: none"> • Not met: Voluntary Guidelines on Tenure Rights • Not met: IFC Performance Standards • Not met: FPIC for all • Not met: Zero tolerance for land grabs • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights
A.1.3.AG.b	Commitment to respect human rights particularly relevant to the industry – people's rights (AG)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Women's rights: Though the company states that in July 2017, it "joined the Gender Parity Initiative in Chile, as part of its commitment to labor inclusion and gender equality", there is no explicit recognition of women's rights. In addition, the Company states that the Diversity and Inclusion Policy was approved in 2018, however, its details are not disclosed. [Annual report 2017, January 2018: falabella.com & Annual Report 2018, 2019: s22.q4cdn.com] • Met: Children's rights: The company is committed to the Convention of the rights of the child: [we] adhere to the norms and principles pertaining to Human Rights written in the Political Constitutions of each country we operate in, as well as following the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child." [Ethics, human rights and transparency, June 2018: falabella.com] • Not met: Migrant worker's rights • Not met: Expects suppliers to respect these rights Score 2 <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Met: Child Rights Convention/Business Principles: The company is committed to the Convention of the rights of the child: [we] adhere to the norms and principles pertaining to Human Rights written in the Political Constitutions of each country we operate in, as well as following the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child." [Annual report 2017, January 2018: falabella.com] • Not met: Convention on migrant workers • Not met: Expecting suppliers to respect these rights
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Women's Rights: Though the company states that in July 2017, it "joined the Gender Parity Initiative in Chile, as part of its commitment to labor inclusion and gender equality", there is no explicit recognition of women's rights. In addition, the Company states that the Diversity and Inclusion Policy was approved in 2018, however, its details are not disclosed. [Annual report 2017, January 2018: falabella.com & Annual Report 2018, 2019: s22.q4cdn.com] • Met: Children's Rights: The company is committed to the Convention of the rights of the child: [we] adhere to the norms and principles pertaining to Human Rights written in the Political Constitutions of each country we operate in, as well as following the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child." [Annual Report 2018, 2019: s22.q4cdn.com] • Not met: Migrant worker's rights • Not met: Expecting suppliers to respect these rights

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Met: Child Rights Convention/Business principles: The company is committed to the Convention of the rights of the child: [we] adhere to the norms and principles pertaining to Human Rights written in the Political Constitutions of each country we operate in, as well as following the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child." [Integrity Code, June 2019: s22.q4cdn.com & Annual Report 2018, 2019: s22.q4cdn.com] • Not met: Convention on migrant workers • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights
A.1.4	Commitment to engage with 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"> • Not met: Commits to stakeholder engagement • Not met: Regular stakeholder engagement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	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"> • Not met: Commits to remedy <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AG suppliers to remedy impacts • Not met: Work with AP suppliers to remedy impacts
A.1.6	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"> • Not met: Zero tolerance attacks on HRs Defenders (HRDs) <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Expects AG suppliers to reflect company HRD commitments • Not met: Expects AP suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	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"> • Met: CEO or Board approves policy: HR policy is signed by the CEO but there is no evidence for board level responsibility for HRs [Human rights policy (In Spanish): falabella.com] • Not met: Board level responsibility for HRs <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	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"> • Not met: Board/Committee review of salient HRs • Not met: Examples or trends re HR discussion <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both examples and process
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"> • Not met: Incentives for at least one board member • Not met: At least one key AG HR risk, beyond employee H&S • Not met: At least one key AP HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public

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	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to ILO core conventions • Not met: Senior responsibility for HR

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility for AG in supply chain • Not met: Day-to-day responsibility for AP in supply chain
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"> • Not met: Senior manager incentives for human rights • Not met: At least one key AG HR risk, beyond employee H&S • Not met: At least one key AP HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public
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"> • Met: HR risks is integrated as part of enterprise risk system: The Company set up a materiality study during 2018 and identified human rights risks including privacy, diversity, employee wellbeing and other issues. [Annual Report 2018, 2019: s22.q4cdn.com & Annual report 2017, January 2018: falabella.com] Score 2 <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to ILO core conventions • Not met: Communicates its policy to all workers in own operations Score 2 <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions for suppliers • Not met: Communicating policy down the whole AG supply chain • Not met: Requiring AG suppliers to communicate policy down the chain • Not met: Communicating policy down the whole AP supply chain • Not met: Requiring AP suppliers to communicate policy down the chain Score 2 <ul style="list-style-type: none"> • Not met: How HR commitments made binding/contractual • Not met: Including on AG suppliers • Not met: Including on AP suppliers
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"> • Not met: Scores at least 1 on A.1.2 • Not met: Trains all workers on HR policy commitments: Though the company does offer training on ethics, there is no indication on whether the company includes there HRs and if all staff are trained. [Annual report 2017, January 2018: falabella.com & Annual Report 2018, 2019: s22.q4cdn.com] Score 2 <ul style="list-style-type: none"> • Not met: Trains relevant AG managers including procurement • Not met: Trains relevant AP managers including procurement Score 2 <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Both requirements under score 1 met
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"> • Not met: Scores at least 1 on A.1.2 • Not met: Monitoring implementation of HR policy commitments • Not met: Monitoring AG suppliers • Not met: Monitoring AP suppliers: The Company states that "In 2018, over 700 suppliers of our retail businesses were audited on CSR practices." However, it is not clear if all of these audits cover human rights issues. [Annual Report 2018, 2019: s22.q4cdn.com] Score 2 <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Describes corrective action process • Not met: Example of corrective action • Not met: Discloses % of AG supply chain monitored • Not met: Discloses % of AP supply chain monitored

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.7	Engaging business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: HR affects AG selection of suppliers • Not met: HR affects on-going AG supplier relationships • Not met: HR affects AP selection of suppliers • Not met: HR affects on-going AP supplier relationships Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Working with AG suppliers to improve performance • Not met: Working with AP suppliers to improve performance
B.1.8	Approach to engagement with potentially affected stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Stakeholder process or systems: The Company lists the stakeholders in its Annual Report, however, it is not clear how the Company identified them. [Annual Report 2018, 2019: s22.g4cdn.com] Score 2 <ul style="list-style-type: none"> • Not met: Frequency and triggers for engagement • Not met: Workers in AG SC engaged • Not met: Communities in the AG SC engaged • Not met: Workers in AP SC engaged • Not met: Communities in the AP SC engaged Score 2 <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying 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"> • Not met: Identifying risks in own operations • Not met: Identifying risks in AG suppliers • Not met: Identifying risks in AP suppliers Score 2 <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context) • Not met: Public disclosure of salient risks Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks • Not met: Including in AG supply chain • Not met: Including in AP supply chain • Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating 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"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks

Indicator Code	Indicator name	Score (out of 2)	Explanation
	how human rights impacts are addressed		<ul style="list-style-type: none"> • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans • Not met: Including AG suppliers • Not met: Including AP suppliers Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% 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	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The company has a integrity line where all workers and others including suppliers can report 'potential irregularities and illegal behaviour' or violations of ethics. [Annual report 2017, January 2018: falabella.com & Annual Report 2018, 2019: s22.q4cdn.com] Score 2 <ul style="list-style-type: none"> • Met: Number grievances filed, addressed or resolved: The Company states that "The Integrity Channel received 2,024 contacts from all of the countries in which Falabella operates". [Annual Report 2018, 2019: s22.q4cdn.com] • Not met: Channel is available in all appropriate languages • Met: Opens own system to AG supplier workers: The company's own system is open to all including subcontractors and the public [Annual report 2017, January 2018: falabella.com & Annual Report 2018, 2019: s22.q4cdn.com] • Met: Opens own system to AP supplier workers: The company's own system is open to all including subcontractors and the public [Annual report 2017, January 2018: falabella.com & Annual Report 2018, 2019: s22.q4cdn.com]
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"> • Met: Grievance mechanism for community: In its annual report it says 'Shareholders, customers, suppliers or third parties may report such matters [ethics matter] using the company's web page at the Integrity Channel link. However there is no explicit mention of community affected by the company's operations [Annual Report 2018, 2019: s22.q4cdn.com & Integrity line: canaldeintegridad.ines.cl] Score 2 <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages: There is no indicator that it is accessible in local languages • Not met: AG supplier communities use global system [Annual Report 2018, 2019: s22.q4cdn.com] • Not met: AP supplier communities use global system: There is no specific mention of communities though it does mention 3rd party. [Annual report 2017, January 2018: falabella.com & Annual Report 2018, 2019: s22.q4cdn.com]
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"> • Not met: Engages users to create or assess system • Not met: Description of how they do this Score 2 <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AG suppliers consult users in creation or assessment • Not met: AP suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are 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"> • Not met: Response timescales • Not met: How complainants will be informed Score 2 <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Public statement prohibiting retaliation • Not met: Practical measures to prevent retaliation: The company does provides practical measures like anonymity but there is no mention of prohibition of retaliation [Integrity line: canaldeintegridad.ines.cl] Score 2 <ul style="list-style-type: none"> • Not met: Has not retaliated in practice

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Expects AG suppliers to prohibit retaliation • Not met: Expects AP suppliers to prohibit retaliation
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"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts 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"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% 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	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts • Not met: Improving living wage practices of suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress
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"> • Not met: Avoids business model pressure on HRs (purchasing practices) • Not met: Positive incentives to respect human rights (purchasing practices) <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
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"> • Not met: Identifies suppliers back to manufacturing sites (factories or fields) <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Discloses significant parts of SP and why
D.1.4.b	Prohibition on 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"> • Not met: Child Labour rules in codes or contracts: Though the company mentions not allowing child labour, there is no details on verification or procedures to avoid child labour • Not met: How working with suppliers on child labour <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial 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"> • Not met: Debt and fees rules in codes or contracts • Not met: How working with suppliers on debt & fees <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.d	Prohibition on 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"> • Not met: Free movement rules in codes or contracts • Not met: How working with suppliers on free movement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.6.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"> • Not met: FoA & CB rules in codes or contracts • Not met: How working with suppliers on FoA and CB Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • 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 2018, 2019: s22.q4cdn.com] • Met: Injury Rate disclosures: The Company states that in 2018, "The accident rate reached 3.5%, below the 3.7% registered in 2017." [Annual Report 2018, 2019: s22.q4cdn.com] • Met: Lost days or near miss disclosures: The Company states that in 2018, the lost days ratio (number of lost days per 100 employees during an annual work schedule) was 37.8. [Annual Report 2018, 2019: s22.q4cdn.com] • Met: Fatalities disclosure: The Company states that in 2018, "no fatal accidents occurred within the facilities of all the business units of Falabella." [Annual Report 2018, 2019: s22.q4cdn.com] Score 2 <ul style="list-style-type: none"> • Not met: How working with suppliers on H&S • Not met: Provides analysis of trends demonstrating progress
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"> • Not met: Rules on land & owners in codes or contracts • Not met: How working with suppliers on land issues Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress
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"> • Not met: Rules on water stewardship in codes or contracts • Not met: How working with suppliers on water stewardship issues Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress
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"> • 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: s22.q4cdn.com & Integrity Code, June 2019: s22.q4cdn.com] Score 2 <ul style="list-style-type: none"> • Not met: How working with suppliers on women's rights • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends demonstrating progress

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"> • Not met: Living wage in supplier code or contracts • Not met: Improving living wage practices of suppliers Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
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"> • Not met: Avoids business model pressure on HRs • Not met: Positive incentives to respect human rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
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"> • Not met: Identifies suppliers back to product source

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: Discloses significant parts of supply chain and why
D.2.4.b	Prohibition on 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 • Not met: Child Labour rules in codes or contracts: Though the company mentions not allowing child labour, there is no details on verification or procedures to avoid child labour • Not met: How working with suppliers on child labour Score 2 • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Debt and fees rules in codes or contracts • Not met: How working with suppliers on debt & fees Score 2 • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Free movement rules in codes or contracts • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters Score 2 • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
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 • Not met: FoA & CB rules in codes or contracts • Not met: How working with suppliers on FoA and CB Score 2 • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 • 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 2018, 2019: s22.q4cdn.com] • Met: Injury rate disclosures: The Company states that in 2018, "The accident rate reached 3.5%, below the 3.7% registered in 2017." [Annual Report 2018, 2019: s22.q4cdn.com] • Met: Lost days or near miss disclosures: The Company states that in 2018, the lost days ratio (number of lost days per 100 employees during an annual work schedule) was 37.8. [Annual Report 2018, 2019: s22.q4cdn.com] • Met: Fatalities disclosures: The Company states that in 2018, "no fatal accidents occurred within the facilities of all the business units of Falabella." [Annual Report 2018, 2019: s22.q4cdn.com] Score 2 • Not met: How working with suppliers on H&S • Not met: Provide analysis of trends in progress made
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 • 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: s22.q4cdn.com & Integrity Code, June 2019: s22.q4cdn.com] • Not met: How working with suppliers on women's rights Score 2 • Not met: Both requirement under score 1 met • Not met: Provide analysis of trends in progress made
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 • Not met: Working hours in codes or contracts • Not met: How working with suppliers on working hours

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made

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 7.78 out of 80 points scored in themes A-D & F has been applied to produce a score of 1.94 out of 20 points for theme E.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	0.75 out of 4	Out of a total of 53 indicators assessed under sections A-D of the benchmark, Falabella made data public that met one or more elements of the methodology in 10 cases, leading to a disclosure score of 0.75 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Met: Company reports on GRI: In its annual report, the company indicates that it reports on GRI and it includes a GRI Index. [Annual Report 2018, 2019: s22.q4cdn.com]
F.3	Key, High Quality Disclosures	0 out of 4	Falabella met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management

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

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As CHRB Ltd, 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.