

INTEGRITY CODE

A brass scale of justice is the central focus, standing on a white surface. The scale is balanced, with both pans hanging at the same level. In the background, a wooden gavel with a black handle lies on a white surface, and several papers are scattered around. The lighting is soft, creating a professional and serious atmosphere.

FALABELLA
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INTEGRITY CODE



LETTER FROM THE CIO

INTEGRITY – FOUNDATIONAL TO OUR CULTURE

In a dynamic environment, having a high level of integrity is one of the most important characteristics that a person can possess. It is a fundamental value, a choice and something that people can embrace and nurture.

The choices we make and the actions we take, matter – irrespective of the situation. Integrity is a foundational part of Falabella’s values. We believe that integrity stands for total ethical behaviour at all times and in all situations, regardless of the consequence. As part of Falabella, each one of us have a responsibility towards ensuring that the highest standard of integrity is maintained at all times and we lead by example in all our interactions and deeds. But what does this mean in practice?

It means that we need to live and demonstrate our value, maintaining consistency between what we say and what we do, and in doing so, set the right standard. It is this conscious and intentional behaviour that will compel others to follow and replicate.

On the other hand, technological advances impose new challenges on us, such as the inherent risks that social media represent, or how careless collaborators can put the reputation of the brand at risk by publishing confidential information or damaging the trust of external and internal stakeholders of the company. This is but a few instances that could potentially compromise the integrity of a company.

In this space for reflection, the client must be at the center of our decisions. The challenge is to learn how to leverage new technologies to promote a culture of service and integrity within the company, and this very culture will shape the success of Falabella for the next 130 years.

I encourage you to abide by our Integrity Code in your daily activities. It will help us better serve our clients, our colleagues, our partners while strengthening our own brand as one that can be trusted.

Warm regards,

Ashish Grover
CIO, Falabella

INTRODUCTION

Why is it important to have an Integrity Code?

Falabella is a conglomerate, with diverse businesses, a multi-cultural employee base and complexity given the size of the company. With presence across Latin America and offices in India and China, it is important to have a structured Business Code of Conduct and Integrity framework so that every employee lives by the same set of values and ethics that is so integral to the organization. Some of the key reasons are listed below:

- It is imperative that we live according to our values as one company, as this is the conduct and behaviour expected of us. Our ethics have to be understood and followed by each and every employee of Falabella and its group of companies and the defined Integrity Code allows us to follow the same set of guidelines no matter where we work.
- In order to do the right thing, we need to know what is defined as 'right'. Sometimes there is a difference between expected and perceived, which is not always clear. The Code and the established structure are therefore tools to help us take the right action.
- Speaking up and doing the right thing sometimes requires courage, and if we articulate this in writing, detailing the escalation matrix and cascading the same company-wide, we make it simpler and easier for our people to take necessary action. By defining the process clearly we facilitate our employees to make the right decision without fear of backlash or retribution.
- The Integrity Code demonstrates our actions, elucidating on who we are and all that we stand for even when no one is watching.

Who does the Integrity Code Apply to?

This Code is applicable to all employees, executives, managers, associates and partners regardless of the role, activities and responsibilities they may hold and role they may play. The company expects and encourages all third party vendors to follow the Code as well.

What are our main ethical responsibilities?

- **Always abiding by the law**, this Integrity Code, and the company's internal regulations..
- **Leading with integrity and always by example.** Always make sure your actions, what you say and write are ethical.
- **Maintaining a healthy working environment** that promotes integrity, and an atmosphere of trust where people feel they can pose questions and report ethical issues without fear of reprisals.
- **Asking questions before acting** if you are in doubt about something, reporting misconduct, and cooperating in the company's investigations.

If you are uncertain about something, you can always clear it with the Integrity Counselors, the Department of Legal Affairs and Governance, or the Ethics Department.

Practical Examples

My boss is asking me to omit certain information from reports required by the authorities because they could seriously affect the company's reputation.

What should I do?

This instruction is not only contrary to our Integrity Code, but could also be illegal. If you don't feel confident enough to tell your boss that that is wrong, you can go to the Integrity Counselor or the Ethics Officer, or report it through one of the means of communication of the company's Integrity Channel. If you prefer, your report can be anonymous.

Exceptions

Notwithstanding the fact that this Code applies to all of us, in very exceptional cases, a dispensation can be requested to the application thereof without it compromising our integrity. Requests must be sent in writing to the Ethics Department before engaging in the conduct for which approval is sought. Likewise, the Ethics Department will answer the petitioner in writing.

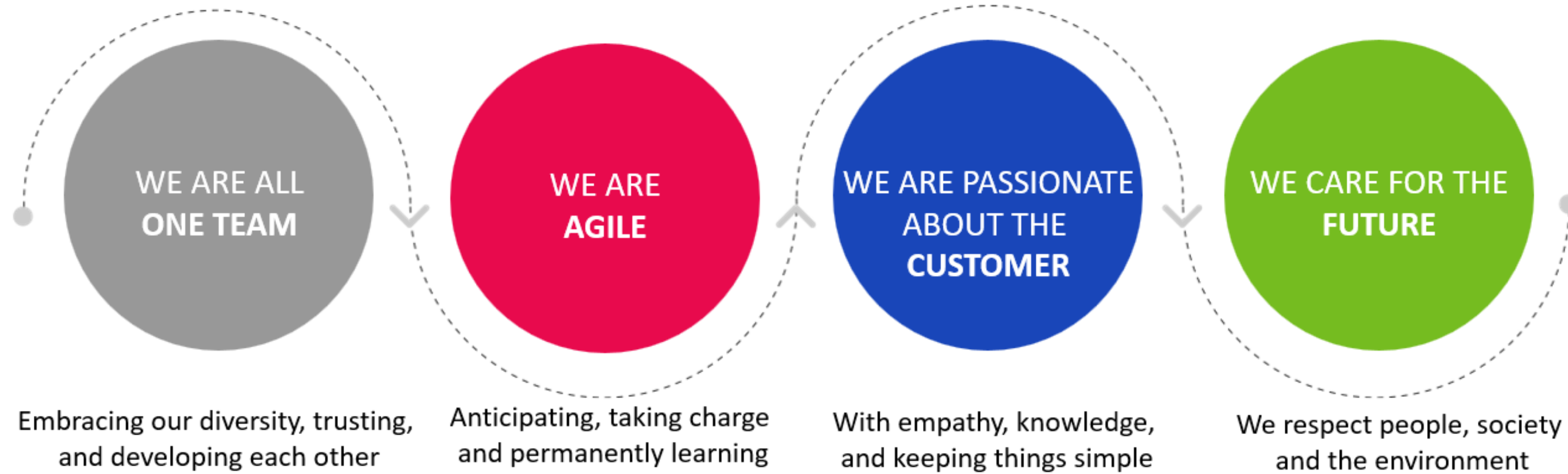
FALABELLA INDIA PRINCIPLES

This Code is built upon our Vision, Mission, and Values.
If we direct our decisions toward fulfilling the company's Vision and Mission, and act by putting our Values into effect, we wstrengthen corporate integrity.

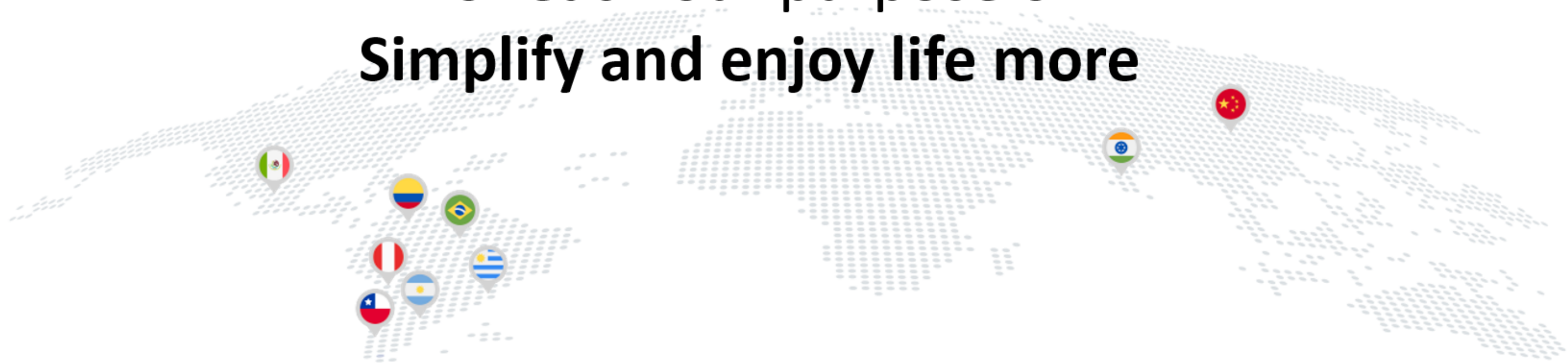
Our Purpose is **Simplify and enjoy life more.**

And we live our Purpose always acting according to our values, which are
We are all one team, We are agile, We are passionate about the customer, We care for the future.

The values we all share



To reach our purpose of
Simplify and enjoy life more



INTEGRITY ORGANIZATIONAL STRUCTURE

In order to ensure that our commitment toward integrity is absolute, the company has created an organizational structure that enables our values to be adequately propagated, our co-workers and third parties related to the company to be educated, and all questions and reports received to be professionally handled.

Ethics Department

This is the area in charge of ensuring the effectiveness of the Ethics Program and faithful compliance with the Integrity Code, by managing questions, reports, and inquiries in a professional and confidential manner. Additionally, it conducts instructional courses and dissemination campaigns for the purposes of guiding our employees regarding our ethics.

Integrity Counselors

Integrity Counselors are people who have received special training and are therefore able to assist us in integrity matters by clarifying issues and concerns, and confidentially channeling reports that come in. You can find out who they are on the intranet.

Ethics Committee

The Ethics Committee is made up of the General Manager, the Legal Affairs and Governance Manager, the Administration and Finances Manager, the Human Resources Manager, and the Auditing Manager. Its objective is to supervise the effectiveness of the company's Ethics Program.

Ethics Officer

It is that collaborator designated by the General Manager to act as an interlocutor between the company and the Ethics Department.

INTEGRITY CHANNEL

There are times when we may have ethical uncertainties and it may be necessary to get counsel before acting. At other times, we may have questions about the integrity of other employees' actions, or we have become aware that a felony or some other illegal activity has been carried out within the company.

This information is very relevant to the company in order to properly manage its employees' conduct or penalize conducts which break the law or our internal regulations, or the Integrity Code.

The company places at our disposal the following means whereby we can directly contact the Ethics Department:

- **Link to** the "Integrity Channel", on the company's web page: <https://canaldeintegridad.ines.cl/falabella/eng/>
- **Email** contactochile@gerenciadeetica.com
- **Personally**, by going straight to the Ethics Officer

It's important to underscore that all the information received by the company through the various Integrity Channel means shall be handled under strict confidentiality, and reservation shall be maintained of the identity of the person reporting, the person being reported on, and all the people participating in an inquiry, as well as all information related thereto. It is also the duty of any person becoming aware of an ethics case to maintain it under maximum confidentiality.

Likewise, an employee or third party can file a report anonymously, provided it is done responsibly.

We believe in the value of truthfulness and respect, therefore we should use the Integrity Channel responsibly.

MEANS OF CONTACT



LINK TO THE
INTEGRITY CHANNEL
ON THE COMPANY'S WEB PAGE
<https://canaldeintegridad.ines.cl/falabella/eng/>



EMAIL
contactochile@gerenciadeetica.com



PERSONALLY
BY GOING STRAIGHT TO THE
ETHICS OFFICER

MEANS AND GUARANTEES FOR COMMUNICATING ETHICAL CONCERNS

Questions

The company wishes all its employees to fully understand this Integrity Code. That's why we have specialists for resolving any questions or concerns. All questions are important and because of that, they will be handled professionally, quickly, and confidentially.

The questions or concerns may be made directly to the Integrity Counselor or the Ethics Department by using the Integrity Channel contact media (email contactochile@gerenciadeetica.com; link to the "Integrity Channel" located on the company's web page).

Reports

Corporate integrity is built every day by everyone. That's why your contribution is vital, not only by acting ethically, but also by reporting situations that deviate from expected conduct.

If you become aware or witness Integrity Code, the company expects you to report it in order to conduct an inquiry on the issue and take whatever measures may be necessary. All reports will be managed by the Ethics Department and will be investigated confidentially, including the identity of the person reporting, whoever contributes accounts in an inquiry, and all information associated therewith.

Remember, each of us is called to provide assistance in this. Failing to report a breach of the Integrity Code can be just as detrimental as the breach itself. Thus, the importance of using the various Integrity Channel contact means for submitting this type of information. Don't refrain from asking questions or reporting, thinking that somebody else will do it. If you see something wrong, report it.

No retaliation

For the company it's very important to receive all ethical concerns that associates may have, in order to clarify their uncertainties. In order for associates to freely report issues, it's essential to create an atmosphere where everyone will feel confident enough to express their concerns without fear of suffering setbacks or retaliation.

Any conduct that has a negative effect or is detrimental to an associate who expresses a concern or files a report in good faith or cooperates in an investigation, is deemed as retaliation.

No retaliation against associates for expressing ethical concerns will be tolerated, and they will be considered a serious breach of the Integrity Code. Therefore, if a retaliatory measure is proven, actions shall be taken against the associate who implemented such measure.

The company expects associates to act in good faith - in other words, with genuine and honest conviction in what they are reporting, even if it is later determined that it was an error. On the contrary, if an associate reports something knowing that it is false, then it's possible that the company will adopt measures against him/her.

If an associate believes that he/she has been subject to retaliation, he/she should immediately notify the Ethics Department through the channels that the company makes available.

Practical Examples

Several months ago, I participated as a witness in an ethical inquiry and since then, my boss excludes me from certain meetings, and no longer provides me information needed for my work, as used to be the case.

Could this be a retaliation?

Yes. A negative and unjustified change in treatment or the way work is conducted could be deemed as a retaliation. If your boss changed the way he/she treats you after contributing as a witness, you should notify the Ethics Department.

HOW TO ACT WITH INTEGRITY AT THE WORKPLACE

Respecting others

Respect for the dignity of each employee is essential for building corporate integrity, and therefore the company is committed to safeguarding it at all times.

Any violation of its employees or third parties that have relations with the company shall be penalized.

The company seeks to promote diversity among its employees, and therefore expects relations among them to be based on respect and inclusion.

Specifically, the company is committed to the following principles:

- Respecting all people, regardless of their ideological and philosophical persuasion, political ideas, religious beliefs, sexual orientation, race, nationality, ethnic background or origin.
- Promoting diversity and inclusion as a source of mutual enrichment among company employees. Therefore, no arbitrary discrimination or harassment will be tolerated.
- Protecting the person, health, and dignity of all those with whom it relates. Also, prohibiting the use of child or forced labor.
- Training employees for the continuance of their personal and professional growth.
- Protecting the identity of employees that put forth concerns or file reports.
- Ensuring that no reprisals are suffered by employees putting forth concerns or filing reports in good faith.

Maintaining good relations with our clients

All employees in our company are indebted to our clients; therefore we are committed to provide them professional and honest services.

This way, clients will receive respectful and non-discriminatory attention, and truthful, complete, and suitable information regarding their requirements.

Practical Examples

I witnessed an employee lying in a due diligence process that was being conducted in the company.

Is this attitude right?

No. The company is committed to provide truthful information at all times, even if that entails not conducting a transaction.

Maintaining good relations among employees

We are responsible for creating a working atmosphere of mutual respect and trust.

As employees, we are committed to acting without affecting or placing at risk the health, dignity, integrity, or reputation of the people that make up our organization. Furthermore, we relate to each other with honesty, respect, and civility.

Pursuant to the foregoing, abuse of authority, sexual and work harassment, psychological hostility, arbitrary discrimination, contemptuous or humiliating treatment of others, or any other action having negative effects in others, are strictly forbidden.

Practical Examples

One of my co-workers uses foul language, refers to others with contempt, and tells obscene jokes at work meetings. I already made it clear to him that this situation makes me uncomfortable, but he continues with the same attitude, which affects me at work. He says that if people speak like that in our country, he can also do it at the workplace, and that the problem is that I am too sensitive.

What should I do in this situation?

This type of conduct is inappropriate and it's contrary to the respect we owe each other. Approach the Integrity Counselor or the Ethics Department and report the issue. You can also file a report through any of the Integrity Channel means the company places at your disposal.

Declaring and managing our conflicts of interest

As employees, we are under the responsibility and obligation to make decisions and act on the basis of the company's best interests. Therefore, we should avoid any situation where our personal interests conflict or appear to conflict with those of the company.

A conflict of interest exists when the employee's objectivity is affected by the possibility of obtaining a benefit, either personally or for a third party, when having to make a decision on behalf of the company.

Sometimes, conflicts of interest are real, and at other times they are apparent. However, the fact that they are apparent doesn't mean they can't be serious, because your reputation and ours could be affected.

The situations that give rise to conflicts of interest can occur in several ways, which may not be negative or wrong per se. The best way to prevent those situations from generating a contradiction between the employee's interests and those of the company, is by communicating them promptly. In general, any economic interest, or personal or commercial relationship with other employees, clients, suppliers, and/or competitors, as well as external jobs and any other activity, association, or relationship with other people that may generate a conflict of interest should be notified.

For further clarification and practical criteria, our company has a Conflict of Interest Policy. There you will find detailed information on the types of conflicts of interest that may arise, employees' responsibility, and the way to handle them.

In case of doubt, ask your immediate boss or the Ethics Department, who will be able to guide you.

Practical Examples

1. *I have a romantic relationship with a co-worker whom I indirectly supervise.*

Is this a conflict of interest?

Yes, it's a conflict of interest when you are the direct or indirect overseer of somebody with whom you have a romantic relationship. You may be acting correctly, but your relationship could be perceived as a factor that bears on your judgment; therefore you need to disclose it for the company to take appropriate measures and manage the conflict.

2. *I would like to set up a business partnership with one of my subordinates. This business will have no commercial relationship with the company.*

Can I do it?

No. This entails a conflict of interest. Your objectivity and judgment in decisions that involve your subordinate could be affected because that person is your business partner.

Abiding by the law and internal regulations regarding alcohol and drug consumption

The safety of our employees and clients is one of the company's main responsibilities and concerns.

Consumption of illegal drugs and inappropriate consumption of medication and alcohol may impair this level of safety, and at the same time, have detrimental consequences for the consumer. Additionally, the sale and distribution of illegal drugs is against the law. For these reasons, our company strictly forbids the possession, distribution, sale, and consumption of illegal drugs and/or alcohol at the work place.

At times, it is possible that a doctor may prescribe medication for an illness or health condition, which, although legal and ordered by a physician, could alter some of your faculties that are necessary to do your work, such as, your ability to focus or your reflexes. If this occurs, it's important that you discuss with your doctor whether it may entail some hazard to you, your co-workers, or the company's assets, and that the physician counsel and instruct you concerning the matter.

Smoking on company premises is forbidden, except in those places established by the law.

Practical Examples

I have personally witnessed one of our co-workers consuming drugs in one of the company's restrooms.

What should I do?

Hopefully, you can find a way to help your co-worker. If you're close enough to him/her, perhaps you can recommend them to start a rehabilitation program. But even if that is the case, approach the Integrity Counselor and notify him/her of the issue so appropriate measures can be taken, or file a report. This is the best way to help him/her and safeguard those who work with him/her. Reporting this situation is not an act of disloyalty to your co-worker; instead, it's an act of loyalty toward your other co-workers and the company, because a person under the effects of illegal drugs at the workplace is hazardous to all.

Rejecting all forms of harassment and discrimination

One of our company's fundamental values is respect for people. Any conduct of sexual and other forms of harassment, and any act of discrimination at the workplace is a serious breach of this Code.

Furthermore, the company appreciates and safeguards diversity with regard to race, sex, civil status, association, political opinion, nationality, ethnic background, sexual identity, and social status. The company will seek to promptly and adequately identify and correct any conduct against this value. However, the responsibility to maintain an atmosphere free of discrimination at the workplace, among ourselves, with our clients, suppliers, and third-parties in general, lies with everyone.

Maintaining good relations with suppliers and third parties

The focus on our clients' benefits should always be present in our interactions with suppliers and third parties with which the company has some kind of relationship.

To this end, we must establish relations based on transparency, efficiency, and respect for applicable statutory regulations. The company will always seek better conditions, better quality, and better service, without privileging or arbitrarily discriminating any supplier or third party.

We will seek to refrain from doing business or conducting commercial operations with people and companies that deliberately break the law or participate in illegal business, or the conduct of which deliberately infringes on the company's principles and values. We will share our reputation by seeking to relate with those which share our ethical standards.

Compliance with internal regulations regarding gifts and invitations

The practice of giving or accepting gifts or invitations within the context of business is a reality. However, this could lend itself to abuse; it could promote corruption issues, it confuses the professional and the personal realms; it increases the general cost of doing business, in detriment of the company's clients. Additionally, accepting gifts or invitations can cause conflicts of interest or appearance of a conflict of interest between your personal interests and your responsibility as an employee.

We do not accept gifts or invitations from any supplier, potential supplier, public official, clients, or business associates or competitor. This gift or invitation may be looking to influence business or commercial decisions.

Notwithstanding the foregoing, we can accept certain goods or items, provided they are of an obviously low value, that are common to the local culture, the location and the applicable circumstances which could bear they feature the supplier's brand or not as a form of promoting its company or service, and they are distributed in good faith and indiscriminately to suppliers or clients as a marketing activity; examples include key chains, pencils and caps, among others. More details and the exceptions to this rule can be found in the Policy on Gifts and Invitations. In case of doubt, inquire with the Integrity Counselor or the Ethics Department.

Practical Examples

A supplier invited me to a meal at an exclusive restaurant to discuss his new product line.

Can I accept the invitation?

Yes, you can. But you must previously request authorization from your boss and pay your portion of the restaurant bill. Explain to the supplier that it is company policy.

Each time you receive an invitation or a gift from a supplier, ask yourself: "Would this supplier be extending me this invitation or offering me this gift if I weren't working in the company and didn't have to make decisions that affect him/her?" If the answer is no, then you should not accept.

Caring for company property

We should all care for and protect the company's property. Therefore, we should safeguard products, information, premises, and equipment. We should not misuse any of them, that is, for personal use or in a careless or abusive manner. Also, no property may be taken from the premises where the company located them without proper authorization. Payrolls or clients' or suppliers' files, databases, commercial secrets, among others, are strictly confidential and can only be used for business purposes and by the people authorized to do so. If we generate any intellectual creations in the course of our work, said creations are company property.

We must not download or install software on company computers, since that could expose us to computer viruses or infringe on software licensing rights. The computer software or processing systems provided by the company may only be used for our work. Institutional email may only be used for business purposes, and not personal matters.

Sealed company letterhead and any company representation shall only be used for matters relevant to our work.

All employees are responsible for protecting company property from fraud, misuse, theft, robbery, loss, or damage, and for reporting it if we become aware of such conduct.

Practical Examples

My boss asked me to print some photos from her vacations. She says her home printer is out of order and acknowledges that this would be an exception.

Is this right?

No. It's not your boss's place to ask you to print personal photos. We recommend that you notify the Ethics Department of this matter, since it's not allowed to use company property for purposes other than business. The Ethics Department will handle this situation confidentially.

HOW TO ACT WITH INTEGRITY ON THE MARKET

Fair competition

We seek to compete openly and independently on the markets where we are present, inspired by loyalty toward the consumer and respect for free competition. Therefore, we don't use methods that prevent, restrain, or hinder free competition or that entail acts of disloyal competition; all said methods are ultimately detrimental to our clients.

In order to ensure free competition, we will not directly or indirectly participate in any situation that may prevent, restrain, or hinder free competition; such as, price fixing collusion agreements, abuse of dominating position, or predatory practices. Also, we reject conduct that is against good faith, which seeks to attract a competitor's clients by illegitimate means.

There are many conducts that may affect free competition. In order to provide guidelines and facilitate compliance with statutory regulations, our company has a "Free Competition Policy", which contains the basic principles and criteria for conducting ourselves on a daily basis. Said policy must be respected by all employees, without exception. In case of doubt, we recommend that you inquire with the Department of Legal Affairs and Governance or the Ethics Department.

The company firmly believes in the principles of free competition and reject disloyal competition or any conduct seeking to impair it. No employee is authorized to infringe on this regulation, and it is your duty to notify of any event or instruction of this nature that you become aware of.

Practical Examples

A company supplier called me to offer me information about the discount and margin schemes it offers to a competing company.

Am I allowed to receive this information as a parameter for our negotiations with the supplier in question?

No. In no case can information be received or discussed regarding a pricing policy agreed by a competitor and our supplier. This is an infringement on free competition regulations. You should immediately notify your boss, the Free Competition Officer, the Department of Legal Affairs and Governance, and the Ethics Department.

Respecting financial and documentary integrity

All transactions conducted by the company must strictly abide by the law. Additionally, all our transactions and operations must be conducted according to their type and characteristics, without simulating to be something they are not. Finally, all our transactions must be documented and recorded truthfully in date, form, and content; whether it be in our contracts, communications, statements, and accounting records.

To this end **we must maintain contracts, documents, statements, correspondence, accounting and other records and accounts, complete and accurate, so that they reflect the company's operations or transactions.** It's forbidden under any circumstances to omit or adulterate information in said accounting and other records and accounts.

Company cash should not be used for a purpose other than that assigned by the company. Only expressly authorized persons can sign documents and represent the company.

Those authorized for incurring expenses must provide vouchers for each transaction and promptly render accurate accounts thereof in accordance with the company's internal regulations for handling cash.

Furthermore, we must ensure the accuracy and truthfulness of all documentation circulating in the company without intentionally altering or modifying its date, content or any other aspect thereof.

Practical Examples

My boss donated a computer which we had on exhibition for it to be sold to a low-income school and asked me to record it as disposal.

Can I do this?

No. It's not right for your boss to ask you to alter the truth regarding the accounting record of the donation. Additionally, all donations must be conducted in accordance with the company's policy and procedures for making donations. The foregoing is not only dishonest, but also illegal; therefore you should notify the Integrity Counselor or the Ethics Department of this situation.

Managing information in accordance with the law and internal regulations

Information is an important company asset, and therefore it is our responsibility to safeguard it regardless of whatever format it's in.

In the course of our duties we may have access to private data about our clients, suppliers, shareholders, and/or employees which are protected by the law; commercially sensitive information that we cannot share with the competition, strategic information, and privileged information. It is our obligation to protect, manage, and store information in strict compliance with the law and internal regulations, with absolute discretion, without using for personal benefit or that of third parties, and to destroy it safely whenever relevant.

The company has special policies and procedures for classifying information depending on its level of sensitivity, and rules on how it should be handled. It's your obligation to become aware of those policies and procedures, and abide by them. In general, we can only disclose information to company personnel on a need-to-know basis.

Practical Examples

One of my co-workers resigned but he will still be working at the company three more days. He told that he will take the company's strategic plan with him to develop his own business.

Is this correct?

No. Your co-worker is in breach of the Integrity Code and, very possibly, also of free competition laws. It's expedient for you to notify this issue to your direct boss or the Ethics Department.

Respecting privacy and protecting personal data

All collaborators and other persons to whom the provisions of this Code apply, are obliged to respect the private life of the company's clients, collaborators and suppliers, in strict compliance with the regulations on Protection of Personal Data, and the internal regulations of the company on the matter

In addition, collaborators and any other person to whom this Code applies, must keep in mind that the personal data that the company maintains in its databases are their exclusive property, and that they should not be communicated to third parties without express consent, unless this is validly required by local authorities and laws.

Both the collaborators and the other persons to whom the provisions of this Code apply must treat personal data in a particularly careful manner. Thus, said data may be used only for the purposes authorized by their owners, complying with the internal regulations of the company that regulates the processing of personal data.

Likewise, throughout the process of handling the company's personal data, collaborators and other persons to whom this Code is applicable must safeguard their confidentiality and respect, at all times, the security measures provided by the company to these effects.

Respecting intellectual and industrial property

We are an innovative company and we promote creativity in products of our own brand, as well as from those we acquire from third parties. However, we should always respect intellectual and industrial property rights.

Practical Examples

Can we commercialize products by associating them with a distinctive symbol that we have not previously registered as a brand and that has a noticeable graphic or phonetic similarity to a commercial brand registered under a third-party's name?

No. Said conduct could constitute an infringement penalized by the industrial property law, to the extent that it may mislead or cause confusion. Furthermore, the law regulating disloyal competition deems an example of such an act as any conduct unduly benefitting from another party's reputation, for example, by misleading the public to confuse our own products with those of a third party.

HOW TO ACT WITH INTEGRITY TOWARD SOCIETY AT LARGE?

Abiding by the law

As employees, we are responsible to abide by the various laws and regulations applicable both in our country and in those with which the company has relations or operations, and we should never commit or participate in fraudulent activities.

Practical Examples

My boss said that there was a quicker way to enter products into a certain country which implies bypassing certain regulations.

Should I follow my boss's instructions?

No. Each of us is responsible to abide by all the laws and regulations applicable in the countries where we operate. In addition to entailing a serious detriment to the company's reputation, this type of practice is illegal; therefore you should notify the Ethics Department immediately.

Rejecting any kind of bribery

Bribery is illegal and unethical, and it increases the cost of business, introduces uncertainty in commercial transactions, destroys trust in institutions, and prevents the market from functioning efficiently. In view of this, **the company strictly forbids any employee from making or offering undue payments to any person, or receiving bribes from any person, with the object of obtaining some benefit, gain or advantage.**

Bribery means promising or delivering, as well as accepting the request for a benefit—regardless of its nature or whether it be a public official or not—with the object of getting the person in question to do or refrain from doing something.

No employee can be involved in a bribery, even under the pretext of making courtesy gifts.

Specific criteria for making courtesy gifts are regulated in the Policy on Gifts and Invitations.

As employees, we are not to offer, promise, give, or consent to receiving a benefit of any kind by a public or private, local or foreign official under any pretext or circumstance, and by any means, or for obtaining advantage, influence a decision, or speed up a procedure.

Practical Examples

1. *The customs inspector of the country of origin of an imported product has offered to speed up the procedures if we provide a voluntary donation.*

Can I accept this request?

No. This request constitutes bribery, and it's penalized by law as bribery of a public official. You should immediately notify the Ethics Department of this issue.

2. *A supplier offered me a percentage of an operation with the company if I managed to intercede for closing it as soon as possible.*

Can I speed up the procedures requested without accepting what I've been offered?

No. The sole fact that you're being offered a financial benefit in exchange for a particular procedure constitutes bribery. You should immediately notify the Ethics Department of this issue.

Acting responsible with the community and the environment

The relations we maintain with our clients, suppliers, and the authorities are equally as important as those we maintain with the various communities where we are present. We are part of the community. We not only seek for the company to be profitable, but also to mitigate potential negative impacts it may have on the quality of life of the communities where we are present.

We are committed to being responsible toward the potential effects or consequences that our actions may have on the place where we work, and we should always seek to improve relations with all players involved.

Furthermore, care for the environment will always be a concern for us, and we will abide by all environmental laws and regulations.

Protecting the health and safety of our employees and clients

Our company is committed to protecting its employees' and clients' health and safety. As employees, we must always abide by all laws, regulations, and policies on health and safety. Acting with integrity in regards to health and safety is essential to providing a safe work place.

Practical Examples

At the warehouse there are always boxes that block the aisles. I made this known to the warehouse supervisor, and he indicated that they would be cleared shortly, but the situation remains the same.

Should I notify the department manager?

Yes. This situation entails a serious hazard to the safety of employees that work at the warehouse, and it's your responsibility to notify this situation for the relevant measures to be taken.

Complying with product safety

Our clients' safety is a fundamental company concern.

Therefore, it's paramount to abide by all laws and regulations applicable to product safety. Furthermore, we need to require our suppliers to comply with them so as to ensure that there are no issues throughout the supply chain that could affect our employees and clients.

Carrying out political activities away from the work place and schedule

At our company, we value diversity in all its forms, and that includes diversity of political opinion, perspective, and participation.

At our company we want your contribution, with your full identity, and in all matters important to you, because your dignity as an individual deserves it and because diversity enhances us.

Therefore, in order to give place to everyone at the company, it's important for us to maintain neutrality at the work place regarding things that are not directly related to our work at the company.

Because of this, and because we value your opinion and the way it is manifested in your identity, we should all make sure to conduct our political activities away from the work place and our work schedule. This also means that employees cannot use their position, place, or company assets for political activities.

Relating with the authorities with integrity

We will cooperate with any requirements made by the authorities in the course of their duties, and do so with transparency, truthfulness, integrity, and efficiency.

As employees, sometimes we are required to process applications with the authorities on behalf of the company. In these cases, we should endeavor to comply with the provisions set forth in our internal regulations, which regulate the way in which we relate to the authorities.

We will treat public authorities with respect and refrain from doing anything that could have an adverse effect on our institutional image.

Authorization for making statements to the media

Communication plays an essential role in the globalized world in which we live. Therefore—and for ensuring accuracy and timing of the information made public through the media—only authorized areas or spokespersons may make statement on behalf of the company.

Acting with integrity at work and away from the work place

As you expect the company to be a loyal and respectful corporate citizen which abides by the law at all times, and not only as an employer, the company also expects you to be ethical and show integrity at the work place as well as away from it.

The company doesn't intend to involve itself in your personal life, but only wishes to encourage you to live ethically and with integrity both at the work place and away from it. Furthermore, responsible use of social networks is expected with regard to things you might say that could affect the company's image or reputation.

Dishonesty or poor ethics by an employee in his/ her personal environment may not only affect the company's reputation, but also the person's credibility in the eyes of his/her co-workers and subordinates, in terms of the significance that person places on corporate integrity.

COMPANY CRIME PREVENTION

The company is committed to preventing crime within the organization, whether for its own benefit or not. For this reason, it has a Crime Prevention Program that establishes the criminal liability of legal entities, and which requires all associates to be diligent and strictly law-abiding.

Commission of any crime within the organization is deemed a breach of the Integrity Code. In the case of bribery, asset laundering, financing of terrorism, and corruption between private parties, they will be deemed a material violation of this Code of Ethics and the Crime Prevention Program. For this reason, the company will apply the necessary sanctions or disciplinary measures as a clear signal of the commitment we have undertaken.

As associates, if we become aware of that someone has committed any of these criminal offenses, we are required to report this immediately to the Crime Prevention Officer, the Legal Affairs and Governance Department or the Ethics Department, through the various means made available in the Integrity Channel.

Associates must not offer or consent to give any public or private associate, local or foreign, any undue benefit, under any pretext or circumstance, regardless of the means used, nor must those undue benefits be received.

Associates must at all times make sure that the money or other things of value they receive on behalf of the company or in connection with their work do not originate in any illegal activities and they must make sure that these resources are never used to finance illegal activities.

MEANS OF CONTACT



LINK TO THE
INTEGRITY CHANNEL
ON THE COMPANY'S WEB PAGE
<https://canaldeintegridad.ines.cl/falabella/eng/>



EMAIL
contactochile@gerenciadeetica.com

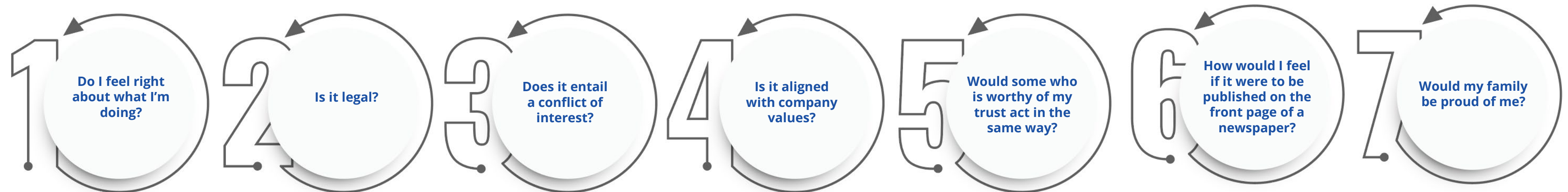


PERSONALLY
BY GOING STRAIGHT TO THE
ETHICS OFFICER

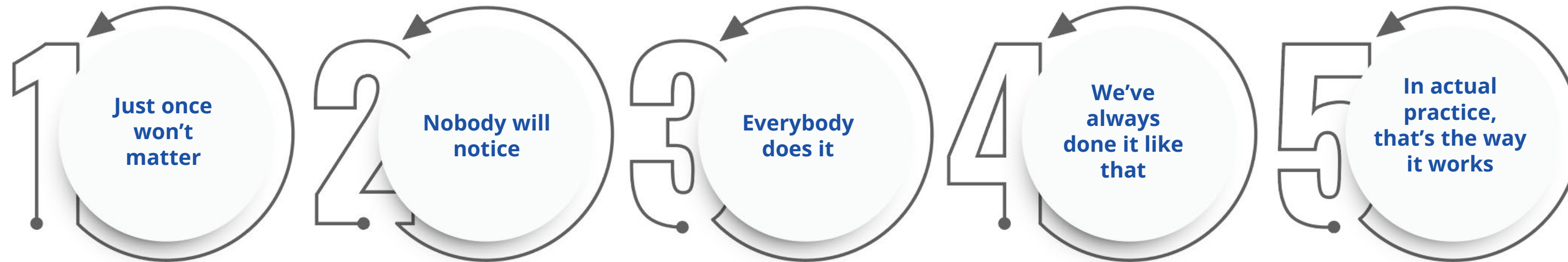
HOW TO PROCEED IN THE EVENT OF AN ETHICAL CHALLENGE

When faced with complex decisions, certainty about acting with integrity is not always clear.

When we face an ethical dilemma, before acting we should ask ourselves the following questions:



On the other hand, we all have a natural tendency to look for or invent excuses for concluding that what we have done or what we're about to do is not wrong, even if it is. This psychological process for accommodating or excusing the uncomfortable prodding of our ethical conscience is called rationalization. Some typical examples of rationalization are the following excuses:



¡Beware! Phrases like that are frequently excuses for allowing ourselves to do something we know is wrong.

If you are in doubt, it's recommendable for you to approach the Integrity Counselor or the Ethics Department, who will guide you toward making the best decision.

APPLICABLE MEASURES IN THE EVENT OF BREACH

The company may apply disciplinary measures that vary from a verbal reproach to the dismissal of the employee in the event of breach of our Integrity Code, the law, or applicable regulations.

The measure to applied shall be defined in accordance with the severity, impact, and significance for the company, and the responsibility of the person who committed it.

On the other hand, any person who makes false accusations or lies in a deposition they make in an inquiry of an ethics case, shall also be applied the aforementioned penalties.

OUR COMMITMENT TO INTEGRITY

The principles and values may become dead letter if we don't bear in mind the most important thing: our commitment to integrity

With my signature as evidence that I have received a copy of this code and I have read it and understood it, I hereby make the following commitments:

1. I hereby personally accept the responsibility of upholding the integrity of our company in each of my actions and decisions, and of respecting the values, principles, standards, and policies described in this Integrity Code and in other company policies and official documents.
2. I hereby assume the obligation of acting as an example and always harboring a righteous attitude by avoiding situations that may be detrimental to our clients, employees, or company reputation.
3. I will inquire in the event of doubt regarding the scope of ethical obligations, and will report in good faith any situations entailing an infringement on this regulation.
4. Maintain due confidentiality after filing a report or cooperating in an ethical inquiry

Integrity is built by all of us.

NAME

ID

DATE

SIGNATURE

FALABELLA

