

EXECUTIVE LETTER

Diversity is Intelligence and Profit

Magazine Luiza is a retail company founded in 1957 by my uncles Luiza and Pelegrino, which started with just one store in Franca, in the interior of São Paulo, and today has 1,113 stores in 21 states. In addition to this strong physical presence, it is one of the largest digital commerce platforms in the country, generating 45 thousand direct jobs.

We have promoted diversity and equality at Magazine Luiza since its foundation, and this topic has always been a natural concern. With the growth of the company and the opening of stores, I remember, still very young, seeing my aunt's face when she didn't see black employees on the board of a store that opened.

The issue of racial and gender equality has always been a concern, and one of our non-negotiable premises concerns prejudice, which the entire team understands and agrees with. We call non-negotiable values the ones we do not give up in the company, which are widely publicized and which are postures required of everyone, with risk of summary dismissal in case of non-compliance, regardless of the position or period worked in the company.

What we always do are some punctual adjustments in certain positions or areas, as we did with the black trainee program because we understood that we needed to foster new black leaders in the company, and the trainee is the most natural way to do that. I always questioned the Human Resources area at each trainee edition and complained about the lack of black candidates. Those responsible claimed that they tried, but could not get candidates to join, perhaps because they did not recognize it as a place of presence for them.

We have a diverse picture in the company, but we saw the need for black leaders in senior positions in the company. Therefore, Frederico Trajano (CEO) and the team started to plan a specific trainee program for blacks.

Extensive work was carried out, with a lot of research and consultation with various entities, representative associations, and consultants to support the project's consistency, as we knew that the subject would be controversial, but also very important to break a market paradigm. We held an internal event announcing the program on a Friday and issued a press release. It was a weekend of intense discussion, with many people criticizing and alleging reverse racism, something I had never heard of and which doesn't exist. After the initial impact, we had a large movement of entities, associations, public figures, journalists, and academics who mobilized to defend the action, seeing the necessary change in the market's posture based on Magazine Luiza's boldness. It was a big step necessary for the corporate market to be able to see the great social debt and enrich its staff with the increase of

black people. After Magazine Luiza, several companies launched similar programs. I credit this great impact and intolerance to structural racism ingrained in society. Recently, a friend asked me to explain what structural racism is and I share what I said here, because thanks to this practical example, my friend was able to understand the scale of this problem.

I told her that if we arrived at an upscale mall right now and ran into a black man in a suit in the hallway, the first thing she would imagine is that he's the mall's director or the bouncer? With over 300 years of slavery, Brazil was one of the last countries in the world to adopt abolition, and terribly, without any rights, throwing slaves to the margin of society, creating structural racism in our country that needs to be strongly fought.

We have diversity in Magazine Luiza's DNA, with a team prepared to respect each and every race, belief, or sexual orientation. We understand that the more diverse the company, the more it is innovative, creative, and attuned to society itself and its wishes, that is, if a company does not do this for culture, it should do so through intelligence, as this will be increasingly a requirement of society and the consumer.

We have to work and believe in a society that, by valuing diversity and equity, will help build a more egalitarian and productive nation. Evidence that the more diverse a company is, the more profitable it is has already been given, we need to accelerate this process.

**Executive letter received through Editor-chief invitation:
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What is an executive letter?

Executive letters are documents published by the Journal of Racial and Ethnic Social Equality - JRESE, and lend themselves the role of enabling and establishing a dialogue between the community of practitioners and academic community in the field of business and management. The central intention of Executive Letters publication is to consolidate and guide the social impact of rigorous scientific research in this field. These documents should primarily contain the opinion, at the individual level, of people who exercise leadership in sectors of industry or public management on issues relevant to their performance. Therefore, these documents must address contexts and problems faced by leaders, which may be reflected in research targets in the business and management area. The Executive Letters will be authored by individuals invited by JRESE Editors.



Luiza Helena Trajano

Chairman of the Board of Directors of Magazine Luiza and Grupo Mulheres do Brasil and Ambassador of the AR Movement - movimentoar.com.br.