Diversity and Inclusion

Our desire is to ensure that all our employees, regardless of their gender, sexual orientation, religion or any other fundamental characteristic, achieve a sense of belonging that encourages them to portray the best aspects of themselves at work. Inclusion is important, not only because it gives each person the opportunity to grow, but also because it helps us to become customer representatives, which enriches our value proposition and brings us closer to them.

We approved a Diversity and Inclusion Policy in 2019, where we declared our commitment to respecting and protecting the dignity of everyone, to fostering a working climate that is inclusive and diverse and to prohibit arbitrary discrimination.

The company has an Integrity Channel for any employee or third party 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 Integrity Channel identifies the most frequent issues. It suitably resolves the reported problems, and identifies any required training or communication. This Channel includes investigative processes that secure due process, confidentiality and non-retaliation for whistleblowers in good faith.

Our commitment

**Gender equity.** Our goal is to create a working climate that attracts women and encourages their professional development, with the aim of 40% of our Managers and Executives being women by 2022.

**Support for sexual diversity.** We celebrate love in all its forms. We embrace sexual diversity and encourage inclusion that is free of discrimination for everyone, regardless of their sexual orientation or gender identity.

**Inclusion of people with disabilities.** We want to be an increasingly inclusive organization that provides opportunities, encourages talented people and eliminates barriers within the organization. We promote equality when exercising rights and aim to improve and simplify the quality of life for everyone.

Find opportunities to join our team!

We are a team with a sense of purpose. We are always concerned about our impact on local communities and the environment and we want to add value with every decision. We are a team that encourages career development and mobility with a focus on continuous learning.

Click here to become a key player in co-creating our ecosystem and continue to make us a great place to work!

Our diversity in numbers

Our People Analytics team analyzes information about our employees and identifies risks and opportunities, in order to make well informed decisions. We believe that diversity and customer representation within our workforce matters, so tracking the composition of our workforce helps us plan and improve our talent management.

| 106,929 | Employees across the region |
| 50%     | Of our workforce are women  |
| 36%     | Of our executive positions are held by women |
| +800    | Female executives participating in the Connected Women Network |
Our leaders

What leaders say and do makes a 70% difference to whether an individual feels included, which is really important. As people feel more included, they speak up more, go the extra mile and collaborate, which raises organizational performance (The Key to Inclusive Leadership, HBR).

Therefore, at Falabella we have sponsors on the executive committee and leaders for each inclusion pillar, who portray that pillar and become role models.

"Being a leader for our sexual diversity inclusion group means building confidence and safety for the entire LGBTIQ+ community at Falabella, so they know that this is a safe place where they can be truly authentic and that their perceptions are vital to building a more inclusive society."

Lucas Chávez-Alcorta, Sexual Diversity pillar leader Regional Branding & PR Manager at Falabella.com

"I think it is very important to advance gender equity by promoting women’s career development, increasing diversity within organizations to make them more representative of society, and involving differing points of view in decision making."

Maia Hojman, Gender Equity pillar leader Corporate Commercial Manager at Falabella Financiero

It is also very important to appoint leaders for the stores, branches and shopping centers operated by each business unit, since they are gateways to customer diversity. Accordingly, we have been shaping teams in stores and assigning ambassadors with the role of being "Inclusion Trainers"

Discover more about some of our initiatives!

- **Female empowerment**: forms part of Falabella Retail’s social agenda in every country, and it has joined an alliance with Chilean singer Francisca Valenzuela, Colombian composer Martina la Peligrosa, Quechua singer Renata Flores and Chilean pianist Mahani Teave, called the “Arriba Mujeres” (Women Rise Up) campaign. It aims to inspire, mobilize and empower women using a purposeful message that can be summed up in one sentence: Women rise up, we can do anything!

  The message that has been transmitted to all Latin American women has paid tribute to the stories of 17 women from Peru, Chile and Colombia, who have inspired more people to make progress.

- **Inclusion Trainers**: during 2021 we launched a pilot program at stores and branches of Falabella Retail, Sodimac, Tottus and Banco Falabella in Chile, which trained employees on diversity and inclusion issues, while focusing on customer service. These trainers became true role models and agents of change, and they have transmitted all of this knowledge to their teams.

Some testimonials from trainees

"We stopped to think, to listen and understand other people of all kinds, or at least to distinguish those small differences, which are sometimes very small, almost imperceptible, but which make us unique and unrepeatable beings. This has been a beautiful gift." Macarena Molina, Falabella Retail.

"We stopped to think, to listen and understand other people of all kinds, or at least to distinguish those small differences, which are sometimes very small, almost imperceptible, but which make us unique and unrepeatable beings. This has been a beautiful gift." Carolyn Castro, Sodimac.

"Inclusion Trainers is more than a program name to me. It meant broadening my vision of a world with great differences, but with a great desire for respect and equality. Here we were taught how to live with dignity, where everyone is important, and where there is no absolute truth." Ángela Ambler, Banco Falabella.

"Participating in this training course has helped me with several issues, to enlighten myself, immerse myself, refresh myself, and above all to develop the skills to promote such an important topic as inclusion (...). This experience has taught me that we should all use more inclusive language and cultural attitudes that exclude bias and discrimination of any kind. That respect for other people should be pure, true and from the heart." Joel Barrera, Tottus.

Resource center

- D&I Policy

**Gender Equity**

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How will we achieve this ambitious goal?

- **Working flexibly:** we understand that flexible working models are very effective at improving gender diversity, especially in executive positions, and they contribute to employee engagement. It is important for us to offer flexibility to everyone, in order for teams to manage their own time and interests. Accordingly, after the pandemic our employees will be able to work remotely from any location depending on their duties and alter their start and finish times.

- **Combating bias:** unconscious bias can have an adverse impact on our judgment, resulting in non-factual decisions that unconsciously favor one person or group to the detriment of others. We use various approaches to avoid bias at Falabella, such as creating an inclusive communication manual, reformulating job descriptions to make them gender neutral, requiring that at least a third of the long list of Managers and Executives positions should be held by women, arranging regular training workshops on unconscious bias, and equalizing the benefits for men and women, such as extending postnatal leave for men from 5 days to 1 month.

- **Programs aimed at key talents:** programs such as "Mujeres de Alto Rendimiento" (High Performance Women - MAR) accelerate the professional development of women within Falabella, and we strengthen their key leadership skills through training, coaching and career development sessions to prepare them for senior management positions. Falabella is the first company in Latin America to be certified in the #TrainTheTrainers program of the "I'm Remarkable" initiative organized by Google that seeks to empower women and other under-represented groups.

- **The Connected Women Network:** it is an independent network that brings together more than 800 female executives from all of Falabella’s businesses in every country. It promotes female talent and aims to (i) increase the number of women in management positions through role modeling, networking and skill-building, to overcome the obstacles that often affect underrepresented groups in organizations, and (ii) contribute to generating an employer brand for Falabella. These initiatives include:
  - Talks by Inspirational Women - aimed at raising the profile of talented female employees
  - Talks by Leading Women - to connect with talented women from outside the organization
  - Mentoring Programs
  - STEM Women
  - Participation in the #IamRemarkable initiative promoted by Google worldwide
  - Gender Equity Survey - an annual survey covering all Falabella employees to assess the perception of gender equity within the organization

**What does the Connected Women Network mean to you and how is Falabella responding to the gender equity challenge?**

*"The Connected Women Network is a channel for developing my interest and commitment to gender equality at a professional level. It opens up opportunities for communication and creativity, which have been increasing due to the commitment of many female executives willing to dedicate their time to construct an inclusive organization with development opportunities for all. Our focus is on collaboration and on celebrating complementary talents and skills that make a significant contribution to Falabella’s success."* Dafne Gonzalez, Operational Legal Affairs Manager, Falabella S.A.

*"Participating in the Connected Women Network means meeting diverse and talented women with different experiences and uniting with them to make things happen (...) The "I’m Remarkable” training was an invitation to discover others forging their own experiences, to listen to their dreams and failures. It enriched me a lot at a personal level"* Ximena Díaz, Compliance Manager, Tottus

*"For me, the Connected Women Network is a professional and personal female team that gives each member the opportunity to discover themselves as a professional woman and as an employee in a team, in order to reach their goals. I am grateful for the support I have received from this network of inspiring women, who led me to this golden opportunity to become a finalist for the Globant Awards - Women that Built. Falabella’s dedication to doing what it believes is right makes me feel that there really is gender equity. The idea is that everyone, regardless of gender, should have better training and employment opportunities"* Marvis Lara, Devops Leader/Production Support, Tottus

- **Salary gap:** We are committed to gender equity at Falabella and therefore to managing the salary gap. Our policy is states that identical positions should be in the same salary band, which is defined by variables such as the size of the business unit, the responsibility of the position, market research, the individual’s experience and skills, and other variables.

The difference in the category of Managers and Executives is mainly due to the composition of this category, as senior positions are filled by fewer women. Data as of December 2020. The gap is calculated as the average base salaries for women compared to the average base salaries for men.
Sexual Diversity

We celebrate love in all its forms. We embrace sexual diversity and encourage inclusion that is free of discrimination for everyone, regardless of their sexual orientation or gender identity.

We invite you to watch the web mini-series #UnEquipoConOrgullo!

- Chapter 1
- Chapter 2
- Chapter 3
- Chapter 4

Attracting LGBT+ talent

Falabella supports the attraction and retention of LGBT+ professionals. We have created an environment where everyone can contribute and develop to their full potential, whatever their identity. Therefore, our vacancies are published on Pride Connection’s Job Portal and we leverage the value created by our Employer Brand.

We launched the Gender Transition Protocol, to underscore our commitment to inclusion and protect the dignity of all our employees, regardless of their identity, which aims to lay the groundwork for supporting employees who are beginning or continuing their transition in an environment of respect and familiarity. Furthermore, supplementary insurance in Chile provides coverage for gender transition, including psychological support, hormone treatment and surgery. It is important to Falabella that we provide our employees with the same benefits regardless of their union with their partners. Therefore, we have extended pre and post-natal benefits to same-sex couples and provided the same benefits for marriage and civil union agreements between these couples.

“We welcome the Equal Marriage Law in Chile, which will help us to become a more inclusive country. At Falabella, we have been welcoming and respecting diversity for some time. This means that we attract diverse people into our company, and that they can be themselves at work. Diversity within our teams is vital because it enriches our response to customer requirements, and brings us closer to our customers.”

Andrea Gonzalez, Strategy and Sustainability Manager

‘LGBT+ y Aliad@s’ Community

The ‘LGBT+ y Aliad@s’ community was created in 2020 from a voluntary initiative by a group of people at Sodimac Peru. It has become an opportunity for dialog at all the business units within Falabella Chile, Peru and Colombia. Employees use this community to meet, connect and communicate about issues that are important to them. It also provides an opportunity for everyone to lead the change and directly impact Falabella’s cultural transformation by making it increasingly inclusive, while amplifying the diversity of voices and experiences involved in setting organizational priorities.

Each community has its own leaders, who voluntarily choose to participate in order to moderate, raise awareness, build safe and comfortable environments, encourage conversation, and directly connect with Human Resources teams.

How is working at Falabella for you?

“I think that can be expressed with one word: freedom. Because I can be who I am, because I feel that my opinion is valued, and I feel comfortable and at ease. I am proud to belong to the LGBTI+ community, I feel it is a great step forward being able to contribute to forming a more diverse and inclusive community, where prejudices can be shelved and we can educate people. Many people do not feel comfortable coming out of the closet at work because they will be mocked or repressed. That’s why we are here, to declare that we are visibly present and that we must keep asserting that our lives are as worthy of respect as any other.” Ryan Andre Pinedo, Telemarketing Executive, Seguros Falabella.

“I have the freedom to be myself at Falabella without fears or worries, and I can fulfill my potential as an individual, professional and organizational leader. Diversity is on our group’s agenda and our executives are committed to welcoming any current or future employee who identifies with a minority, and assuring them that they will be given equal conditions to successfully develop within the organization”. Carlos Caballero, Corporate Insights and Visualization Manager, Falabella Tecnología.

“I can be myself while working at Falabella. I have never been treated differently because I am a lesbian. It’s definitely a safe space, where I can transparently express myself, build honest relationships and find the best friends.” Valentina Diaz, Art Director, Falabella.com

Sexual diversity training

We believe that education and training in sexual diversity is a useful mechanism to combat discrimination in the workplace. We spend more than a third of our lives in the workplace, and we understand that our personal lives do not stop when we arrive at work. Therefore, we believe that opportunities for reflection and training in diversity and inclusion are very important, as is clearly so evident in our commitment to education and training.
understanding sexual orientation, gender identity and gender expression.

We arranged a series of awareness and education workshops and talks during 2021, where we trained more than 600 managers and executives and more than 3,000 employees.

**Strategic Alliances**

Falabella has been a member of Pride Connection Chile since 2019. This network promotes inclusive working environments and unites over 80 Chilean companies who attract LGBT+ talented people. This strategic alliance gives us access to the best practices in the market and provides us with advice on developing and implementing our sustainability strategy. We participate in its “Equidad CL” survey every year, which diagnoses how far companies have progressed with their inclusion issues, with a particular focus on the LGBTI+ pillar.

“Everyone wins when a company becomes the best place to work, which makes room for all kinds of talented people. It is even more important when a company with Falabella’s prestige does this, as it leads the way for other companies”.  

Emilio Maldonado, Founder of Pride Connection

**People with Disabilities**

We want to be an increasingly inclusive organization that provides opportunities, encourages talented people and eliminates barriers within the organization. We promote equality when exercising rights and aim to improve and simplify the quality of life for everyone.

It is estimated that about 15% of people worldwide have some form of disability. However, there is a much lower percentage in the workforce, and a large proportion of them cannot fully disclose their disability. At Falabella we want to be representative of society and our customers. Thus, our challenges ahead include attracting diverse talent, becoming truly inclusive, and breaking down the barriers between people and their context.

**Our path to inclusion**

- **Training and cultivating an inclusive culture:** we must break down cultural barriers to inclusion by raising our teams’ awareness of the strategic value and indispensability of inclusion. We want to create opportunities for conversations and educational workshops on inclusion on a regular basis.

- **Accessibility:** barriers to inclusion are not always cultural, but can be quite specific, so accessibility means the opportunity for someone to be employed, to commute and to keep their job, in a safe, comfortable and autonomous manner. We have made progress, but we still have a long way to go in several areas. These include mobility and transportation ramps in stores and branches, the SAP help desk accepts online tickets to complement telephone access, and we are moving towards performance evaluations adapted to people’s capabilities.

- **Inclusive work cycle:** we must strengthen our inclusion practices throughout the work cycle of our employees with disabilities, in order to attract and retain diverse talent. Recruitment and selection, induction, training and performance evaluation processes must be designed to ensure that they apply to everyone working at Falabella.

Our selection teams in Chile participate every year in Expo Inclusión. This event is a meeting point for companies, government, academia, entrepreneurship and foundations around inclusion for people with disabilities, senior citizens and migrants with disabilities, in order to highlight the rights of people with disabilities, and to provide mechanisms to achieve nationwide cultural, social and educational transformation.

**Experiences at our subsidiaries**

- **Employment Inclusion Program for people with hearing disabilities at Falabella Retail Colombia:** Falabella Retail shared this program with the Labor Ministry and consulted with the “Red de Empleo con Apoyo” RECA Foundation and other expert organizations, in order to provide employment opportunities for deaf people, to adapt internal corporate processes and to train those employees who will have most contact with them in basic sign language, with the aim of ensuring that these new employees will encounter an appropriate and totally egalitarian workplace.

- **Program with a future:** Falabella Inmobiliario joined “Con Trabajo” Foundation's program of inclusion and job training for employees with disabilities. This program enables people with intellectual disabilities to increase their job skills while working, using an innovative method that offers a support system that integrates into the workplace.

**Alliances**

- **Con Trabajo Foundation**
  This is a non-profit organization that aims to improve the quality of life of people with intellectual disabilities through its sustainable employment inclusion programs. The organization also advises companies on occupational inclusion and
sustainable employment inclusion programs. The organization also advises companies on occupational inclusion and managing diversity, in order to successfully transform towards an inclusive culture.

“At Falabella we have begun to accelerate our progress towards employment inclusion for people with disabilities, which has been strengthened following a diagnosis of our current organizational culture. It is vital that we understand the huge diversity among our customers and employees, and the requirements and challenges of modern times. We need to manage people and diversity with a strategic dimension because it determines how we form companies and do business.”

Maria José Lopez, Executive Director and Founder of ConTrabajo Foundation

- Inclusive Companies Network (Red de Empresas Inclusivas)

Falabella is a member of the Inclusive Companies Network. This is a group of more than 55 companies who aim to convene, encourage and share best practices that responsibly promote employment inclusion for people with disabilities and confirms their social and economic benefit to Chile.