



2022 Annual and Sustainability Report

RD Gente,
Saúde e
Bem-estar.
RaiaDrogasil S.A.

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WELCOME

Welcome to our **Annual and Sustainability Report**, an opportunity to be transparent about our performance and share our results with all stakeholders. In this report, we share our businesses challenges and achievements of 2022 in the three main operational units – Pharmacies, Distribution Centers, and Headquarters – and also our evolution to offer integrated health and wellness solutions to RD customers.

Along the way, we have come to believe that **Todo Cuidado Conta Program (Every Care Counts)** if we want to be the group that most contributes to a healthier society in Brazil by 2030.

We understand that RD's products and services can contribute to a regenerative

economy, more circular and oriented towards health and well-being. And our greatest desire is to integrate the business future with the humanity challenges.

The 2022 report continues a cycle of periodic reporting on progress in our 2021 public commitments. It is gratifying to share our business and sustainability journey with you. We have a lot to talk about the year 2022.

Join us and happy reading!



ABOUT THIS REPORT

GRI 2-1, 2-2, 2-3, 2-5, 2-14

For the seventh consecutive year, we present the Annual and Sustainability Report. This material shows advances in the ESG (Environmental, Social and Governance) agenda, aligned with the purpose of being together for a healthier society, as well as the main initiatives aimed at achieving the 2030 Ambition – to become the group that contributes the most to a healthier society in Brazil. The report also shows the operational highlights, challenges, and results of our businesses.

In line with best practices, this publication was prepared in accordance with the GRI Standards (2021), the principles of the International Framework for Integrated Reporting (IIRC), proposed by the Value Reporting Foundation, and the recommendations of the Task Force on

Related Financial Disclosures to Climate (TCFD). For the first time, it integrates the Sustainability Accounting Standards Council (SASB) indicators for the pharmaceutical retail sector. Performance data are also correlated with the Sustainable Development Objectives (SDOs), of the United Nations (UN).

Specifically, the financial data follow the accounting practices adopted in Brazil, which include the rules of the Brazilian Securities and Exchange Commission (CVM), the Brazilian Technical Accounting Standards – General (NBC TG) – and the pronouncements of the Accounting Pronouncements Committee (CPC). They are also in compliance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards

Board (IASB). The information presented in this report was approved by RD's senior management and was independently verified by KPMG. The content covers the period from January 1st to December 31st, 2022, with data related to the headquarters in São Paulo, the pharmacies chain with the Droga Raia and Drogasil brands and the Distribution Centers (DCs). Exceptions are noted throughout the text or in footnotes. Unlike the Financial Statements for the 2022 fiscal year, published on March 7, 2023, the data referring to the subsidiaries (100%) Cuco Health, Manipulaê, Amplimed, 4bio, RD Ads and Eloopz, Healthbit, Safepill and Vitat were published in 2023 in specific materials with ESG information can be accessed [here](#).

The content was defined based on the materiality process, as detailed on page 10, in-depth interviews with advisor, directors and other executives linked to our strategy, and information collected by different team areas, supported by an external consultancy. **For any questions and/or suggestions, please contact us by e-mail:** sustentabilidade@rd.com.br

MESSAGE FROM THE BOARD OF DIRECTORS

GRI 2-22

In 2022, Brazil faced many challenges, in special a scenario of socioeconomic restrictions where millions of Brazilians faced unemployment, higher inflation and interest rates, fundamentally due to the pandemic, which remains controlled with vaccination. We are part of a resilient sector; we also have structured governance and build a team committed to our strategy of becoming a health promotion company with high execution capacity. Thus, we managed to overpass the economic crises without major impacts and in a safe way, guaranteeing

robust results for the business and consistent value creation for our stakeholders, especially for our customers, who are our reason for existing.

In 2022, we advanced in our 2030 Ambition of being the group with the biggest contribution for a healthier society in Brazil and were achieved important advances. We look for the future with great optimism, seeking our people-centered strategy to build a new pharmacy concept and an innovative healthcare platform to promote

integral health in all its dimensions: physical, mental, spiritual, social, and environmental.

In the coming years, we will continue to invest in empowering our health ecosystem, internally developing products and building partnerships with innovative startups to create integrated solutions in healthcare and changing habits in people's lives. Therefore, we expanded our role from a chain of pharmacies to a integral health hub.

With a new strategic context, we deepened the discussion on our culture, values, and necessary skills for the next cycle of growth. We reaffirm our purpose for a healthier society, guided by 3 pillars way: I) take care of people; II) driven execute and III) build the future.

We have an active Board, committed to the RD's perpetuity, and the guardians of Culture, the long-term Strategy and our 2030 Sustainability Ambition.



Antônio Carlos Pipponzi
Chairman of the Board of Directors

With participatory committees, guidelines integrated into strategic planning and discipline in complying with rites and processes, we understand that our governance model must be constant evolution, in order to continue contributing to the long-term value creation for RD.

For this reason, we recently understood the necessity to expand the Council's competences, adding new areas of knowledge. We expanded the directors' number from 9 to 11, bringing expertise in technology, the platform business model, health and people, areas in which we are accelerating the pace.

We want the Company to be able to count on an even more plural governance and we are aware of the need to move forward in this direction. Therefore, in 2023 we carried out a census with the members of all governance bodies in the RD to obtain further data on diversity. Currently, the board has three women and members between the ages of 40 and 70.

We have big challenges ahead us on the ESG agenda. We defined and publicly disclosed 35 commitments, distributed, and organized within eight strategic impact objectives, and focused on people's health, businesses and the planet. An example of an initiative that is essential for society and extremely challenging for the Company is the decarbonization projects and greenhouse gas emissions definition, especially related to Scope 3, which involves a strategy to mobilize and engage our supply chain.

For the 2nd consecutive year, we integrated our ESG goals into the variable compensation indicators of our executives, bringing opportunities beyond risk mitigation and impact reduction, as they contribute to the execution of our 2025 Strategy. Aware that goals need to be revisited, in 2023 the Sustainability Committee will follow an update based on the first two years learnings and the current scenario of

the Company. It is also important to mention the strategic role played by the Sustainability Committee in defining, engaging, and implementing goals. In the last three years of all committees' evaluation, the Sustainability has shown the best performance and it reached the maximum excellence level in 2022, demonstrating how this governance body has been perceived as an essential tool in our sustainable journey.

We believe that companies have a decisive role in the business development to address society's main challenges, such as global warming and the social inequalities reduction. And with a view to build the future, we invite you to read this report. We will continue to invest in RD people and in understanding our customers' needs. Our goal is to create value for our stakeholders through solutions that promote a healthier society for all. The health of people, businesses, and the planet rely on each one of us.

Good reading!



MESSAGE FROM THE CEO

GRI 2-22



Marcilio Pousada
CEO

Dear reader,

The report publication is an important moment for RD, as it is our great opportunity to share the achievements obtained and the challenges faced. On the following pages, you will find initiatives and projects that will allow you to better understand our journey. I'm thrilled to share with you what an excellent year for RD.

In 2022, we grew up 20.9% in revenue and 8.3% in pharmacies number, maintaining our expansion path and meeting the goal of opening 260 new units per year, which makes RD present in all Brazilian states. There are over than 2,600 units in 540 municipalities.

In addition to the new pharmacies opening, the customer journey into digitization has significantly contributed to the GRI 2-22 total growth of RD, as the digital customer is more loyal and frequent. Over all current investments, around 40% is directed towards network expansion, 20% in pharmacies maintenance and 40% allocated in technology and infrastructure, which will position us at a higher levels within pharmaceutical retail. This investments distribution indicates the importance digital transformation in our business.

Regarding the supply chain, it was a difficult year for pharmaceutical sector due to the lack of products on the market - still a reflection of the pandemic abroad, mainly in China. Despite that RD managed to cross this moment without major concerns because of our stock and own distribution operation in almost 80% of our pharmacies, allowing us to keep product replacement up to date. Overall, there are 11 distribution centers (DCs) strategically positioned in our operational regions for daily supply to pharmacies, and we will inaugurate other

3 DCs in 2023. The new Distribution Centers opening reflects our expansion plan and has been taking place to serve better our customers and in all locations with Droga Raia and Drogasil pharmacies. From 2023 on, the new Mato Grosso's DC will be partnering with the Goiânia DC to supply the Midwest region and part of the North demand. The new CD in Pará will exclusively cover the North region.

In Manaus, we will inaugurate a smaller DC to serve exclusively the city. This Distribution Center could be a new model in other capitals of the country for future implementation.

As for external and health factors, the Covid-19 had isolated peaks throughout the year, although less relevant and impactful for our business than 2021. Our work remained focused on customers, who continued to go to pharmacies for testing. In the year, we performed 1.4 million Covid tests in our pharmacies and sold another 3.8 million self-tests.

In general, the pharmacy has been strengthening as part of customer life and following the valuing trend as a health promoting agent. The Covid-19 pandemic reinforced this role and brought important changes in people's behavior, who began to seek the pharmacy not only for shopping medicine, but to perform a service.

Even before pandemic reinforced this movement, RD had been moving towards transforming its pharmacies into health and well-being promoters. Driven by this belief and convinced that business growth is directly proportional to the costumers' health, we developed the 2025 Strategy based on three pillars to lead us through the RD's purpose: Together for a healthier society.

The first pillar is the New Pharmacy, humanized and digital at the same time. We are changing our pharmacies into health spaces, with pharmaceutical guidance and services ranging from a simple injection to rapid diagnostic tests (RDTs), such as glycated hemoglobin and lipid profile. On the other hand, we also invested in multi-

channel, offering customers the possibility to interact and buy efficiently in different digital channels. And, therefore, we are concerned with reducing delivery time in large capitals.

Our second strategy pillar is the Healthcare Product Marketplace on the Droga Raia and Drogasil digital channels, which diversifies the health-related products assortment and contributes to increasing customer engagement. Our sales through digital channels reached BRL 3.2 billion in 2022, an increase of 52.7%. There is no doubt that the Healthcare Product Marketplace will be a powerful tool to complement the assortment offered to customers, participating more intensely in their health journey.

The healthcare platform, led by Vitat, emerges as the third strategy pillar seeking to promote customer health on several fronts. In this strategy, we will connect products, services, and solutions through health engagement journeys. We have made advances, but we also know we have a lot ahead. Therefore, we will continue to

improve the platform's resources and new skills to develop an experiment to radically change people's lifestyle, making them increasingly healthier.

Another major point is how we are evolving in the ESG agenda. Once the 2025 Strategy was elaborated, we noticed a lack of clarity regarding this topic, a contemporary and extremely relevant agenda not only for RD, but for all organizations.

As we started to dig into the topic, we noticed the alignment between our practices and the ESG agenda, and also the need to structure initiatives, projects and goals. That is how the 2030 Ambition was born, based into three pillars: Healthier People, Healthier Businesses and Healthier Planet, which bring together eight strategic objectives and concrete commitments to sustainability, aligned with the business strategy.

And this journey has been rewarding so far: in 2021, we enter into the Corporate Sustainability Index (ISE B3), which recognizes the commitment of several organizations listed on the Stock

Exchange to sustainability; in 2022, we remained in the ISE and evolved in performance, an achievement that strengthens us and reinforced the certainty to continue in the right path towards our sustainability ambition: to be the group that most contributes to a healthier society in Brazil.



Since 2019, RD has been a signatory to the UN Global Compact and remains mobilized around the Sustainable Development Goals (SDGs)

To advance the environmental agenda, we are investing in sustainable actions for people, the planet, and the Company. RD was a pioneer adopting a program for the expired or out-of-use drugs final disposal and became a reference in the subject. In 2022, we reached the milestone of 100% pharmacies with a Conscious Disposal Program collector, and we invested in increase the teams and customers engagement into the program, resulting in

**We closed the year 2022
with 45% of the units
supplied by renewable
energy sources**

the collection of 192 tons of materials, a 40% increase compared to the previous year.

Concerned about our carbon footprint and motivated to reduce greenhouse gas emissions, we move forward the climate agenda with the inventory evolving and started to encourage the partners engagement to disclose the emissions through the CDP Supply Chain. Reflecting the advances at this agenda, our score in the CDP Climate Change questionnaire evolved from C to B in 2022.

In 2014, we started the renewable energy implementation in RD's pharmacies and ended 2022 with 45% of the units supplied by renewable sources, such as biomass, photovoltaic and small hydroelectric plants. In addition, we started using electric trucks in our fleet, another initiative in line with the ESG agenda.

Finally, we reaffirm that our great strength is people: more than 53,000 employees, a diverse team with the Brazil's face in all dimensions – race, age, sexual orientation, gender, and people with disabilities. In 2022, we push the journey

towards greater gender equality. We have 68.9% of women in operational leadership positions, 44.1% in middle leadership and 29.3% in executive leadership positions, surpassing the year targets.

To contribute to the mobilization, engagement, and leaders' reflection process for the Diversity and Inclusion Culture evolution, we created the D-Day, aimed at pharmacies leaders, DCs and corporate areas. This leader's preparation is important to educate, for example, on how to avoid racism, homophobia situations and disrespect for people's rights.

The people at RD make our business brilliant and enduring. And what do we do for them? We develop, train, and empower. Just look at all the Company's initiatives, with highlight on the RD University. As an example, we are very proud to share that all pharmacy managers, regional managers, and operational directors are trained in-house and developed to occupy the positions, as we do not hire nobody in the market for these positions.

The prospects for future are the best, as pharmaceutical retail will continue to grow above GDP according to economic forecasts. Despite the macroeconomic scenario small affect, we are a resilient sector and challenged to adapt to changes in consumer behavior. The aging of the population encourages us to develop new services, as the IBGE data points out for 2030 where the Brazilian population will be composed of 40 million elderly people, representing 18.7% of the total.

This scenario reinforces the purpose for existing not just to sell medicines, but to take care of people's health. The business financial result will naturally come from this care and customer loyalty, as well as from our ability to face new challenges and our commitment to the ESG agenda.

MATERIALITY ANALYSIS IN RD

GRI 3-1

In 2022, we revised our materiality matrix, because in addition to guide the Company's strategic direction, it also helps us in decision-making, relationship, and transparency with our stakeholders.



STAKEHOLDER ENGAGEMENT

In 2021, we created the **Stakeholder Engagement Policy**, which establishes management guidelines and provides direction for identification, evaluation, treatment, monitoring, and communication processes with stakeholders in line with best market practices .

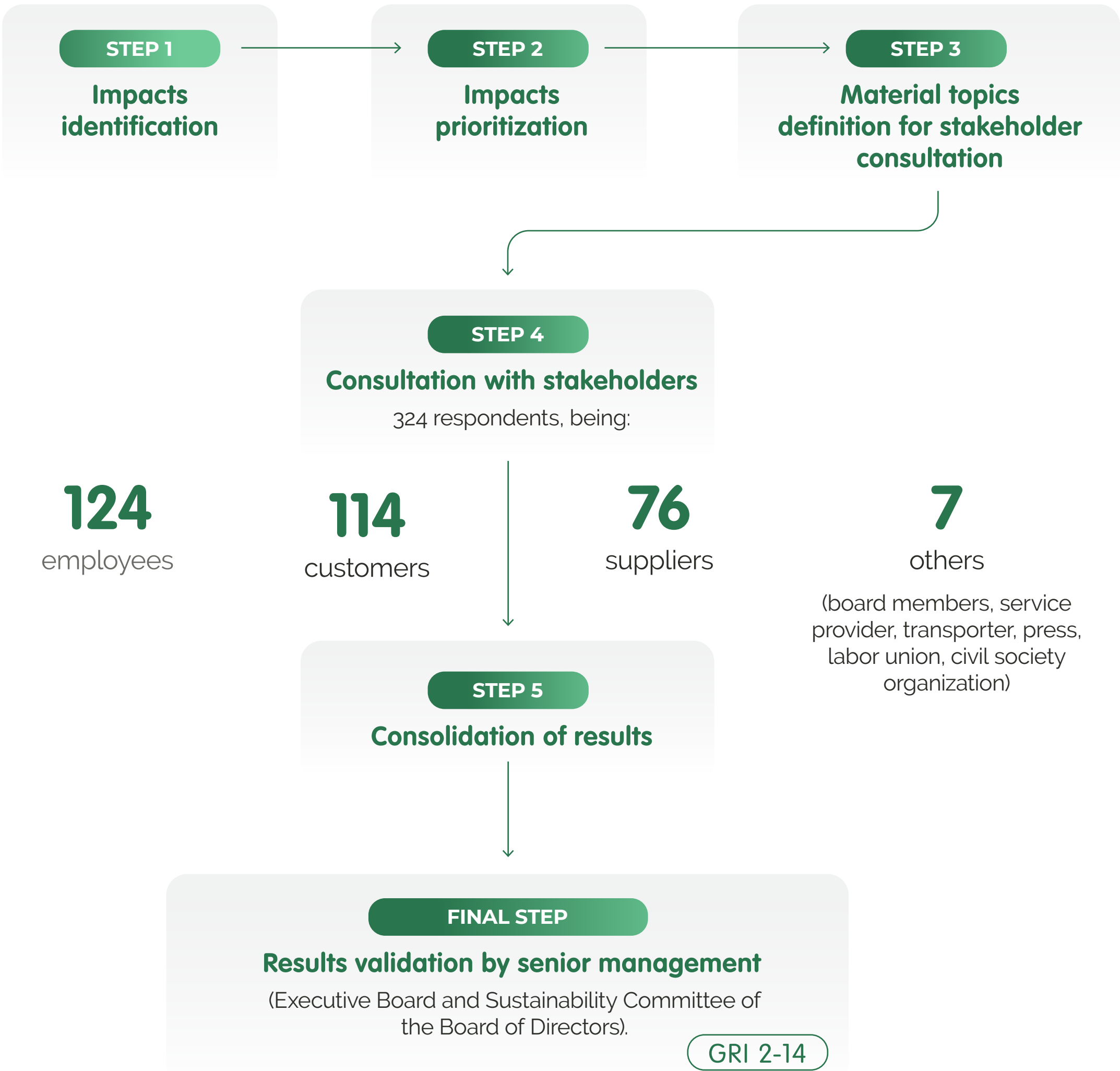
The stakeholders' categories addressed are: employees, third parties, customers, investors, suppliers, business partners, governmental and non-governmental organizations, unions, class entities, media, society in general, and the communities surrounding our business.

We seek to promote positive results throughout our influence sphere. For example, the engagement strategy aims

to prioritize transparency in decisions and activities, conducting periodic consultations with the material topics key-stakeholders and offering a cordial relationship environment, which encourages dialogue, transparency and the search for synergy. Engagement is carried out through public meetings, forums, community events, phone calls, interviews, surveys, and other spaces in which stakeholders are encouraged to express their views.

GRI 3-3,2-29

MATERIALITY PROCESS



MATERIAL THEMES

This report content was defined by the priority themes for sustainability management, and they were identified in the materiality matrix updating process. Every two years, we consult the stakeholders indicated in the Stakeholder Engagement Policy, which oxygenates our impacts vision and allows us to capture trends, transformations, risks, and opportunities to improve our ESG agenda.

The most recent materiality analysis process was conducted in 2022 and started with an analysis focusing on the Company's significant economic, environmental, and social impacts. Internal documents were evaluated, such as the externalities map – presented on page 132 of this report –, Reference Form, previous materiality, and several S&P 2022, GRI, SASB Drug Retailers Standard and MSCI ESG Ratings.

Impacts were prioritized considering scale, scope, probability and, in the case of negative impacts, remediation character. Subsequently, they were grouped by material topics, then taken to online consultation with employees, customers, suppliers, service providers, transporters, unions, civil society organizations, the press, and advisors.

In addition, we conducted in-depth interviews with three specialists - in retail, health and in sustainability; and a workshop with employees designated as Sustainability Ambassadors in the different locations where we operate.

GRI 2-25

As a result, the following sectoral studies were defined

MATERIALITY MATRIX		GRI 3-2
PREVIOUS ANALYSIS	ANALYSIS 2022	
Health and safety of employees	Integral employee's health and safety*	
Healthy community	Healthy customers*	
-	Local development**	
Promotion of diversity and inclusion	Promotion of diversity and inclusion	
People management	People management	
Products and services	Products and services	
Ethics, integrity, and transparency	Ethics, compliance, and data privacy and security*	
Waste management and reverse logistics	Waste management and reverse logistics	
-	Actions for the climate**	
-	Resource consumption**	

* Rewritten theme with new dimensions ** New theme



MATERIAL THEME	SCOPE (IMPACTS)	GRI 3-3	IMPACT SPHERE	RELATED DISCLOSURES	SDG
Integral health and safety of employees	Management of the employees' health and safety, prioritizing the main negative impacts: falls from the same level (twisting, fracture, slipping), accidents with machines (forklifts and shelves) and accidents on the way. It also considers initiatives aimed at promoting and monitoring the integral health of employees, in the physical, mental, spiritual, social, and environmental dimensions.		Employees, third parties	GRI 403: Work Health and Safety	SDG 3 (3.4 and 3.8) SDG 8 (8.5)
Healthy customers	In the positive impacts scope, the accessibility expansion to health services and the reinforcement of the pharmacy's role in primary health care and as a knowledge-multiplier over healthy habits and disease prevention. Responsibility for proper guidance on the medications use and for the care on overdue products sales mitigation, also meeting the sales requirements for drugs prescription and ensuring the pharmaceutical services quality offered.		Employees, customers	GRI 413: Local Communities SASB HC-DR-260b.2	SDG 3 (3.4 and 3.8)
Local development	The direct and indirect jobs creation, in all locations where Raia Drogasil operates - both in pharmacies and in logistics - results in positive social impacts for employees, and at local economy, including the taxes and fees payment. Being part of Raia Drogasil's workforce also represents for most, a market job entry and an opportunity for professional development. In addition, the Company's purpose - Together for a healthier society - guides social investment initiatives, with a focus on integral health in the surrounding communities.		Communities, government, employees	GRI 201: Economic Performance GRI 202: Market Presence GRI 203: Indirect Economic Impacts GRI 204: Purchasing Practices	SDG 3 (3.4 and 3.8) SDG 8 (8.8)
Promotion of diversity and inclusion	Affirmative actions and programs that promote employment, income opportunities, professional training and development for a more diverse portion of society and minority groups, as well as initiatives for inclusion, especially of black people, people with disabilities, LGBTI+, women and audience 50+.		Employees, third parties, suppliers	GRI 405: Diversity and Equal Opportunities GRI 406: Non-Discrimination	SDG 8 (8.5) SDG 10 (10.2)
People management	Employee retention initiatives such as compensation practices and benefits, training for professional development and career plans to manage the turnover, especially in the operations area, which can compromise the services quality provided in pharmacies.		Employees, third parties	GRI 401: Employment GRI 404: Training and Education	SDG 8 (8.5) SDG 10 (10.2)
Products and services	Raia Drogasil's role as an innovation platform that creates business models to take care of the population's health, promoting products with sustainability attributes and developing the associated value chain, considering the expansion of private label portfolios.		Employees, third parties, suppliers, customers	GRI 416 Customer Health and Safety	SDG 11 (11.5) SDG 12 (12.5 and 12.6)
Ethics, compliance, and data privacy and security	Dissemination of the principles that govern the relationship between Raia Drogasil and its stakeholders, including the fight against labor and human rights violations in the supply chain, and compliance with laws and regulations. The theme also considers Raia Drogasil's measures to prevent negative impacts related to the improper use of customer, supplier, and employee data; cyber-attacks and system failures.		Employees, third parties, customers, suppliers, government	GRI 205: Fight against corruption GRI 308: Environmental Assessment of Suppliers GRI 414: Social Assessment of Suppliers GRI 418: Customer privacy	SDG 12 (12.6)
Waste management and reverse logistics	Measures to reduce waste generation in the Raia Drogasil chain, including the plastic bags distribution in pharmacies and the packages and medicines disposal. The theme covers initiatives to mitigate these negative impacts, including the reverse logistics and circular economy promotion.		Employees, third parties, customers, society, suppliers, communities, government	GRI 301: Materials GRI 306: Waste	SDG 7 (7.2) SDG 11 (11.6) SDG 12 (12.5)
Actions for the climate	Measures adopted by Raia Drogasil to monitor and reduce its emissions, including scope 3, as well as to face the climate change risks.		Employees, customers, society, suppliers, government	GRI 305: Emissions	SDG 13 (13.1)
Resource consumption	Energy consumption - per sources - by the entire pharmacies network, especially for lighting, refrigeration, and fuel consumption by logistical operations; in addition to water consumption by pharmacy operations, distribution centers and corporate.		Communities, suppliers, and employees	GRI 302: Energy GRI 303: Water and effluents SASB HC-DR-130a.1	SDG 12 (12.2)

OUR IDENTITY

Being the largest pharmacies chain in Brazil is the result of hard work, dedication and commitment to customers and partners. This leadership also brings us an enormous responsibility to define the future we envision for the entire sector.



WHO WE ARE

GRI 2-6, GRI 3-3 LOCAL DEVELOPMENT

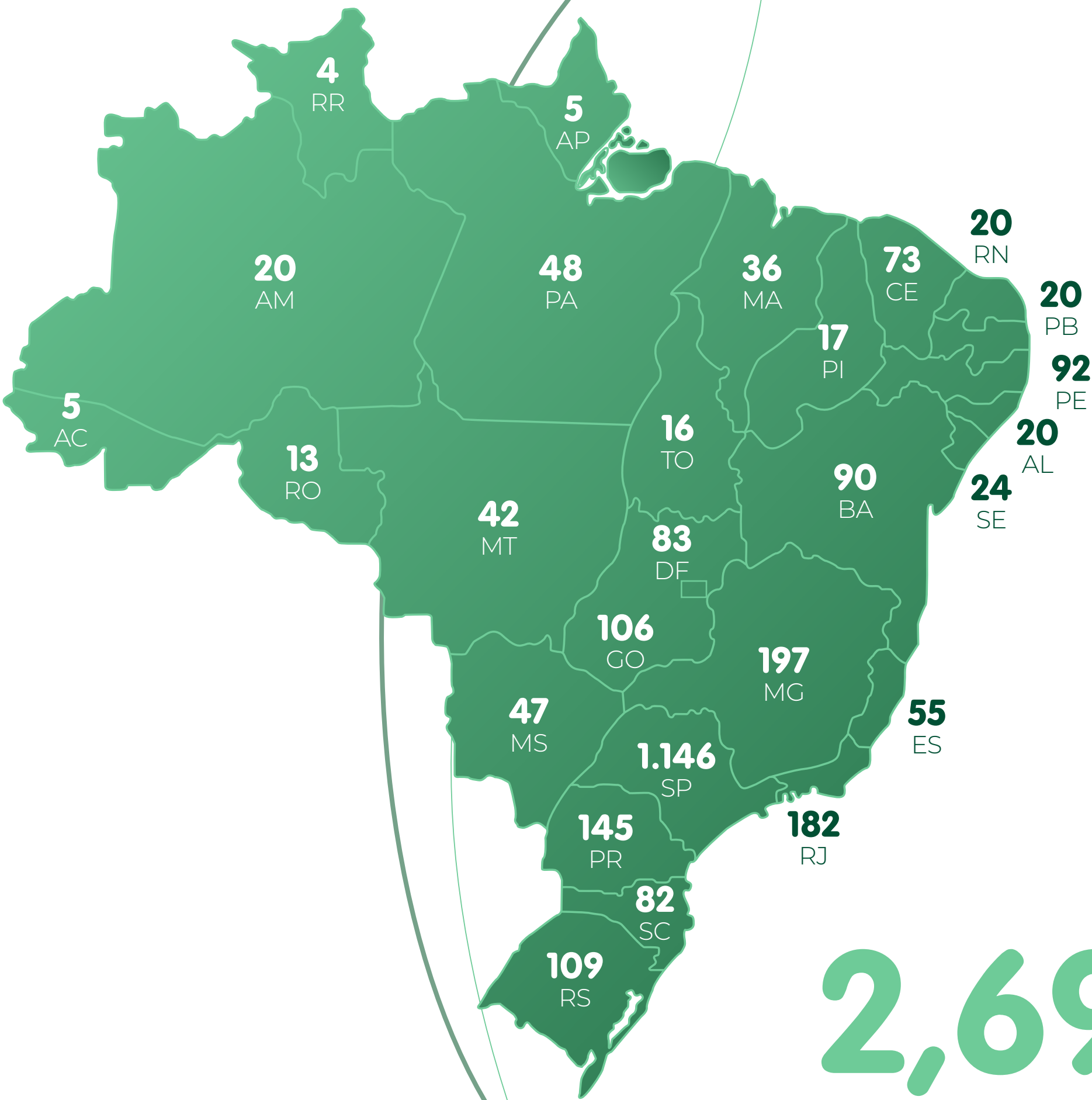
Raia Drogasil S.A. (RD) is a publicly traded company founded in 2011 from the merger between Droga Raia and Drogasil. Since then, it has been growing consistently and creating value for its stakeholders by positioning itself as an integrated health solutions company, and also operating in pharmaceutical retail. **GRI 2-1**

Over all, there are 2,697 pharmacies – 1,127 from Droga Raia and 1,570 from Drogasil –, distributed in through all Brazilian states and the Federal District, which add up to 390,962.78 m³ of total retail space. Our presence in 540 municipalities combined with rapid expansion – on average, we open one pharmacy per working day – make RD the leader in number of pharmacies and sales in pharmaceutical retail in Brazil.

GRI 2-1; SASB HC-DR-000.A, HC-DR-000.B, HC-DR-000.D

We impacted approximately 47.5 million active customers in pharmacies, on both product Healthcare Product Marketplace and healthcare platform, which generated BRL31 billion in gross revenue for the Company

RD SCOPE



2,697
pharmacies all
over Brazil



In 2022, RD provided 14,108 promotions or merits among employees. In addition, 100% of new store managers and regional managers are promoted internally

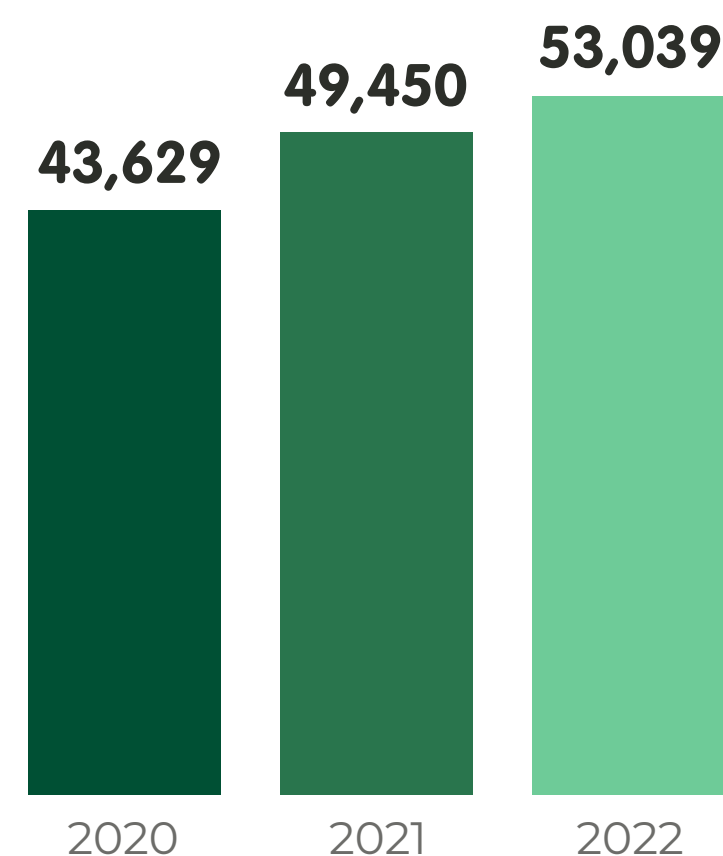
Our people

GRI 2-7, 2-8, 2-30, GRI 3-3 LOCAL DEVELOPMENT

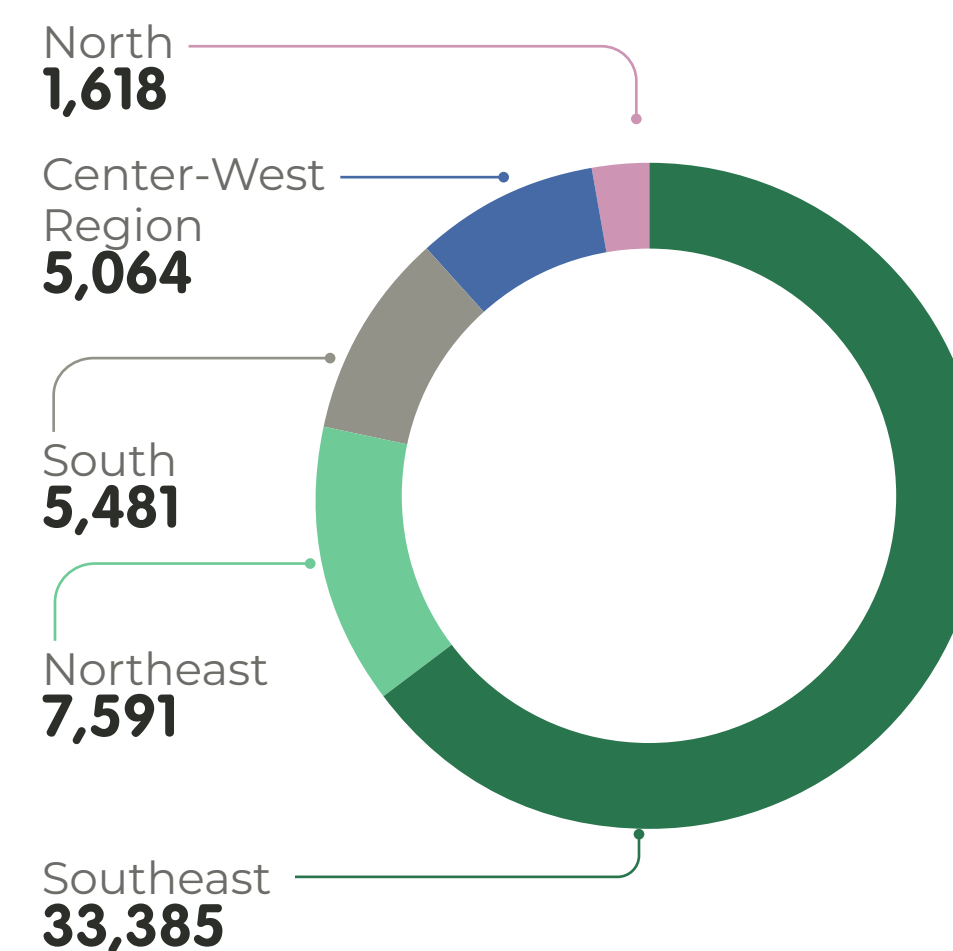
We ended up the year with 53,039 employees¹, of which 18,989 are men and 34,050 are women, all covered by collective bargaining agreements. The employees number increase in recent years shows how the Company has been growing.

We emphasize that the RD has not carried out mass layoffs since its formation. In 2022, we generated 9,954 job opportunities for young people aged 18 to 23 who are seeking for their first job. When joining the RD these young people have a profession, training opportunities and career development. To learn more, access the Career Development Chapter. [Know more.](#)

TOTAL EMPLOYEES



RD EMPLOYEES BY REGION IN 2022



1. Data were obtained from the ApData system. For the 53,039 employees, we are considering people with ties to the Board of Directors and CLT employees who are not in the "Dismissed in the Month" situation, in December 2022.

EMPLOYEES BY TYPE OF CONTRACT ² , DISCRIMINATED BY GENDER			GRI 2-7
GENDER	FULL TIME	PART TIME	
Women	33,356	694	
Men	18,421	568	
Total	51,777	1,262	

EMPLOYEES BY REGION			GRI 2-7
REGION	FULL TIME	PART TIME	
North	1,563	55	
Northeast	7,298	293	
South	5,327	154	
Southeast	32,681	604	
Midwest	4,908	156	
Total	51,777	1,262	

At the end of 2022, we also had 383 interns and 2,266 third parties³ who provided cleaning and security services.

GRI 2-8

RD's average turnover rate was 37% in 2022, 10 percentage points below the industry average, which was 47%, according to data from Abrafarma. For more information, go to [page 111](#).

2. To obtain the figures for “Full-time employees” and “Part-time employees”, we have changed the criteria and are considering as “Part-time employees” those who have a maximum workload of 120 hours per month in the system. And, for data collection, we are considering the end of the reporting period, that is, December 2022.

3. To collect data from third parties, the Facilities and Operations Support areas were called upon.



LABOR PRACTICES

We have not recorded any strikes or lockouts since the creation of RD, as a result of the good relationship with employees and representative unions. Collective work agreements are signed with the unions and, when closed, 100% of the employees are covered by these negotiations. We are represented by the Pharmaceutical Retail Trade Union in each state and our employees are represented by 274 unions. In addition, our employees are spread across 2,697 pharmacies and 11 DCs, which mitigates any downtime risks. In 2022, we registered that the filing of labor claims corresponded to 7% of the company's total headcount.



GREAT PLACE TO WORK

In early 2023, RD won the Great Place to Work seal for its acting and performance with the employees. The GPTW certification recognizes companies that achieve more than 70 points in the employee evaluation. For the certifying study, a total of 5,000 employees were invited to evaluate attributes related to the work environment and awarded the Company a mark of 77 points.

Regarding our products logistics, we have 11 DCs strategically positioned in the South, Southeast and Northeast regions for daily supply to pharmacies, avoiding stockouts and ensuring customer satisfaction. It is important to mention that in 2023 we have already built two more DCs, in Mato Grosso and Pará, and another DC is scheduled to start operating in Manaus in 2023. Our objective with the new DCs is to meet the demands that arose with the opening of new pharmacies, increasing the product replacement frequency and reducing the supplies mileage average, which also brings benefits to the environment, as we reduce emissions of greenhouse gases (GHG).

It is worth mentioning that we have started to roll out Manhattan Active Transportation Management, allowing us to standardize all processes across DCs and increase real-time data visibility for decision-making. With this system, it will be possible to route the own fleet network,

also making it possible to reduce the mileage traveled in deliveries, resulting in a reduction in greenhouse gas emissions.

RD DISTRIBUTION CENTERS



CERTIFIED DISTRIBUTION CENTERS

In 2022, we certified all our DCs under two key-standards: ISO 14001(Environmental Management System) and ISO 45001(Occupational Health and Safety Management System).

In this process, it is worth highlighting the team's engagement in complying with all rules and procedures that guarantee safe and responsible attitudes towards people and the environment, as well as the investments we made in the DCs infrastructure to adapt them to the institution's requirements, an amount around BRL 8 million.

In addition to the ISO, it is also important to mention the LEED certification (Leadership in Energy and Environmental Design) obtained at the Gravatá/Galpão 4 and Guarulhos/Galpões 3A and 3B DCs. LEED is a certification tool that seeks to encourage and accelerate sustainable building practices adoption. This rating system promotes a whole-building approach, from project design to final construction and maintenance.

Raia's new positioning

In 2022, we launched Raia's new positioning and identity, reopening two pharmacies in São Paulo: one in the Itaim Bibi neighborhood and another in Aclimação. The brand revision promotes a direct association with the RD's strategic pillars, materializing the New Pharmacy concept.

The new look proposal reflects our strategy of promoting health and well-being to people, increasing proximity to customers. Thus, we rescued the pharmacist role in the community and positioned the pharmacy as a dedicated space to integral health care.

The new logo removes the term "Droga" (Drug) from the brand and eliminates the icon's red color and typography, replacing it with green. The cross is also updated and becomes a dynamic symbol, reflecting the solutions and products plurality for preventive health now offered by the brand.



The refurbishment to launch the new brand also allowed for pharmacies structure changes, which brings new environments proposing to the customer to extend their permanence beyond the medicines purchase. The areas are the Vida + Saudável section, with health and well-being products, and the Espaço Sua Saúde, reserved for individual pharmaceutical care, with vaccinations, rapid tests, among other services.



PHARMACIES IN HISTORICAL BUILDINGS

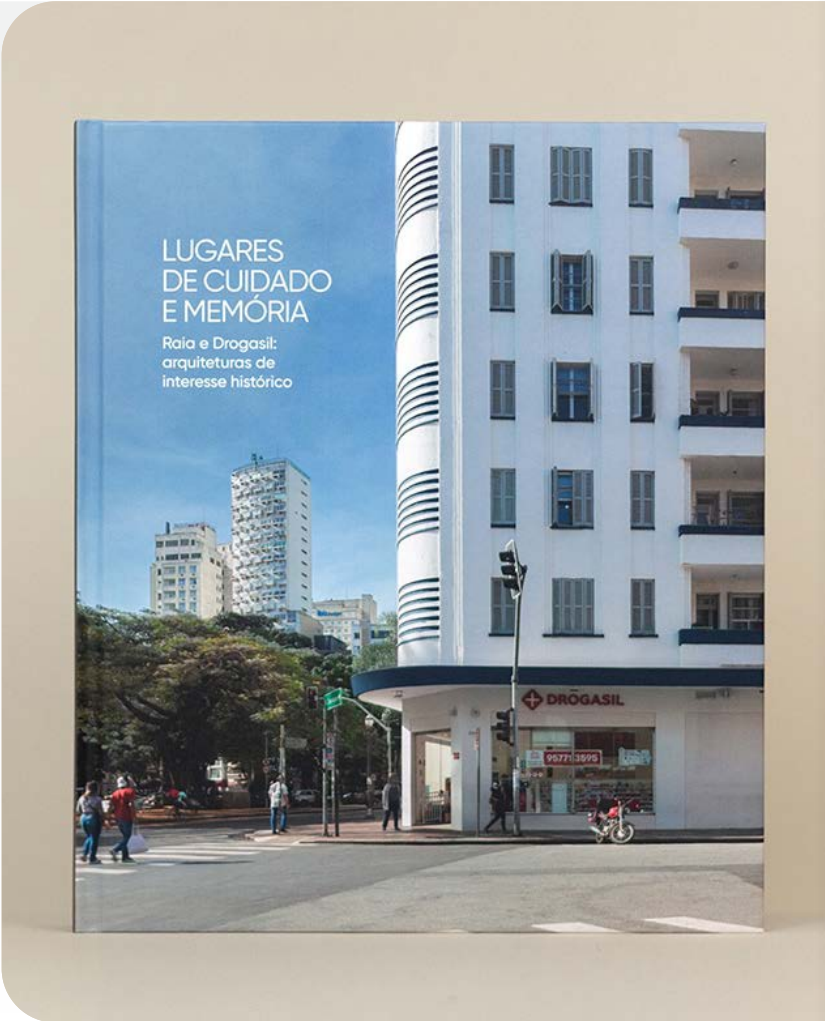
It is common to encounter degraded historic properties during our expansion process. We soon understood this as an opportunity to revitalize them and open new pharmacies in preserved locations, also capable of delighting customers.

Motivated to share our historical heritage preserving experience, we launched in August 2022 the book Lugares de Cuidado e Memória – Raia Drogasil: historic interest architecture, which tells the story of the Company's 43 pharmacies located in historic properties across the country.

The publication brings a curatorship among the 80

pharmacies already listed with relevant historical characteristics. As a curious example, the pharmacy in Alfenas (MG) is installed in an old cinema.

The printed book version had 1,100 copies distributed to employees and partners. And the digital version is available [at this link](#).



Awards and recognitions

We are proud to share the awards we won in 2022. Here they are:

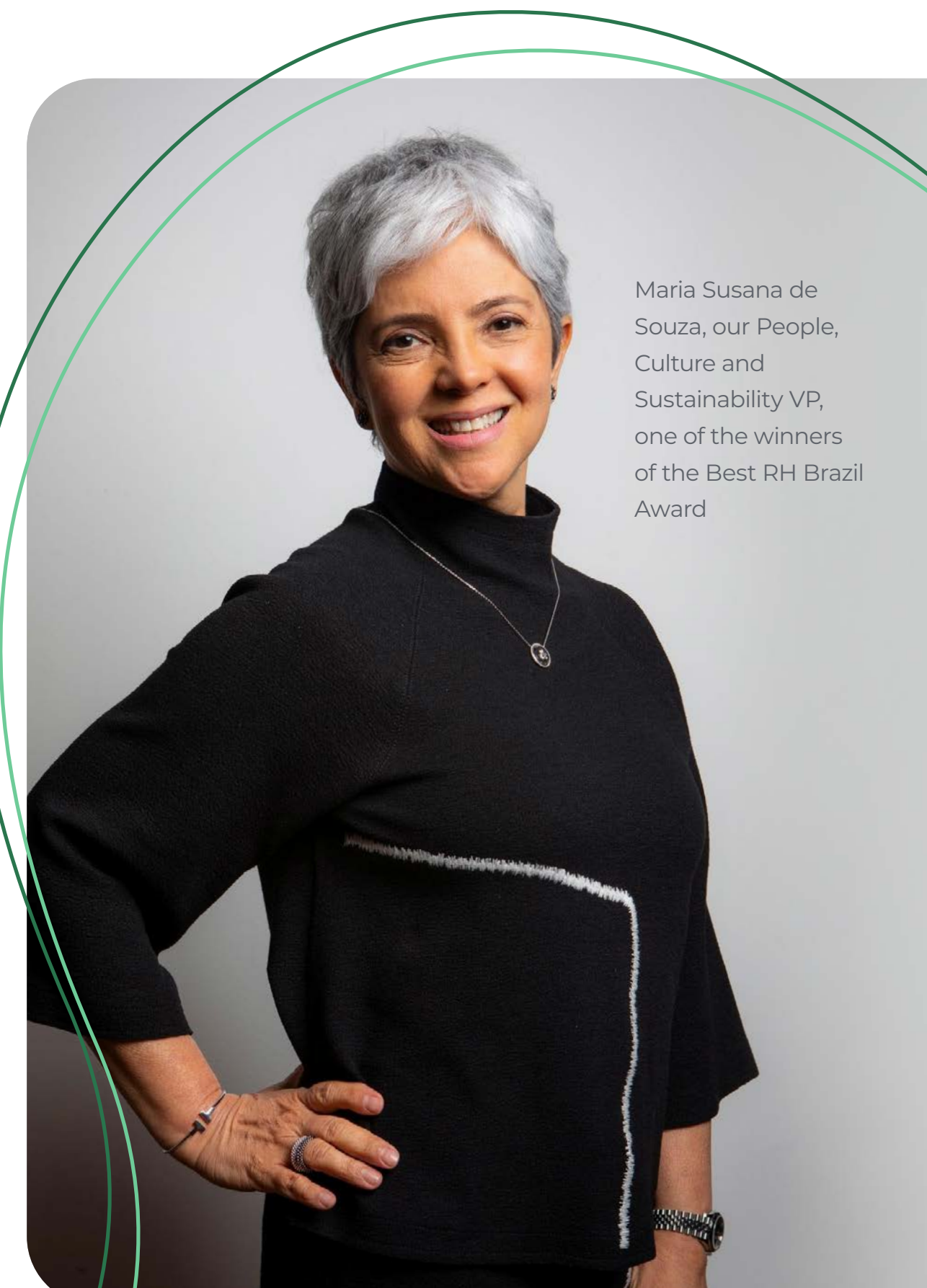
- Maria Susana de Souza, our People, Culture and Sustainability VP, was one of the **Best RH Brazil Award winners**, being recognized as one of the most relevant human resources leaders in the country;
- Honorable mention in the Economic-Financial Analysis category granted during the **24th edition of the Abrasca Award for Best Annual Report**;
- Every year, **Época NEGÓCIOS** conducts a survey in partnership with **Fundação Dom Cabral** in which they evaluate the companies that stand out the most in six criteria: financial performance, ESG/governance, ESG/socio-environmental, innovation, people, and vision of the future. In 2022, RD stood out in the retail sector, ranking above 11th position in all criteria.
- Drogasil and Droga Raia won first and second place, respectively, in the

Pharmacies category of the 2022 Reclame Aqui Award;

- We took first place in the **Retail category of the Estadão Empresas Mais de 2022 award**. We compete with more than three thousand companies on criteria such as revenue, profitability, size and historical consistency;
- In partnership with **Meio & Mensagem**, consultancy Kantar created the 2022 most valuable Brazilian brands ranking. The brands Droga Raia and Drogasil conquered the 23rd and 25th positions, respectively;
- We also received **Top of Mind from RD** for Univers for the tenth time in a row. Univers is RD's Pharmacy Benefit, which again receives the trust seal, earned through the people and companies' recognition throughout Brazil, in the Medications Benefit category;
- RD was one of the 2022 Spotlight on Innovation Awards winners, a global supply chain award organized by Manhattan Associates;

- We received the **2022 Broadcast Companies Award**, which highlights the ten publicly traded companies with the best result for their shareholders. We ranked second in the ranking of 204 companies evaluated by their 2021 financial results;
- In the finance area, we received the **Transparency Trophy**, granted by Anefac, for being one of the most transparent companies in Brazil in relation to the quality of the Financial Statements in the 2021 fiscal year;
- In the **BandNews Most Admired Brands Award** second edition, we won the title of Most Admired Brand in Brazil. Drogasil was chosen by the public in a popular vote as the most admired pharmacy in the country;
- **IBEVAR** awarded RD two awards. In the **Retail Excellence Award: Fastest Growing Companies**, we won first place as the retail organization with the highest revenue growth in 2020 and 2021, in the Drugstore segment. And we also won the

Retail Excellence Award: **The Most Efficient Retail Companies**, for their efficiency in operation and productivity within the Drugstore and Perfumery segment.



Maria Susana de Souza, our People, Culture and Sustainability VP, one of the winners of the Best RH Brazil Award

BELIEF, PURPOSE, AND VALUES

In recent years we have grown, explored new frontiers, and helped millions of Brazilians to face their health challenges, but we feel that we are capable of doing much more if we broaden our health view and the way we impact people, businesses and the planet.

By 2030, we want to be the group that most contributes to a healthier society in Brazil. And we realize that it means broadening our health view in five dimensions – Physical, Mental, Spiritual, Social and Environmental – and our potential impact on people's lives, business and the planet through the pillars Healthier People, Healthier Business and Healthier Planet.

On the one hand, we are evolving part of our identity, but we also need to evolve

our operational, which involves expanding how we put into practice three essential elements of our culture, which are caring for people, the strength of team's execution and the ability to build the future. Based on these elements, we identify our values: we take care of people, we execute with focus, and we build the future.

For taking people's care, we believe it is required to develop healthy, inclusive, and high-performance teams, capable of closely caring for their own health and





that of their customers. We seek to inspire, develop, and value people to reach their full potential within a safe and diverse environment that promotes respect and trust.

Caring for people also involves enchanting customers and channels, deepening into their needs, desires, and developments, to deliver the best solutions and experiences with human warmth and strengthened relationships of trust.

Aware of our team's execution power, we carry out activities with autonomy and agility, delivering consistent results, acting with responsibility, and reconciling short- and long-term objectives. We value the collaborative spirit, considering different perspectives, balancing the teams and individuals interests with the RD's greater goals, also celebrating achievements.

In building the future, we continuously evolve while searching for new knowledge, learning from mistakes, and building solid partnerships. Based on this value, we put new ideas into practice generating impact, but whose are calculated risks, because we are aware of the responsibility towards all our stakeholders.

Therefore, our essential values lead us to the purpose of being together for a healthier society, also put into practice through the most important and required competencies within RD.

Our RD way of being
and doing



OUR STRATEGY

We decided to take a journey beyond retail, reconciling business growth with the society's evolution. To this end, we have developed a strategy based on the pillars The New Pharmacy, the Healthcare Product Marketplace, and the Healthcare Platform, which are aligned with our 2030 Sustainability Commitments.

2025 STRATEGY

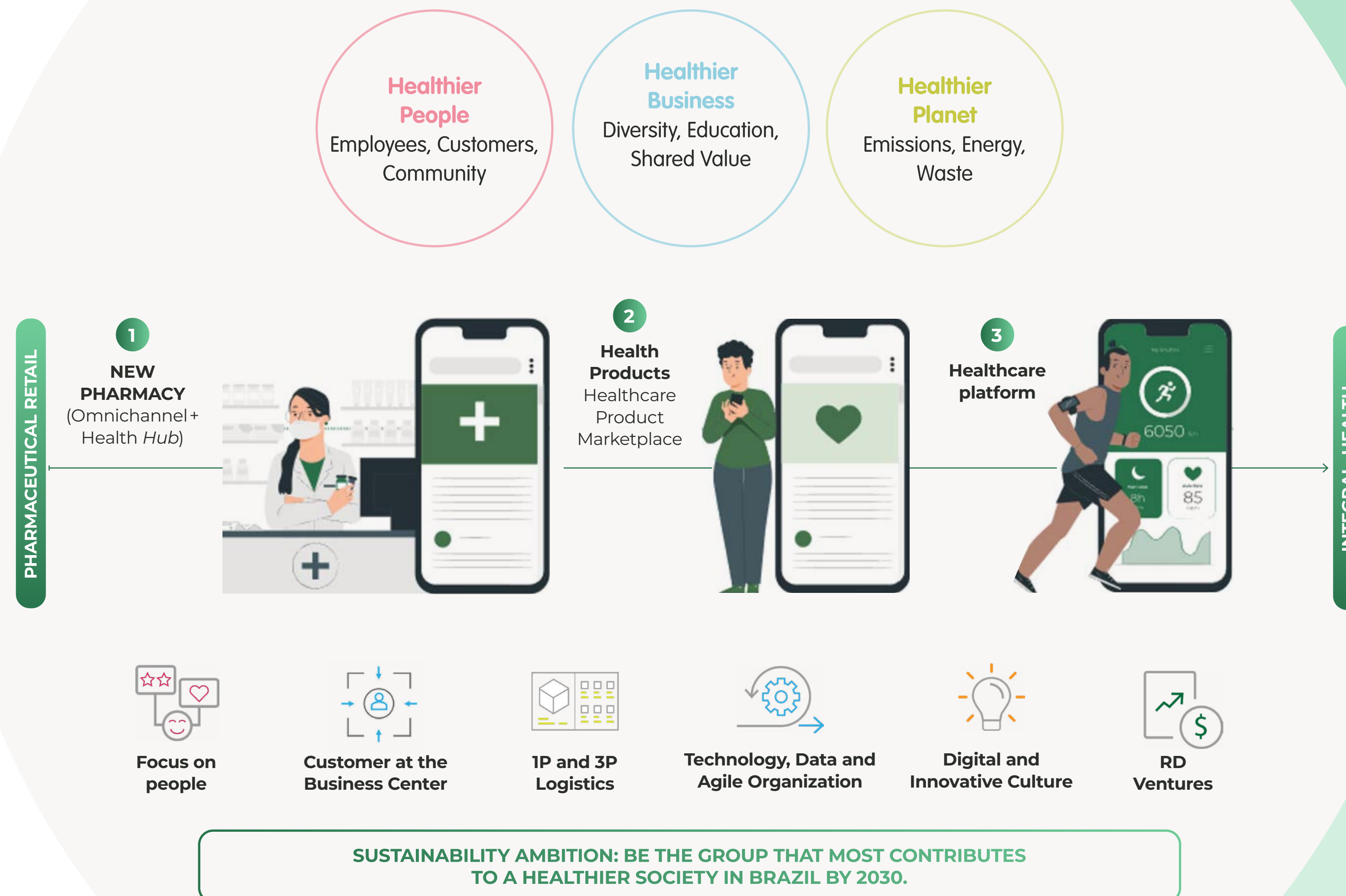
GRI 3-3 PRODUCTS AND SERVICES

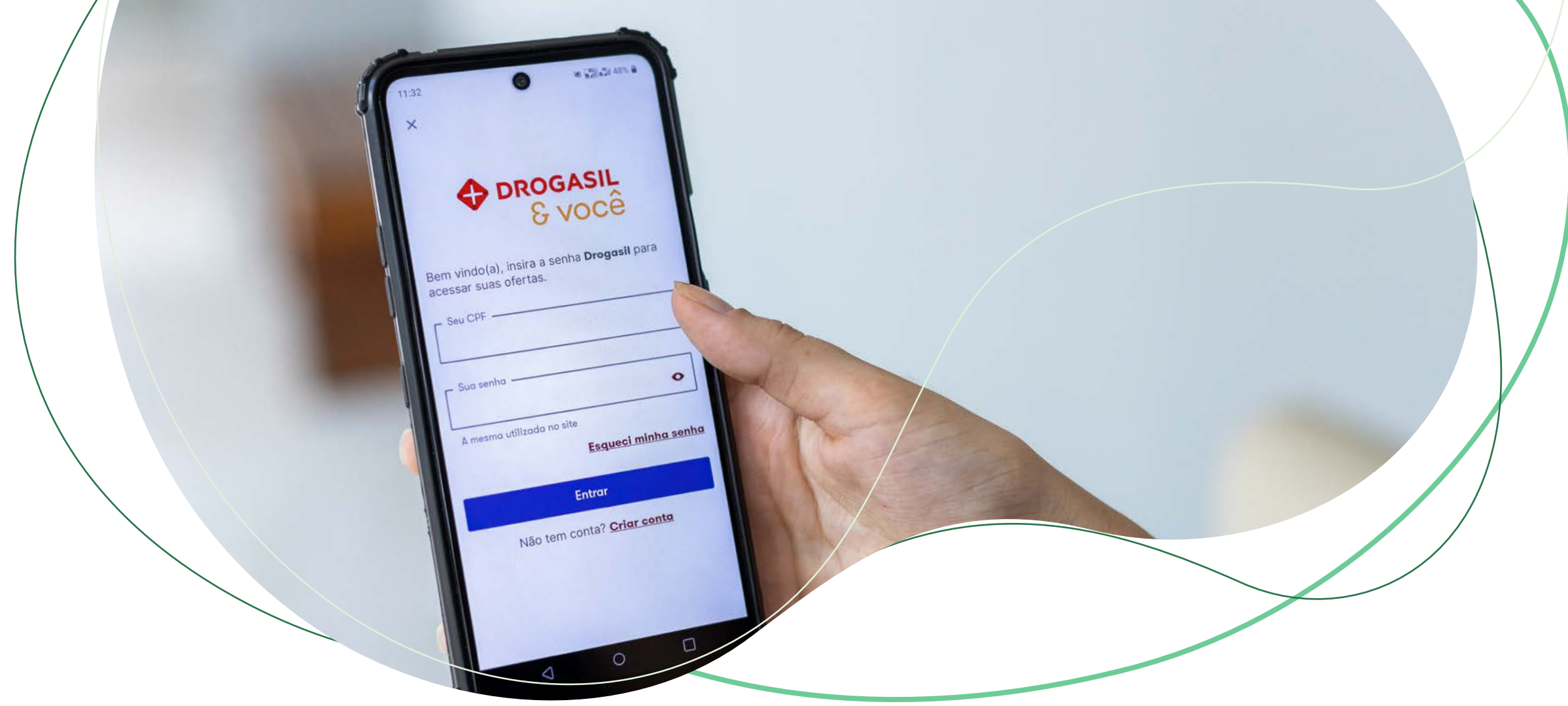
Our 2025 Strategy foresees the services, channels, businesses, and relationships expansion to move forward the transition from a Company oriented towards the medicines sale to a healthier habits and lifestyles promoter, as an integral health care conception.

This expansion is supported by three main pillars: The New Pharmacy, the Healthcare Product Marketplace, and the Healthcare Platform. This strategy is one of the journey's paths to lead us into our 2030 Ambition, and being the group that most contributes to a healthier society in Brazil.

PLAN AND STRATEGIC 2025

PURPOSE: TOGETHER FOR A HEALTHY SOCIETY





The New Pharmacy of RD

GRI 3-3 PRODUCTS AND SERVICES

Pharmaceutical retail has been evolving towards a new pharmacy model, in which pharmacists detain a role of promoting health, including performing various services, vaccination and rapid tests. We have more than 1,200 pharmacies with service rooms, where we handle an average of 140,000 visits per month.

New Pharmacy, becomes a health hub as also invests in digital transformation and multichannel, offering customers the possibility to interact and buy efficiently in multi channels: websites, app, call center, social networks, among others. In addition,

New Pharmacy works as a mini distribution center, using our capillarity as a strategic differential for increasingly faster deliveries.

Our digital channels are growing at a strong pace and are consolidating themselves as a commercial transaction and relationship tool. Compared to the market, RD's digital channels grew by 52.7%. In 2022, online revenue reached 11.1% of total sales. Among the digital channels, the app stands out as the customer's preference, achieving more than 13 million orders, which represents 54% share of digital sales and revenues, listed as BRL 3.2 billion.



AGILE DELIVERY

The Agile Delivery program has the goal of delivering the product to the customer's home within one hour in the main capitals. More than a thousand pharmacies that have migrated to the new delivery model have shown excellent results. It is worth mentioning that in 2022 we expanded our partnerships to deliver in 142 cities in Brazil in up to 90 minutes.

In 2022, we had more than 13 million orders through the apps and revenue from digital sales was BRL 3.2 billions.

Healthcare Product Marketplace

GRI 3-3 PRODUCTS AND SERVICES



RD's Healthcare Product Marketplace is a business network that connects health, hygiene, wellness, and beauty products sold by third-party retailers, distributors, and manufacturers, also called as sellers, on our digital channels Droga Raia and Drogasil. Thus, we expanded the available items assortment to our customers throughout their health journey and, as a result, raised LTV¹ and increased frequency and average purchase ticket.

The year 2022 was dedicated to improving the platform, curating new product categories – such as beauty, sleep, healthy eating, physical exercise – defining processes, building teams, among other actions.

We ended the year with 174,000 active items and around 441 published sellers. Among the products sold on the websites and in the app are accessories for childcare, first aid, orthopedic and general

health items, natural, organic, vegan, and sustainable products, among others. Sales are currently distributed as follows: 65% on the Droga Raia and Drogasil websites and 35% on the apps.

Among the RD's Healthcare Product Marketplace next steps are equalizing as much as possible the customer experience, starting with the product search, refining the new partners selection for the platform, building the seller relationship portal and expanding the focus on actions delivery specifics in the Southeast, including regional partners, targeted marketing and local freight subsidies.

It is important to highlight that new sellers' entry in the RD Healthcare Product Marketplace must comply with a series of criteria, including product categories in alignment with health and well-being, desirable brands, services quality, delivery time, shipping, among others. See how we select in the Supplier Governance chapter.

1. LTV (Lifetime Value) is the value customer returned over time, a valuable metric for companies with recurring or repeat sales

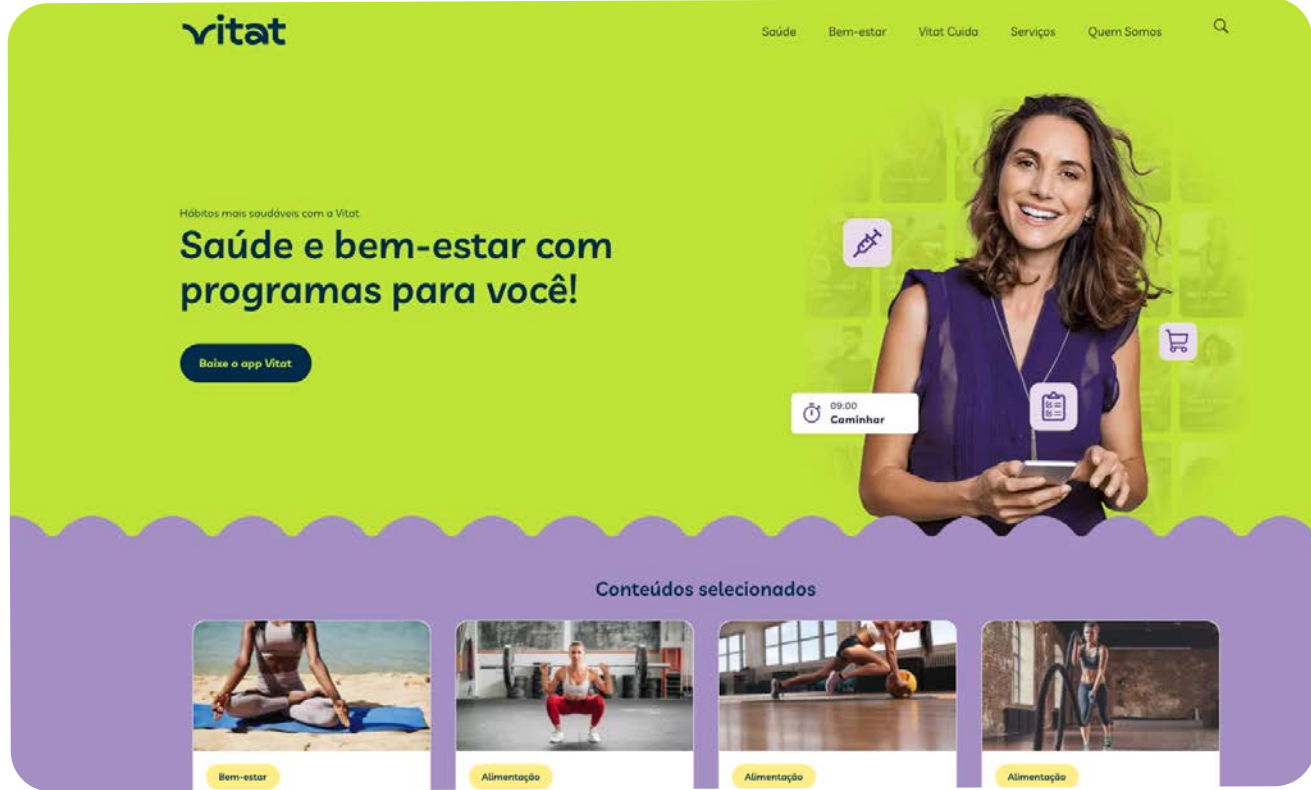
Healthcare platform

GRI 3-3 PRODUCTS AND SERVICES

Vitat is RD's health and wellness platform that connects products, services, and solutions through health engagement journeys. In it, customers can improve their health, change habits, access specialized services such as consultations, receive guidance and diagnoses. In addition to practicing physical exercises, learn more about sleep and how to better eat. The platform's business model integrates a Healthcare Product Marketplace for products and services, telehealth, wellness programs and a content portal, including the De Bem Com Você podcast.

In 2022, we expanded the solutions offered on the platform, adding new services and more free programs. The year's big news was the first paid program launch, called **Vitat Cuida**, aimed at people who need to lose weight. This package includes a kit that the client receives at home with a bioimpedance scale and a measuring tape to monitor their results, lives, and exclusive communities for exchanging information, and nutritionist and personal trainer monitoring.

Another highlight was the healthcare platform connection with RD Ads.



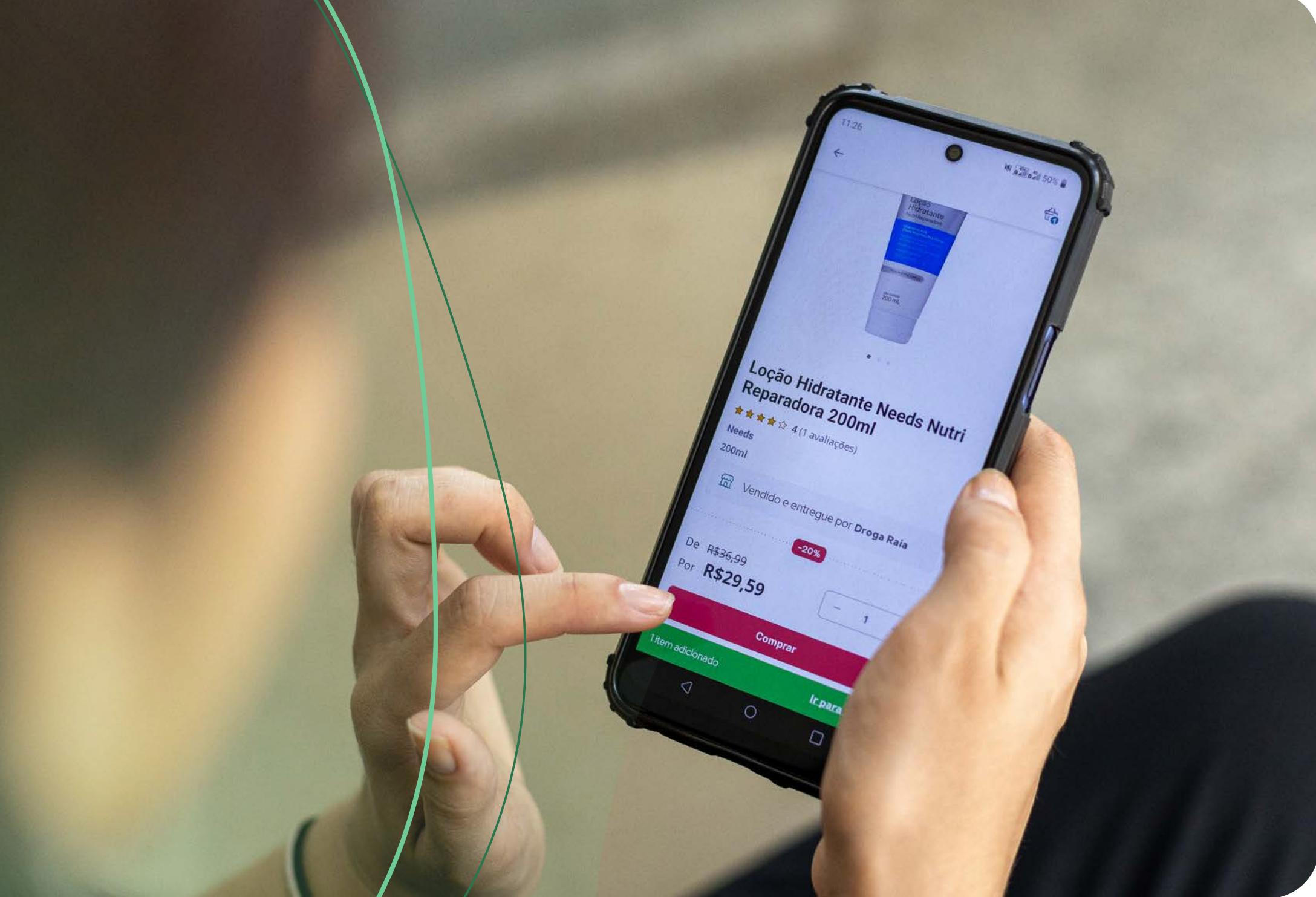
VITAT PORTAL HIGHLIGHTS

32 million
of visits on the portal

1.2 million
of views on the podcast

97 thousand
application downloads

40
health and wellness
programs



Digital Transformation in RD

To support our 2025 Strategy, we started to heavily invest in a profound process of digital transformation within RD. This means not only developing new technologies, but also a digital culture that allows us to think disruptively, change processes and improve the customer experience.

We know how important it is for the business sustainability to deeply know the preferences and behavior of customers who buy in pharmacies and on digital channels. For this reason, in 2022 we moved forward another stage of our digital transformation with the systematic data analysis area improvement. This is important because the more we know our client, the merrier personalized their RD journey can be.

An initiative was the **Data Excellence Center** creation, which puts data at the center of the Company's decisions. The challenge relies in how we transform information into intelligence and strategic wealth for the business. Considering this, RD has been working strongly in this culture, with an increasingly robust and trained team to base decision-making on reliable data.

In addition, we continue to progress in our digital initiatives and products,

with customer centered guiding and to deliver delightful experiences. Thus, we are continually investing in technology foundation improvement, increasing our speed and productivity, and in the intensive data use for these experiences and products.

We continue to promote multi-channels and improve the customer experience with convenience solutions, such as **Buy and Collect**. The app facility for buying and picking up at the nearest pharmacy has been a relevant factor in customer loyalty and growth in online shopping. As a progress example, the digital channels share rose from 2% in 2018 to 11.1% in 2022.

To conclude, it is important to say that digital transformation is a priority, but we understand that it needs to be followed by fundamental elements to guarantee customer satisfaction, such as an efficient supply chain, good service, and pharmacies capillarity.

The share of digital channels rose to 11.1% in 2022.

COMMITMENT TO SUSTAINABILITY

GRI 2-23, 2-24, 2-25

Our business strategy is in line with our sustainability journey towards the 2030 Ambition: to be the group that most contributes to a healthier society in Brazil. And the Sustainability Committee and the Sustainability Board performance have been fundamental in recent years, to formalize commitments and monitor the multisectoral actions implementation related to the ESG agenda.

Our 35 sustainability commitments are divided into eight objectives, which, form a three pillars part: Healthier People, Healthier Business and Healthier Planet.

We are calling our journey **Todo Cuidado Conta Program** (Every Care Counts), because we believe that being truly sustainable means caring for people, businesses, and our planet. And to achieve the goal, we have designed metrics and indicators to measure our progress in the 35 commitments – and, in 2023, we are committed to revisiting them based on our apprenticeship.

It is important to highlight that our eight goals are connected to nine Sustainable Development Goals: (3) Health and Wellness, (4) Quality Education, (5)

In 2022, we trained 17,740 employees on the 2030 Sustainability Strategy

Gender Equality, (7) Clean and Affordable Energy, (8) Decent Work and Economic Growth, (10) Reducing Inequalities, (12) Responsible Consumption and Production, (13) Action on Global Climate Change, and (17) Partnerships and Means of Implementation.

Commitments are quarterly monitored by the Sustainability team and reported every six months to the Sustainability Committee. Each commitment status can be found below at the chapter opening, referring to the RD Sustainability Strategy three pillars.

ENGAGEMENT PROGRAM

We have an internal engagement program for sustainability called Sustainability Ambassadors, which currently has more than 100 employees, trained and involved in activities related to the topic. There are ambassadors in all business units, from DCs, pharmacies and corporate areas.

The three pillars of the RD Sustainability Strategy



Use this QR Code to access RD's 35 sustainability commitments.



Voluntary covenants and commitments

GRI 2-28

Being together with society and stakeholders has been a key-success to progress in our sustainability strategy. For this reason, we have voluntary signed pacts and commitments to support our journey.



Rede Brasil



We have the challenge of building agendas and actions that dialogue with relevant external commitments:

- UN Global Compact
- Citizen Company
- On the Right Track Program (WCF – World Childhood Foundation)
- Generations and Future of Work Forum
- Business and LGBTQIA+ Rights Forum
- REIS – Business Network for Social Inclusion
- UN Women Women's Empowerment Principles (WEP's)
- MM360 – 360 Women's Movement
- MOVER – Movement for Racial Equity
- Business Coalition to End Violence against Women and Girls
- Commitment to the Climate
- WOB – Women on board

We also advanced towards targets directly linked to the 2030 Agenda commitments, taking into account the national targets ambitions and the priority SDGs in the business context, its nature and its impacts.

More details on our [Sustainability page](#).

OUR ECOSYSTEM

GRI 3-3 PRODUCTS AND SERVICES

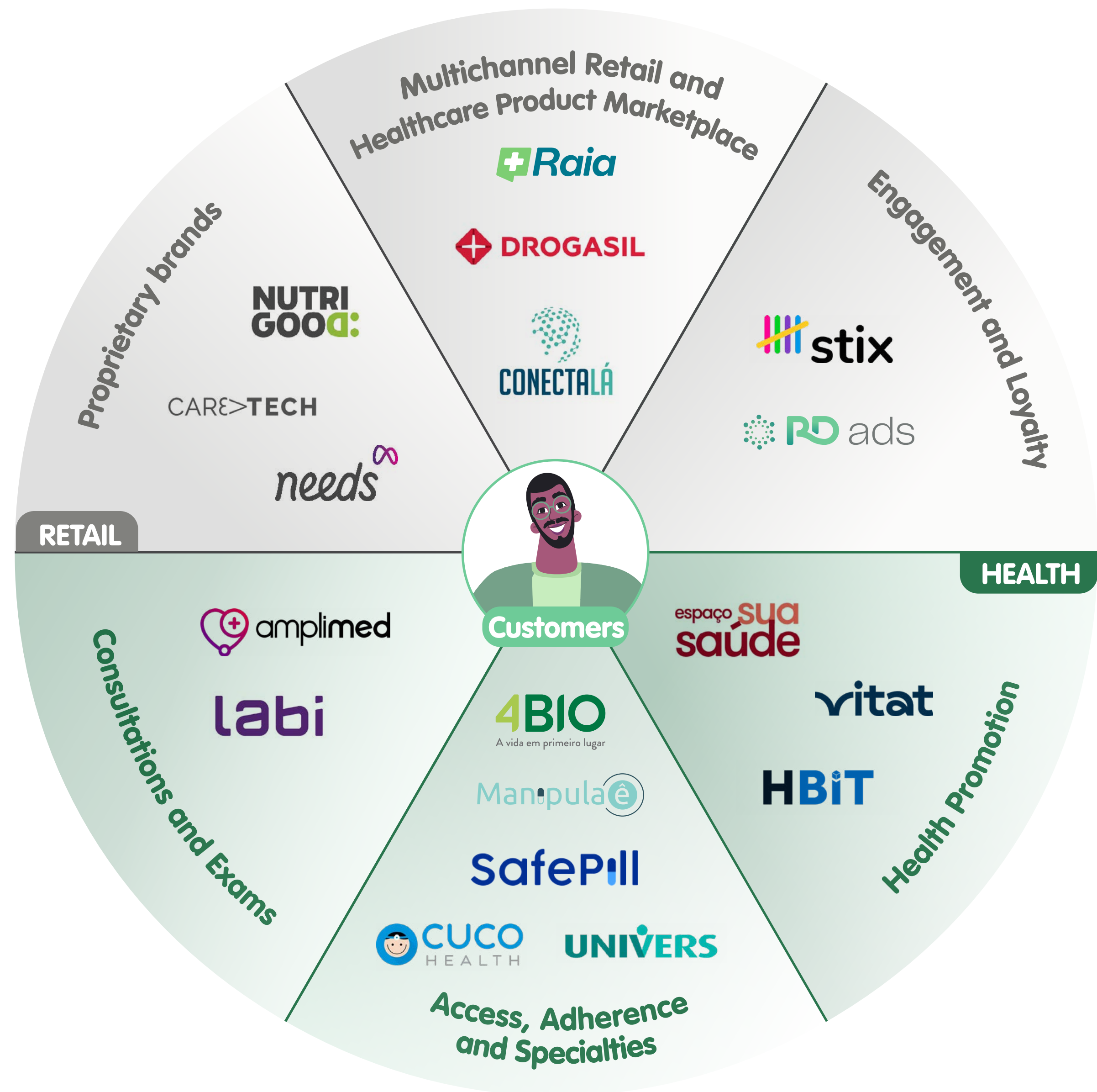
Whenever possible, we reinforce the fact that RD has become a company dedicated to promoting health and well-being through the acquisition of other companies that have, over the last few years, complemented our core business: the medicine sale. The Company's new profile contributes to strengthening its market positioning, making RD grow and continue to improve people's lives.

Therefore, we are building a complete integral health ecosystem, which provides customers with various solutions, including digital ones, to stay healthy and have a better quality of life. This is the evolution to a business model that goes beyond dispensing medication in pharmacies, providing opportunities for

care and habits changes in the lives of the people we impact, both in physical pharmacies and in digital channels.

To accelerate RD's digitalization strategy in healthcare, we have invested in startups through RD Ventures – a innovation core in retail and healthcare – that nourish the business with technological solutions and processes to accelerate growth.

In 2022, we evolved in the previously acquisitions consolidation to structure this ecosystem and acquired two more companies: Eloopz (which was integrated into RD Ads) and SafePill. See more details next:



RD ecosystem



Droga Raia and Drogasil's flag

RD was created in November 2011 from the merger between the Droga Raia and Drogasil networks, which combined more than 200 years of history. In recent years, our more than 2,600 pharmacies have been undergoing a profound transformation process, as we aim as complete health and wellness hubs. In 2022, we met our goal of opening 260 new pharmacies, ending the period with 2,697 units.

Adding to this is the growing products and services offer in digital channels such as the app, website, call centers and social networks, an evolution in the retail digitalization and an advance in our New Pharmacy concept.



ConectaLá

The startup owns a seller center platform, which offers a one-stop-shop solution for Healthcare Product Marketplaces, including product cataloging, order workflow, logistics solutions and information management.



Labi

Laboratory tests, tests, check-ups, and vaccines company, transforms health into accessible, digital, and convenient. In 2022, we have a total of 36 units and an average of 150,000 exams/month.



Amplimed

Medical software that offers a complete solution for managing clinics and offices, including electronic medical records, telemedicine, electronic prescriptions, exam requests, appointment scheduling and financial management. In all, there are 4,500 connected clinics, more than 26,000 health professionals using the medical record and around 700,000 consultations per month.



Univers

RD's medication benefit program administration platform for companies, health operators and business partners in benefits and health area. Univers provides more health and contributes to the beneficiaries and customers life quality, in addition to generating savings and practicality in the corporate environment.



Manipulaê

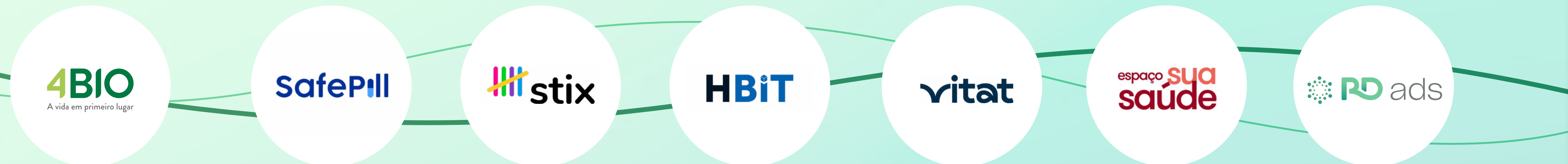
Solution for formulas manipulated through a digital experience, which allows us to offer a complete medication solution to our customers.



Cuco Health

Cuco Health is a B2B company focused on developing digital solutions for accessing and adhering to treatment for the pharmaceutical industry. Cuco Health's solutions enrich RD's value offering to the industry by integrating the digital component into the access and adherence journey.

RD ecosystem

**4BIO**

It provides special medicines aimed at specialties such as oncology, rheumatology, orthopedics, dermatology, reproductive medicine and infectology. It is the only company in the segment with ISO 9001:2015 quality certification, in addition to having an exclusive department to care for patients with chronic diseases and those who make continuous medication use.

SafePill

SafePill has developed a solution to promote safer and more comfortable treatment for patients who use multiple medications for continuous use. Tablets are individually packaged and grouped chronologically by dose and time. The patient receives the organized treatment monthly, reducing treatment discontinuity, consumption errors and adverse drug interactions.

Stix

Stix, a joint venture between RD (33.3%) and GPA (66.7%), is a platform of products and services for accumulating and redeeming points and offering discounts and benefits to loyal customers. Initially, points could only be ex-changed at pharmacies in the RD and at Grupo Pão de Açúcar stores. However, new partnerships were established in 2022, among them Sodimac, Polishop, Bike Itaú, Slow Beauty, Desviantes, Instaviagem.

HealthBIT

Corporate health management platform, B2B, which offers big data solution and action plans, aiming to reduce accident rates. The company optimizes healthcare management through intelligence, technology, and processes. In 2022, RD completed the transaction to acquire 100% of HBit.

Vitat

Integral healthcare platform that connects people, services, and products to transform health care into a daily experience. The Vitat brand combines a portal with extensive health and well-being content and an application aimed at promoting integral health. Throughout the year, we impacted 32 million platform users, who consume articles, videos, and podcasts daily.

Space and Health

Space within our pharmacies, with health services accessible to customers. In this space, tests, services, and vaccines are carried out safely, quickly and conveniently by our pharmacists.

RD Ads

Business that connects suppliers of various health, beauty, and wellness brands with RD customers, through physical and digital media, proprietary or third-party, giving more visibility to products and boosting sales. In 2022, RD Ads acquired Eloopz, a company specializing in remote screens inventory management, which will be installed in our pharmacies.

Private label

GRI 3-3 PRODUCTS AND SERVICES

The RD's proprietary labels role is to promote access to quality products that deliver comprehensive care for the consumer's health. Our biggest challenge is to continue innovating with agility, maintaining quality and a competitive cost, natural while bringing sustainability as a principle in the development of products.

Quality and safety of our products are our priorities. All cosmetic products follow a

controversial ingredient restriction policy and are completely free from animal testing (cruelty free) (see more pag. 70 and 71). For packaging, our focus is on finding more efficient solutions, reducing the use of virgin plastic and the generation of waste. In 2022, we encourage the recycling chain by offsetting 100% of post-consumer packaging waste generated by private label products.

We continue to invest in expanding our portfolio, prioritizing prevention, and integral

health categories, which already represent 11% of the total value of goods sold and continue to gain share, mainly in digital channels. **In all, we have six proprietary brands: Needs, Caretech, Nutrigood, Natz and Raia/Drogasil.**

During the year, we invested in research to launch products with greater potential and connected to the real needs of consumers, such as three skin care lines aimed at Brazilian skin.

The big news in the year was the **Natz** proprietary brand launching, a health promotion product, which expands RD's activities in this retail segment. It hit the market with a portfolio of 20 natural products, including essential oils, probiotics, and propolis and honey throat sprays.

Our main private label continues to be Needs, which was launched in 2010 and currently represents more than 50% of this business unit's total revenue. However,

others are also standing out, such as **Nutrigood**, a portfolio of healthy snacks that cater to the public in search of a balanced diet. All product categories are assessed for impacts on consumer health and safety.

GRI 416-1

In 2022, private labels sales were up 55% compared to 2021 and, in November, we reached the BRL 1 billion mark in revenue. Currently, RD Marcas has a relevant share in the Company's total revenue. The Needs brand became the best seller within the RD in the year and the sun protection category.

The main goals for Proprietary Brands are to increase the Needs brand awareness and relevance among consumers, monitor and control the controversial ingredients use in our products, expand the use of eco-efficient packaging, maintain 100% environmental compensation for packaging generated, in addition to financial indicators such as market share growth and EVA (Economic Value Added).



OUR PERFORMANCE

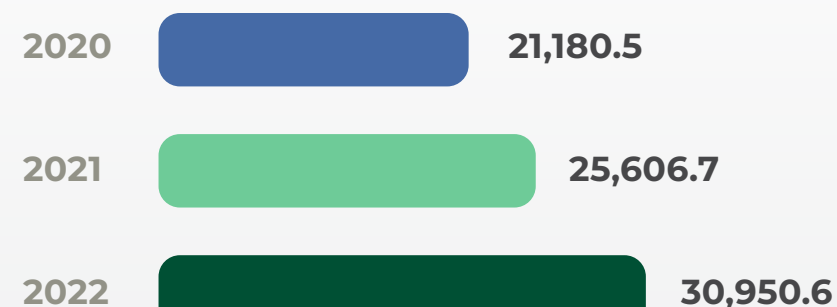
GRI 201-1

SEE THE DETAILS OF
RESULTS FOR THE YEAR 2022
IN THE COMPANY'S
FINANCIAL STATEMENTS



GROSS REVENUE

(in BRL million)



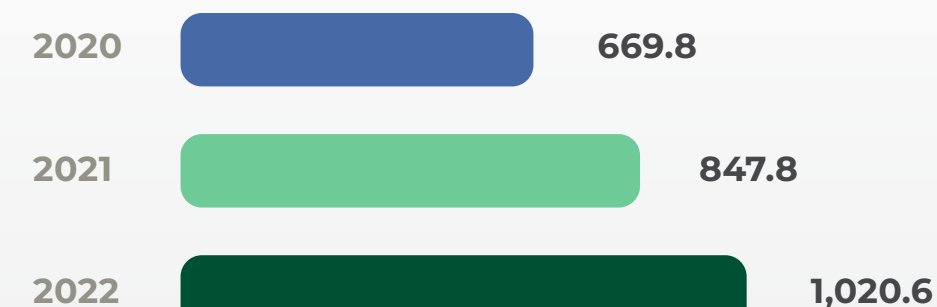
ADJUSTED EBITDA MARGIN

(%)



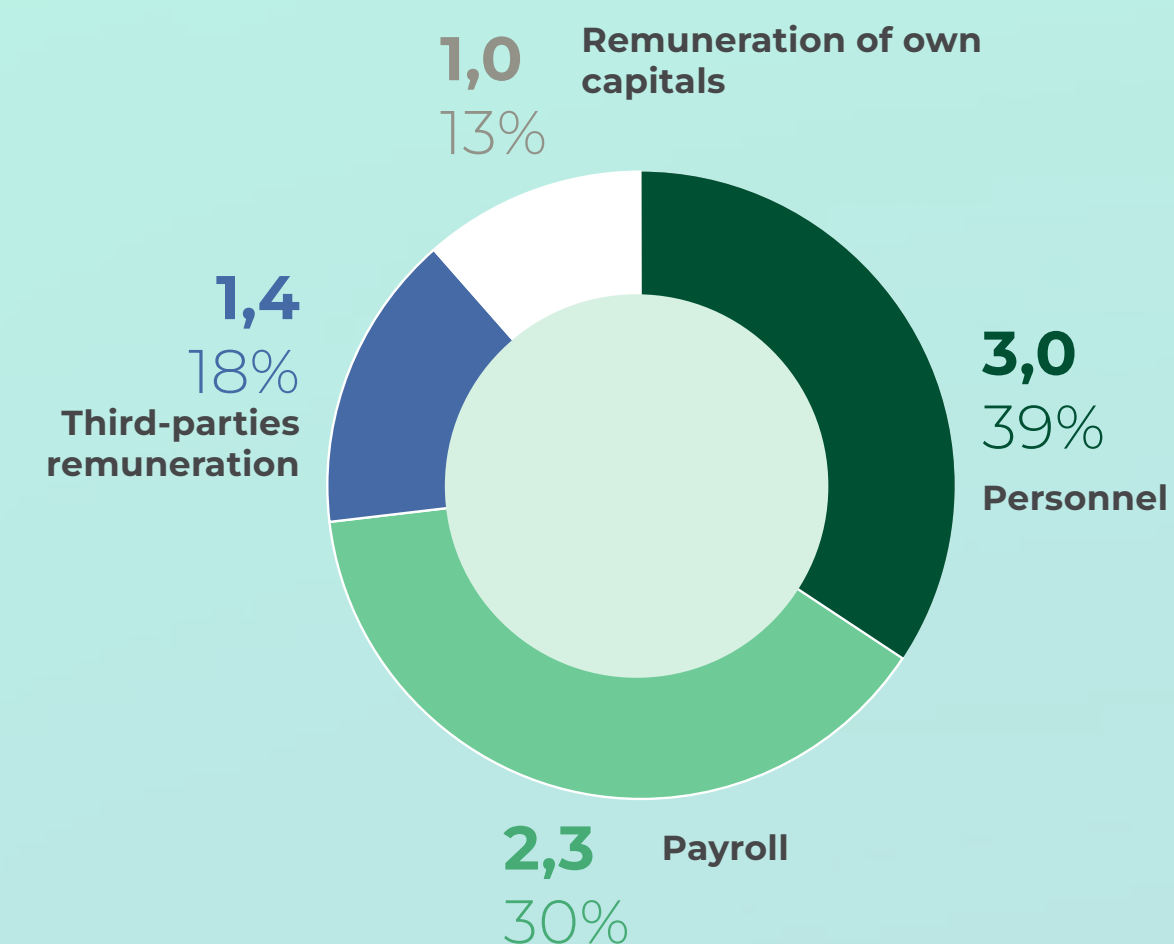
CAPEX

(in BRL million)



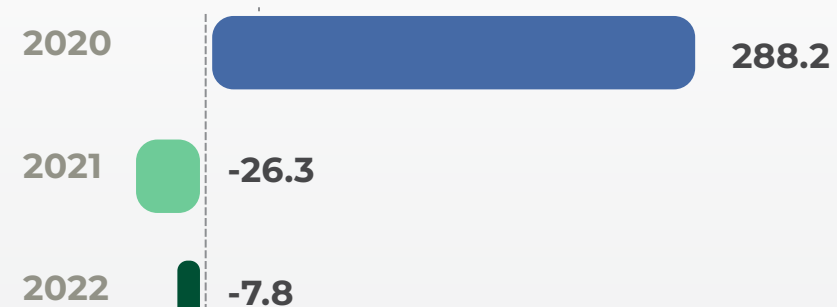
VALUE ADDED PER STAKEHOLDER*

(BRL billion % of total year)



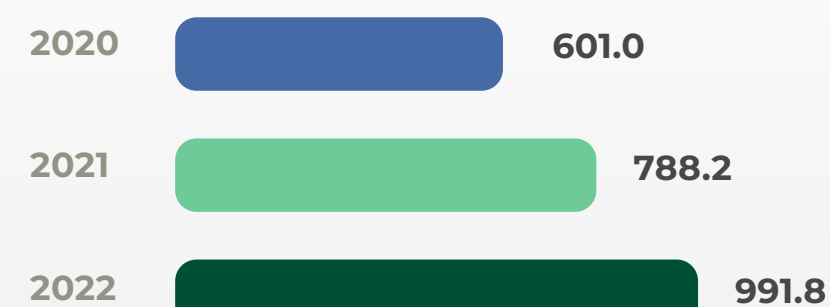
FREE CASH FLOW

(in BRL million)



ADJUSTED NET INCOME

(in BRL million)



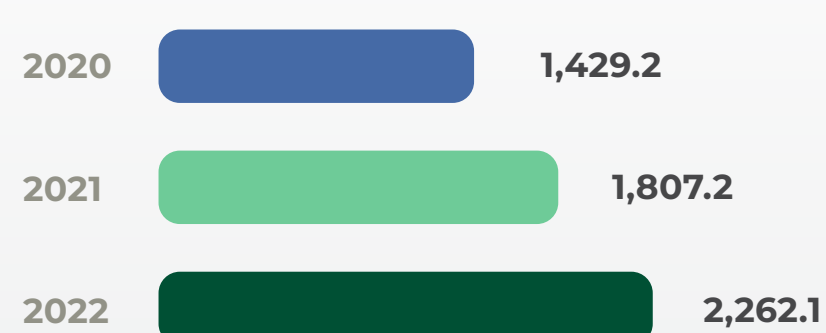
MARKET SHARE

(consolidated Brazil - %)



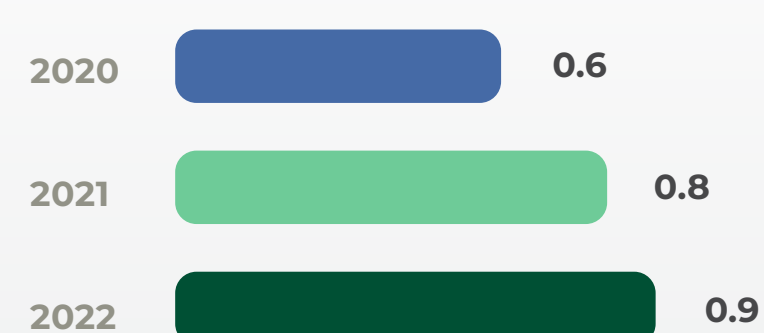
ADJUSTED EBITDA

(in BRL million)



LEVERAGE

(net debt/EBITDA)



ROIC

(Return on invested capital in %)



TOTAL ADDED VALUE *

(BRL billion)



Business model

Discover the value of our creation process and how we transform capital and impact society.



*Includes the RD and all its subsidiaries net income.

INTANGIBLE ASSETS

The software development and implementation, commercial points, as well as goodwill and added value related to the new companies' acquisition and participation in new businesses are classified as intangible assets in RD's Financial Statements. Added value was also allocated to the brands, the portfolio and the relationship established with customers, among other aspects.

On the other hand, the Company's human, intellectual, social and relationship capital, also linked to training, knowledge management, new products and services research and development, and the stakeholder's relationship, are considered

as RD's intangible assets for its added value, despite the undefinable carrying value as exemplified in the Business Model infographic.

The management and development of intangible assets occur through the various activities carried out throughout the year, such as training, technological innovations, products and processes, communication and brand promotion campaigns, stakeholder engagement, among others.

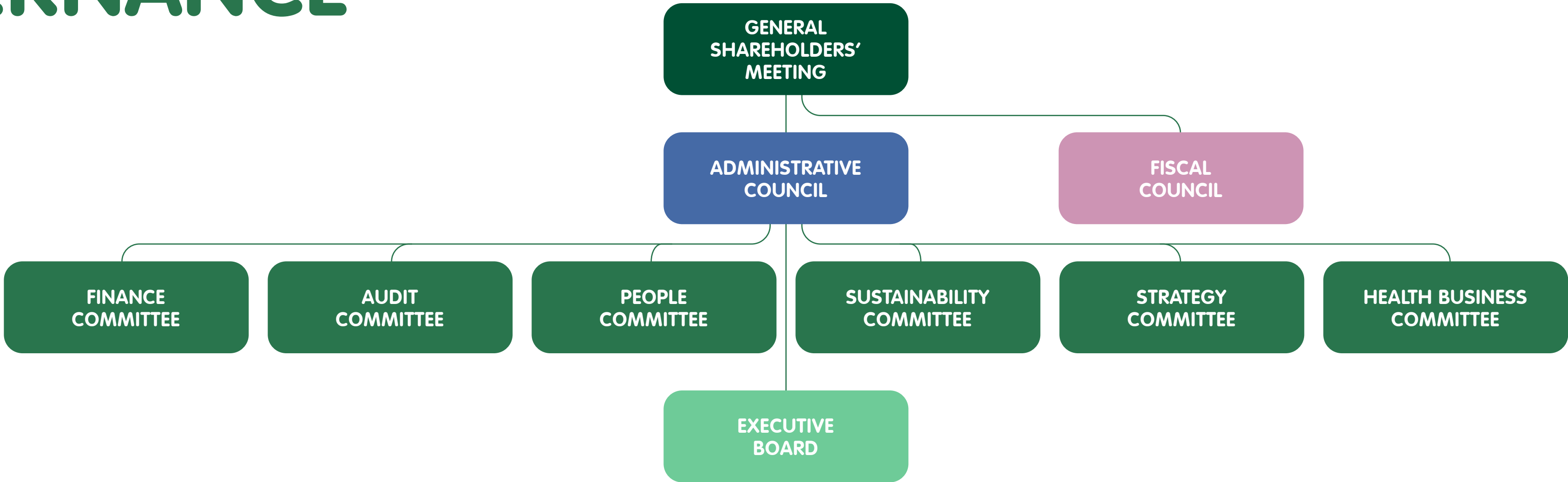


GOOD PRACTICES

Our governance model is guided by the pillars of professional management, transparency, equitable relationship with stakeholders, people's care, diversity promotion, and commitment to sustainable development.

CORPORATE GOVERNANCE

GRI 2-9



We are committed to good corporate governance practices because we believe they help us to ensure integrally the business sustainability and all RD stakeholder's interests: customers, investors, suppliers, employees, community, government, unions and class entities, among others.

RD is listed on the Novo Mercado, a special trading segment of B3 (Brazil, Bolsa, Balcão) that concentrates companies known for adopting the most advanced governance practices.

Additionally, the commitment to the business sustainable conduct is written

in our Bylaws, which determine that the decisions taken by the Company's shareholders and managers shall consider the short and long-term interests of RD and its shareholders, as well as the economic effects, social, environmental and legal, in relation to employees, third parties, suppliers, consumers and the

company and its subsidiaries creditors, and the surrounding communities relationship. Our governance structure comprises a General Shareholders' Meeting, Board of Directors, Advisory Committees of the Board of Directors, Fiscal Council – as a permanent functioning body – and Executive Board.

GENERAL SHAREHOLDERS' MEETING

It is through the Meeting that RD's shareholders approve relevant issues for the Company, in accordance with the Bylaws and other legal rules.

FISCAL COUNCIL

With members elected by the shareholders, the Fiscal Council works on a permanent basis with the function of examining the Company's Financial Statements and the regularity of the acts practiced by the RD's managers, among other attributions.

BOARD OF DIRECTORS

RD's Board of Directors' mission is to define and ensure the principles and purpose, protect and value the Company's assets, contributing with guidelines that prolong its perpetuity as a sustainable business and acting as guardian of the RD's essence and culture. It has guidelines established in its Internal Regulations that support the Company's sustainable value creation by the body, in addition to safeguarding and meeting all the interests of stakeholders: shareholders, employees, customers and society. [GRI 2-12](#)

It currently has 11 advisers, all full members, of which five are independent and three are women, all elected at a general shareholders' meeting for a two-year term, reelection being permitted. Additionally, the composition also values the knowledge diversity, with professionals strong experienced in essential themes for the achievement of RD's business strategy, such as health, technology,

and people management, in addition to pharmaceutical retail and ESG specialists. [GRI 2-10](#)

For more about the Board of Directors composition and each director powers, [click here](#).

The Company has a [Policy for Appointing and Completing Members of the Board Directors](#), which aims to establish minimum requirements and procedures to be followed for appointing members to the bodies: Board of Directors, Advisory Committees and Executive Board.

[GRI 2-10](#)

The criteria selection considers relevant qualifications and experiences to generate business value, in addition to academic, technical and professional qualifications compatible with the position to be filled, and the alignment with the Company's values, culture and purpose. It also analyses the lack of conflict of interests with RD and non-occupation of positions in competing companies,

unblemished reputation and ethical conduct, and both knowledge and experience of each member on issues related to sustainability. Shareholders may appoint members to the Board of Directors, as long as they adhere to the terms of Law No. 6,404/76, CVM Instruction 367/02, which will be submitted for approval at the General Meeting. [GRI 2-10](#)

The People Committee, in addition to being led by an independent director specializing in the retail sector, is responsible for carrying out a prior analysis of candidates for positions on the Board of Directors and Statutory Board of Directors, submitting their nomination to the Board.

In addition to appointing members to the advisory committees according to each director expertise, the Board of Directors hires specialists in specific topics to participate in its advisory committees or provide advice on extraordinary matters. [GRI 2-17](#)

GRI 2-13

FINANCE COMMITTEE

The Finance Committee attributions were reviewed by the Board of Directors in 2022, to align with the functions assigned to the Audit Committee. Among its duties are monitoring compliance with the budget and results, assisting the Board in analyzing the economic and global situation and potential effects on the Company's financial position and examining, discussing, and making recommendations to the Board of Directors regarding the proposed financial policy by the Board.

GRI 2-13

AUDIT COMMITTEE

In 2022, we took another step towards improving our best practices in corporate governance with the Audit Committee implementation. With three members, all independent, the committee operates on a permanent basis and has a non-statutory nature. Its attributions are to monitor the independent auditor the, analyze the Financial Statements and assist with internal audit activities, internal controls, risk management and Compliance, in addition to topics related to Related Parties and the Ethics Conversation Channel.

GRI 2-12, 2-13

SUSTAINABILITY COMMITTEE

The Board of Directors constituted a Sustainability Committee to address all sustainability issues in this body. Its responsibilities include developing and proposing guidelines and commitments related to the sustainable development of the Company and its subsidiaries, considering risks and opportunities for the value creation, discussion, preparation, monitoring short, medium and long-term socio-environmental programs application and actions deadlines, as well as impacts

generated; and development, follow-up and proposition of sustainability goals for variable remuneration of the Executive Board. Additionally, the Committee reports and submits to the Board of Directors the topics addressed in its bimonthly meetings.

GRI 2-13

STRATEGY COMMITTEE

This Committee has key-functions to orientate the Company towards the 2025 Strategy and the 2030 Ambition. Among them are developing and proposing policies related to business strategy, the operations improvement, digital transformation, and the desire to be a company that offers solutions in integral health.

GRI 2-13

HEALTH BUSINESSES COMMITTEE

As a result of RD's purpose of being together for a healthier society, this Committee has within its main functions, to promote corporate innovation for prospecting new initiatives in health businesses and to monitor the execution and results of initiatives already in progress.

GRI 2-13

PEOPLE COMMITTEE

Among its duties are to monitor projects and processes related to people, ensuring alignment with the Company's strategic vision, discuss and propose compensation policies and incentives for employees and managers, discuss and propose criteria for evaluating performance and skills, formulate and monitor performance, productivity and RD management indicators and monitor the succession plan. Additionally, the Personnel Committee is responsible for analyzing candidates to compose the Statutory Board of Executive Officers and the Board of Directors.

GRI 2-11

STATUTORY BOARD

The Executive Board is responsible for the Company's executive management and the execution of the RD strategy. It is elected by the Board of Directors and holds between five and 11 positions in various business areas. The office term is two years, reelection being permitted.

Currently, the Executive Board is led by the Chief Executive Officer (CEO), who does not hold a position on the Board of Directors, and is composed by vice-presidencies dedicated to key issues of our strategy. All members of the Executive Officers Board undertake annual evaluation processes conducted by the People Committee of the Board of Directors with the support of external consultants.

The responsibility for managing the Company's impacts on the economy, the environment and society is shared at the executive level by all members of the Board of Executive Officers, especially the Vice President of People, Culture and Sustainability. [GRI 2-13, 2-24](#)

Within the scope to promote diversity, we carried out in early 2023 a census with administrators. For more details, please [click here](#).

COMPOSITION OF THE STATUTORY BOARD

Marcílio D'Amico Pousada	CEO
Antonio Carlos Coelho	Vice President of Finance and Administration
Bruno Wright Pipponzi	Vice President of Health Business
Eugenio De Zagottis	Vice President of IR and New Business
Fernando Kozel Varela	Vice President of Digital Transformation
Marcello De Zagottis	Vice President Commercial and Marketing
Maria Susana de Souza	Vice President of People, Culture and Sustainability
Renato Cepollina Raduan	Vice President of Pharmacy Operations, Multichannel, Supply Chain and Expansion

Remuneration policy for senior management

GRI 2-19, 2-20

RD adopts a Remuneration Policy for directors approved through a formal and transparent procedure at a meeting of the Board of Directors. This policy is based on the standardization of compensation rules and procedures, serving as a professional and impersonal guide in decision-making, also in line with market practices, management and corporate governance systems.

The compensation strategy emphasizes our commitment to attracting and retaining good executives, including competitive salaries, profit sharing and long-term incentives. Compensation is established based on market research and the Company's strategic alignment, namely:

- **Board of Directors:** receive fixed monthly fees following market standards, with the aim of encouraging and rewarding the Company's results. Fees are the same for everyone, with the exception of the Chairman's Board, who are differentiated

due to their attributions, responsibilities and time demands;

• **Statutory Board of Directors:**

receive fixed monthly fees, in addition to direct and indirect benefits, such as medical assistance, dental assistance and life insurance, within market standards. Members are also entitled to share-based compensation and variable compensation, linked to short, medium, and long-term financial, operational, and strategic goals, including sustainability goals. The bonuses and the share plan are intended to encourage the Board of Executive Officers to align themselves with the Company's greater objectives;

• **Non-statutory Board of Directors and Executive Managers:**

receive a fixed monthly salary, in addition to direct and indirect benefits within market standards, in addition to bonuses according to the evaluation of the results achieved. They may receive share-based compensation and variable compensation linked to short, medium, and long-term goals. The bonuses and the share

plan are intended to encourage senior leadership to align themselves with the Company's main objectives.

We adopted a compensation composition model that concentrates a significant portion of total compensation on variable components, both short and long term. The existence of a variable remuneration practice, including share-based remuneration, allows the sharing of risk and results with the main executives, characteristics of a transparent policy aimed to achieve lasting results, which make our perpetuity possible, as well as a value creation reflected in the market price of our shares.

The administrator's remuneration, including members of the advisory committees to the Board of Directors, is periodically compared with market practices, based on salary surveys carried out by specialized consultants, in addition to monitoring inflation in the period, evaluating and the adjustment needs in compensation components. The compensation readjustment values are defined by the

Board of Directors, within the limit of the value determined by the Ordinary General Meeting. The variable remuneration values are applicable to the statutory board, and determined according to the budget and its execution.

ALL DETAILED REMUNERATION ASPECTS CAN BE FOUND IN THE ITEM MANAGERS REMUNERATION AT THE COMPANY'S REFERENCE FORM.

GRI 2-19



SUSTAINABILITY GOALS IMPACT VARIABLE REMUNERATION

GRI 2-19

All employees are eligible for the Profit-Sharing Program (PPR). It guarantees the professional recognition based on components evaluation performance with the respective indicators:

1. Company Goals

(sales, EBITDA, NPS (Net Promoter Score), customers and expansion and socio-environmental);

2. Goals of the area

(specific to each area);

3. Individual goals

(performance evaluation/succession); and

4. Performance Goals

(Performance Share) - Only for Senior Management.

The socio-environmental goals component considers goals related to the commitments of our 2030 strategy development. Each year, we prioritize 3 to 4 commitments and define intermediate targets for achievement.

Ownership structure

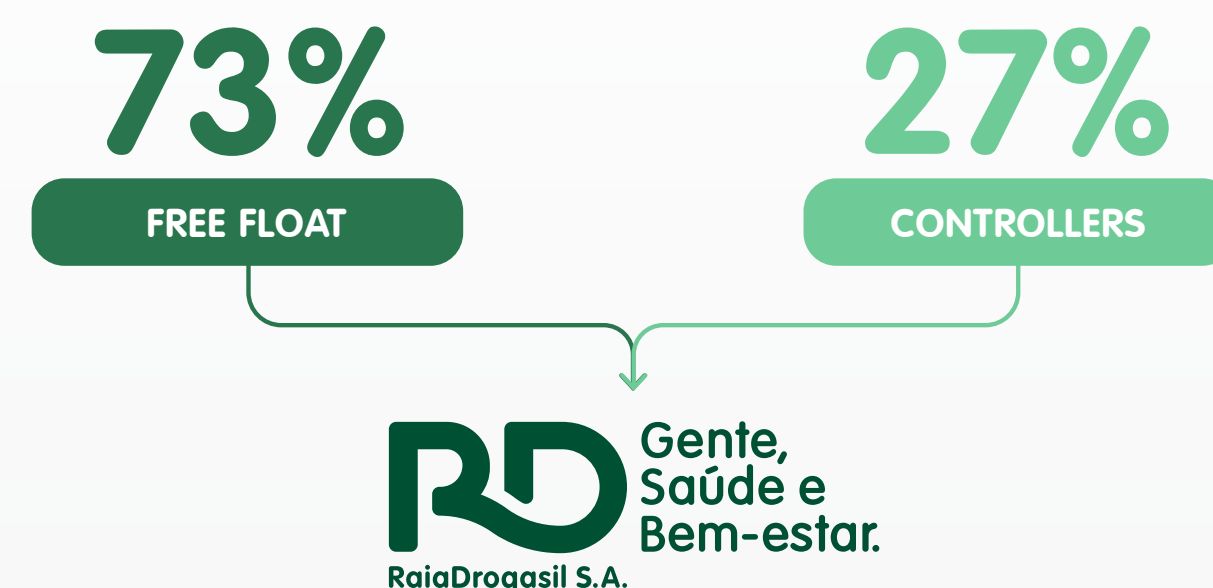
GRI 2-1

The Company's control is hold by a group of shareholders with a long-term vision and commitment, which includes members of the Raia and Drogasil's founding families, with decades of experience in pharmaceutical retail and a large portion of their assets invested in RD.

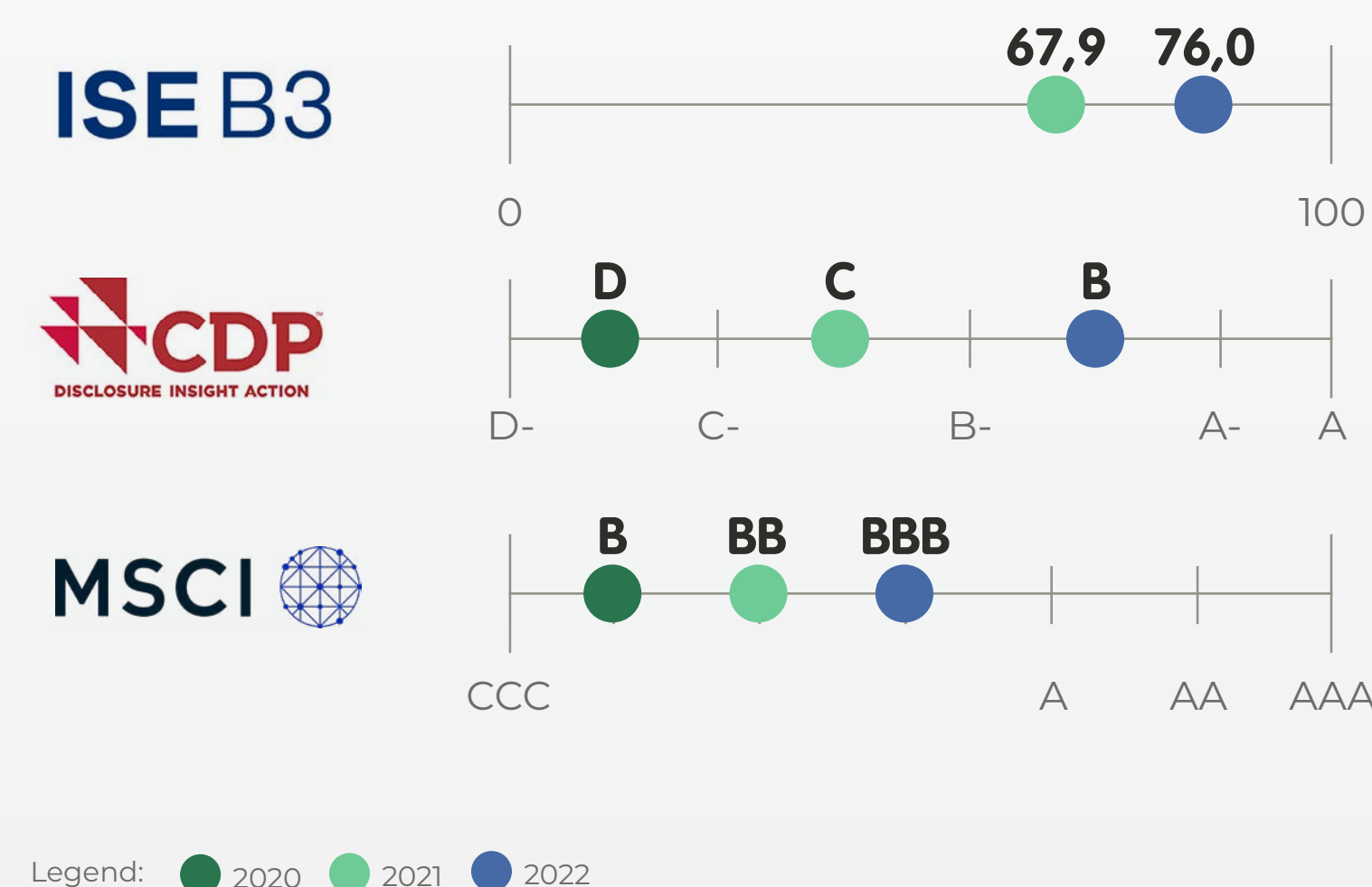
This shareholding control is governed by a shareholders' agreement in force until 2031 and represents 27% of the share capital on the base date December/2022. Therefore, 73% of the shares issued by RD are traded on the stock exchange (free float), favoring the stock's liquidity.

RD's relationship with the financial market is guided by the transparency and security criteria adoption in the disclosure of information, by the treatment isonomy dedicated to shareholders and investors and by the ethical commitment maintained with these audiences.

RD SHARES



EVALUATION IN INDEXES AND RATINGS



Performance evaluation

GRI 2-18

The performance evaluating process of the Company's statutory and non-statutory officers, including the CEO, takes place annually based on individual project and performance targets and is monitored by the People Committee of the Board of Directors.

Additionally, RD adopts an annual evaluation process for the Board of Directors. In 2022, it was carried out in two stages: first, the body assessment and its committees as a collegiate body and, secondly, the individual assessment of each board member, as resolved at the People Committee Meeting. The process had the support of a specialized consultancy and considered the collegiate potential to deliberate on impacts on the economy, the environment, and people, as well as, individually, each executive performance. The results obtained in the evaluations were previously discussed by the Personnel Committee and submitted to the Board of Directors during a meeting in which development action plans were proposed.

More details on [RD's IR website](#).

INTEGRITY IN RD

2-23,2-24, 3-3: ETHICS, COMPLIANCE AND PRIVACY AND DATA SECURITY

We are committed to ensuring ethical, moral, and legal conduct, respecting customers, partners, shareholders, and Brazilian society. With this in mind, we have formulated policies, guidelines, and procedures, approved by our Board of Directors, which are gathered in the Integrity Program, which also includes the People Code, the Code of Conduct for Suppliers, and other important instruments.

The People's Code is our code of ethics and conduct, a guideline for behaviors and attitudes of employees who act on the Company's behalf in their internal and external relations. This document aims to provide a general understanding of the conduct and ethical principles that guide RD's commitment to the business' integrity and relationships in all its dimensions.

The People's Code guidelines are mandatory for all employees and third parties, who are also responsible to follow them whenever acting and interacting on RD's behalf. The People's Code is considered as organizational policies, and also values and beliefs for daily routine, there so not a unique responsible in charge for implementing it – it's under everyone responsibility.

However, the Ethics and Compliance area is responsible for reporting issues related to the ethical business conduct to the Ethics Committee and the Board of Directors. Our people are invited to take the Code of People course available on the RD Universidade platform when joining the Company. In addition, everyone is also required to sign a statement of responsibility and commitment to



RD'S CORPORATE POLICIES ARE PUBLIC AND CAN BE ACCESSED AND CONSULTED BY ALL OUR STAKEHOLDERS ON OUR INSTITUTIONAL WEBSITE..

TO KNOW MORE
[CLICK HERE](#)



the Code. **GRI 2-24**

In 2022, we intensified the dissemination of our anti-corruption actions and the Conversa Ética channel in the internal media. Besides, all employees are informed upon admission about our code and policies. We also implemented other initiatives to communicate the ethics and compliance guidelines in the RD areas and units, such as the Compliance Ambassadors program. By last December, we had 41 active ambassadors.

In addition, we included training on the Anti-Corruption and Conflict of Interests Policy in the Trilhar program and started to promote monthly training sessions for newly promoted managers.

It is important to point out that 100% of operations were assessed for risks related to corruption, and we have no history of corruption acts within RD. The few reported cases were

considered unfounded.

GRI 205-1, 205-2, 205-3

In any situation of conflict of interest, employees and Administrators must inform the fact, declaring their situation in the Declaration of Conflict-of-Interests and forwarding the respective document

to the ethics and compliance RD area. The purpose of the Conflict-of-Interest Declaration is to ensure impartiality in all company relations through its norms, policies, and procedures, cultivating trust based on ethics and transparency. Thus, we build a healthy environment, where

situations that may compromise everyone's interests, or improperly influence the Company's performance, are aligned with the Code of Ethics and Conduct.

The guidelines are set out in the Conflict of Interests Policy published on the website

COMPLIANCE TRAINING 2022
Professionals trained by functional category*

GRI 205-2

FUNCTIONAL CATEGORY/YEAR	2021		2022	
	TOTAL NUMBER	PERCENTAGE	TOTAL NUMBER	PERCENTAGE
Administrative	319	19.62	754	38.95
Specialist	44	10.58	128	28.44
Executive Leadership	30	51.72	-	-
Average Leadership	178	26.45	14	1.76
Operational Leadership	884	33.28	56	2.02
Operational	27,327	62.08	22.276	47.37%

*There is no available data on training by region. In 2021 and 2022, training on corruption was also not carried out for governance bodies.

([available here](#)). It is up to all employees and Administrators to know, follow and disseminate this Policy content. Whenever in face of a potential Conflict of Interest situation, the Director involved has the duty to express himself immediately, absent from discussions, and refrain from voting on the matter. The manifestation and its subsequent abstention by the Administrator must be included in the resolution or meeting minutes in which the matter was presented. Potential conflicts of interest are also communicated by the Company to stakeholders, mainly related to cross participation in other management bodies; cross-shareholding with suppliers and other stakeholders; existence of controlling shareholders and related parties, their relationships, transactions,

and outstanding balances. ([available here](#)).

GRI 2-15

The Ethics and Compliance area work also covers campaigns, awareness actions and projects alluding to dates, such as the National Ethics Day, celebrated in May, and the International Day to Combat Corruption, in December.



ETHICS IN THE SUPPLY CHAIN

For the supply chain, we annually apply self-assessment questionnaires and carry out face-to-face audits at suppliers in critical categories. We also adopted the Supplier Code of Conduct, with specific guidelines for this audience. The material was presented through a workshop held with 105 suppliers in critical categories in December, in addition to reinforcing guidelines and policies through periodic newsletters. In terms of governance, we assess 100% of all risks in suppliers' operations, promoting specific training on the ethical conduct expected from each party (further details in the chapter on Supplier Governance). ([GRI 205-2](#))

It is important to mention that, in 2022 RD added the human rights risks in its Corporate Risk Matrix, which are monitored in the Risk Management Program. ([GRI 2-23](#))



Ethical Conversation: communication and records

GRI 2-16, 2-25

Our report channel – Ethical Conversation – receives general and sensitive nature calls. According to their criticality, general calls are checked by the leadership and refer to inappropriate behavior, complaints, praise, and others. The sensitive calls are considered more critical, involving moral harassment situations, sexual harassment, discrimination, corruption, fraud, physical aggression, use of alcohol or drugs and conflict of interests. The channel operates 24 hours a day, 7 days a week. The communication can be made anonymously or identified, it is analyzed by a specialized team, guaranteeing secrecy and non-retaliation.

In 2022, 804 sensitive calls were registered, investigated by the Ethics and Compliance area, and analyzed by the Ethical Affairs Commission.

Of this amount, 39% were considered as valid and the measures taken into actions. For the most part, were dismissal with or without just cause and verbal and written warnings, depending on the issue criticality and the evidence collected.

Complaints are investigated by RD's compliance area and handled by the Ethical Affairs Commission, made up of seven directors from different areas. This committee debates and deliberates on the sensitive cases investigation, indicating solutions according to the nature and seriousness of the complaints. This committee periodically presents the results of the investigations to the Ethics Committee, composed of the CEO and 3 statutory directors, and to the Audit Committee, the advisory body of the Board of Directors.

In 2023, we will start performing regular audits of the Ethics and Compliance Program. This is good practice applied by the Audit Committee.



GRI 2-26, 3-3

ETHICAL CONVERSATION

<https://canalconfidencial.com.br/conversaetica/>

0800 778 9009

contato@conversaetica.com.br

Human rights in the RD

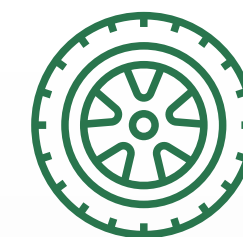
GRI 2-23, 2-24, GRI 3-3 LOCAL DEVELOPMENT

RD's human rights commitment is expressed in the People's Code, which defines guidelines such as repudiation of child and slave labor, respect for diversity and inclusion, and compliance with labor laws, including freedom of association.

In 2022, we invited the Global Compact to conduct a robust training on human rights due diligence processes, based on the United Nations (UN) Guiding Principles on Business and Human Rights. There where 33 directors and managers representing different departments participated in this training: Sustainability, Legal, Diversity, Risk Management, Logistics Operations and Engineering.

The training focus was on the literacy of our people, we also carried out risks and impacts on human rights survey and,

subsequently, incorporated these risks into the Company's Risk Matrix and the Externalities Map, as per page 132. Also in 2022, we trained 19,891 employees in the subject of Human Rights and the Company through content available at Universidade RD. In the Transformative Learning Week, we invited an external partner to an online workshop with our teams, reinforcing the topic importance within the Company.



PROGRAMA NA MÃO CERTA (ON THE RIGHT SIDE)

In 2022 we carried out an important initiative in partnership with the Na Mão Certa program to raise awareness among our drivers about the cause. The course available at Universidade RD had more than 18,000 accesses. In addition, we formed 16 multipliers who work on the DCs and held a cine-debate with the short film screening Mundo Sem Porteira, on the DCs in Ribeirão Preto, Maracanaú and Bahia.

RD's own and outsourced drivers also participated in engagement and training activities, conducted by the Na Mão Certa program, with the aim of transform them into protectors of children on Brazilian highways and active against sexual exploitation.



RESPONSIBLE MARKETING

We are committed to the highest ethical standards in everything we do, including our business interactions and marketing and communications practices. When communicating about our products, services, and business, we do so honestly and transparently, always respecting people, customers, and human rights.

[Access here](#) our Responsible Marketing Policy.

Information privacy and security

Since 2018, we have maintained a Privacy and Information Security Program to ensure the personal data protection of our 47.5 million active customers and more than 53,000 employees.

It is part of our commitment to guarantee and implement adequate security measures to maintain the confidentiality, integrity, and availability of those who trust

us, in compliance with the General Law for the Protection of Personal Data (LGPD).

Currently, the Privacy and Information Security Program has:

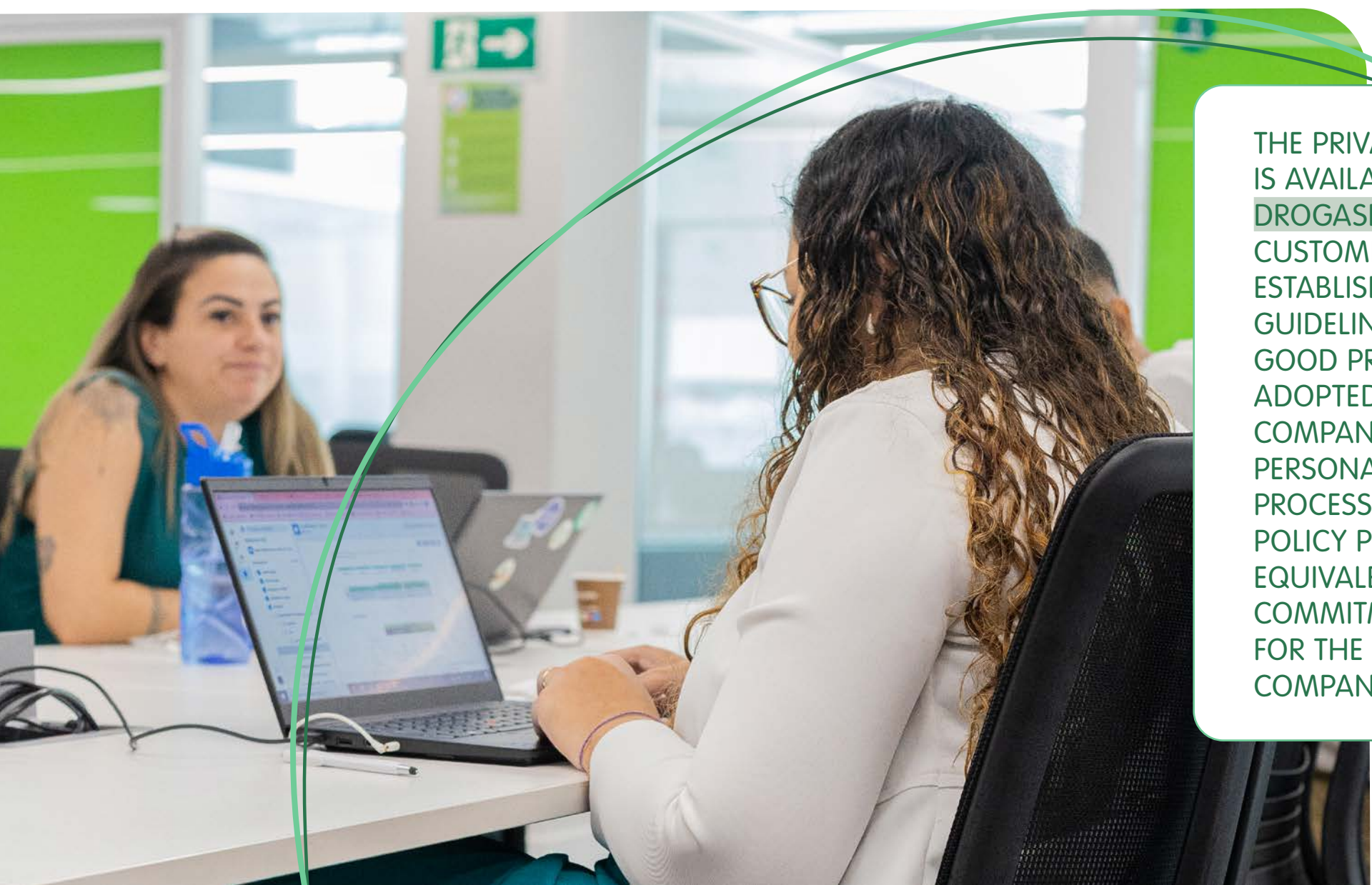
- Qualified professionals team exclusively dedicated to address privacy and information security issues at the Company;

- Person in charge of Personal Data Processing (DPO), responsible for the program;
- Privacy and personal data protection governance tool to demonstrate compliance with the guidelines, principles and obligations of the LGPD (principle of accountability);
- [Privacy Portal](#), to ensure that customers, employees, former employees and service providers can exercise all rights over their personal data in an easy and free way;
- Internal repository - Knowledge Library - available for employees' consultation, has policies that include guidelines, principles and internal rules on the collection, use, storage and disposal of personal data and sensitive customer data, among them: Privacy Policy, Information Security Policy, Information Classification Policy, Personal Data Retention Policy, Incident

Management Policy Security and Security Incident Reporting Policies;

- Structured process for assessing privacy and information security risks at suppliers and partners, to mitigate potential external threats capable of exposing or compromising the personal data security of our customers and employees;
- Committees with the participation of senior leaders (Vice Presidencies and Directors). These Committees (Privacy Committee and Information Security Committee) meet occasionally when necessary. From time to time, reports on the evolution of Privacy and Information Security controls are presented to the Board of Directors, including topics related to RD's interaction with its subsidiaries.

THE PRIVACY POLICY IS AVAILABLE TO DROGASIL AND RAIA CUSTOMERS AND ESTABLISHES THE GUIDELINES AND GOOD PRACTICES ADOPTED BY THE COMPANY IN THE PERSONAL DATA PROCESSING. THIS POLICY PROVIDES EQUIVALENT COMMITMENTS FOR THE RD GROUP COMPANIES.





INCIDENT MANAGEMENT

We maintain a Security Incident Management Policy and a Security Incident Communication Policy to the ANPD and the Holders, to ensure the proper organizational process in the event of a cyber crisis. In addition, we periodically carry out tests to identify potential vulnerabilities and we also conduct report and management of cyber crisis simulations in the organization, in order to guarantee that preventive measures are being implemented and that any security incident consequences may be mapped and properly mitigated.



PRIVACY AMBASSADORS PROGRAM

Created to allow all RD business areas have focal points responsible for submitting questions, challenges and risks related to their respective business areas to the Office of Privacy and Information Security Governance, as well as for creating the data protection culture in the Company.

- Periodic and independent audits to assess the maturity and effectiveness of our Integrity Program;
- Awareness program consisting of training and actions aimed at raising the knowledge level of employees about privacy and information security, including online courses and video dissemination;

- Conducting social engineering simulation campaigns, such as phishing, visits to our pharmacies and DCs, conducting talks, and workshops;
- Technical measures aimed at ensuring information security, based on best practices adopted in the market through frameworks such as CIS Controls and ISO/IEC 27001/27002. We implemented new detection and response capabilities, highlighting the 24x7 monitoring of security events centralized in a SOC (Security Operation Center), monitoring possible data leaks events using DLP (Data Loss Prevention) tools, and the use of security agents. EDR (Endpoint Detection Response) across the all workstations, servers, and containers. We also implemented new technologies based on the zero-trust concept, such as logical micro-segmentation of perimeters.
- Vulnerability management processes, application of security baselines, secure development and administrative access

management are continuously performed for all technology assets, considering software developed internally or by third parties, datacenters, cloud environments and workstations.

- We are currently renewing our cyber insurance for the third consecutive year, an important part of our critical incident response strategy.
- Business Continuity Management System, comprising plans for the continuity of information security in adverse situations.
- We also have an average period for storing customer information of 5 (five) years after each transaction. These deadlines are defined according to the type of product or service provided and current legislation.

Customer service on privacy matters

In 2022, we responded to 18,390 customer queries regarding proprietary rights pursuant to Art. 18 of LGPD¹. These doubts are not related to the exposure of personal data, security incidents or any irregularity practiced by RD. These demands were met within the deadline and legal requirements.

In addition, we received 19 administrative proceedings from public authorities and six court proceedings related to the processing of personal data. There was no conviction or proof of exposure of personal data in any case. **GRI 418-1**

In 2022, we trained 30,580 employees in Internal Privacy, Privacy and Information Security and LGPD

CYBERSECURITY

RD has never recorded any incidents related to cybersecurity, either regarding data leakage or interruption of our operations. Since 2020, we have increased our investments in this area by more than 600%.

1. Obligations of the company to respond to the data subject (Art. 18): I - confirmation of the treatment existence; II - access to data; III - correction of incomplete, inaccurate or outdated data; IV - anonymization, blocking or elimination of data that is unnecessary, excessive or treated in violation of the provisions of this Law; V - portability of data to another service or product provider, upon express request, in accordance with the regulations of the national authority, observing commercial and industrial secrets (Wording given by Law No. 13.853, of 2019) VI - elimination of processed personal data with the holder consent, except in the cases provided for in art. 16 of this Law; VII - information from public and private entities with which the controller carried out shared use of data; VIII - information on the possibility of not providing consent and on the consequences of the refusal; IX - revocation of consent, pursuant to § 5 of art. 8 of this Law.

Among the Privacy and Information Security Program main evolutions in 2022, we highlight:

Privacy & Data Security pillar highlighted in RD's rise in the MSCI ESG Ratings

Risk assessment of privacy and information security in more than 600 suppliers

Result of the cyber insurance brokerage evaluation (Marsh): Maturity of the NIST frame-work: 3.5, SecurityScoreCard: A-96 and Bitsight: 790 (advanced)

Visits to 96 pharmacies to collect feedback and guidance on privacy and information security

Achieving the highest level of maturity in the pillars of Customer Service, RD and Supplier Management and Legal Principles

Beginning of the project for ISO 27001 certification, with evaluations of implemented controls and identification to be corrected.

Publication of more than 20 corporate policies, including updates to the Privacy Policy, Privacy by Design Policy, Security Incident Communication Policy to ANPD and Owners, among others

Conducting four phishing simulation campaigns, with a reduction in the interaction percentage by employees

Elevation of the culture and confidence level in privacy at the organization, according to a national survey conducted by Palqee Technologies. We are currently at 7.6 out of 10



RISK MANAGEMENT

2-16, 3-3: ETHICS, COMPLIANCE AND PRIVACY AND DATA SECURITY

Organizations of our size and complexity have risk management as a crucial factor for business success. Through the governance structure, in particular the Audit and Sustainability Committees, we are attentive to the factors that may affect the value creation, reputation and the perpetuity of the business. In recent years, we have advanced in the ESG agenda and its integration into the routine analysis of scenarios, trends and factors that may impact us, positively or negatively.

We are guided by the **Risk Management Policy**, which establishes guidelines and responsibilities relevant to the risk management process, highlighting the methodology applied to the risk identification, evaluation, treatment, monitoring and communication

processes, inherent to the business. It also incorporates the risks into decision-making and strategic planning, to align RD governance with good market practices.

There are six risk types in RD: strategic, operational, cyber, compliance, financial and ESG, for which we have developed structures, controls, and mitigation processes. The advisory committees' recommendations to the Board of Directors, as well as the accurate analysis of the executive leadership, ensure readiness for situations that may affect the business.

In 2022, we updated our risk matrix, increasing from 23 to 52 the monitored aspects, with significant advances in risk management. We have also developed

new action plans to mitigate the most critical risks for the Company. RD's risk criticality analysis evaluates both the likelihood of the risk occurring and its potential impact on the business.

In a general perspective, we map all the risks that may impact the Company's strategy, evaluating essential elements for compliance with the business plan. This analysis covers human capital

management, digital transformation and expansion aspects, and health service platforms development, in addition to incorporate socio-environmental aspects.

The risks with the highest criticality are reported to the Risk Committee, executive report, and Audit Committee and Board of Directors – independent reports.

GRI 2-16



The risk management process in RD is based on methodologies such as ISO 31000, COSO ERM¹, IBGC² and IIA³, and is ordered in the following steps:

1st Establishing the context: understanding the internal environment, based on the Company's strategic planning and its objectives, and the external environment, associated with the macroeconomic, political, social, natural and/or sectoral environment in which the Company operates.

2nd Findings: we assess the Company's most critical processes and implement periodic meetings with the identified areas to evaluate internal and external scenarios, audit reports and internal controls.

3rd Risk analysis: carried out using the risks and their factors, as described in the Company's risk dictionary, area classified by their nature: Strategic, Financial, Operational, Compliance, Cyber and ESG.

4th Risk assessment: we assess the identified risks using as parameters the potential impact on the business and the occurrence probability of the risks.

5th Treatment of risks: we implement controls and action plans to reduce the causes and consequences, sharing responsibilities with third parties, when appropriate.

6th Risk monitoring: carried out by the Risk Management Committee and the Audit Committee during periodic and specific meetings to monitor risks. This monitoring is a permanent agenda of the Risk Management Committee for high and very high risks, while medium and low risks are discussed as necessary. Additionally, continuous monitoring activities are carried out by the Risk Management Department, as well as independent assessments by the Internal Audit area or outsourced companies. With the involvement of the Executive Board and the Board of Directors, the Company also performs an annual review of its risks to reassess the alignment

with its strategy and carry out continuous verification of the implementation and results of mitigating measures.

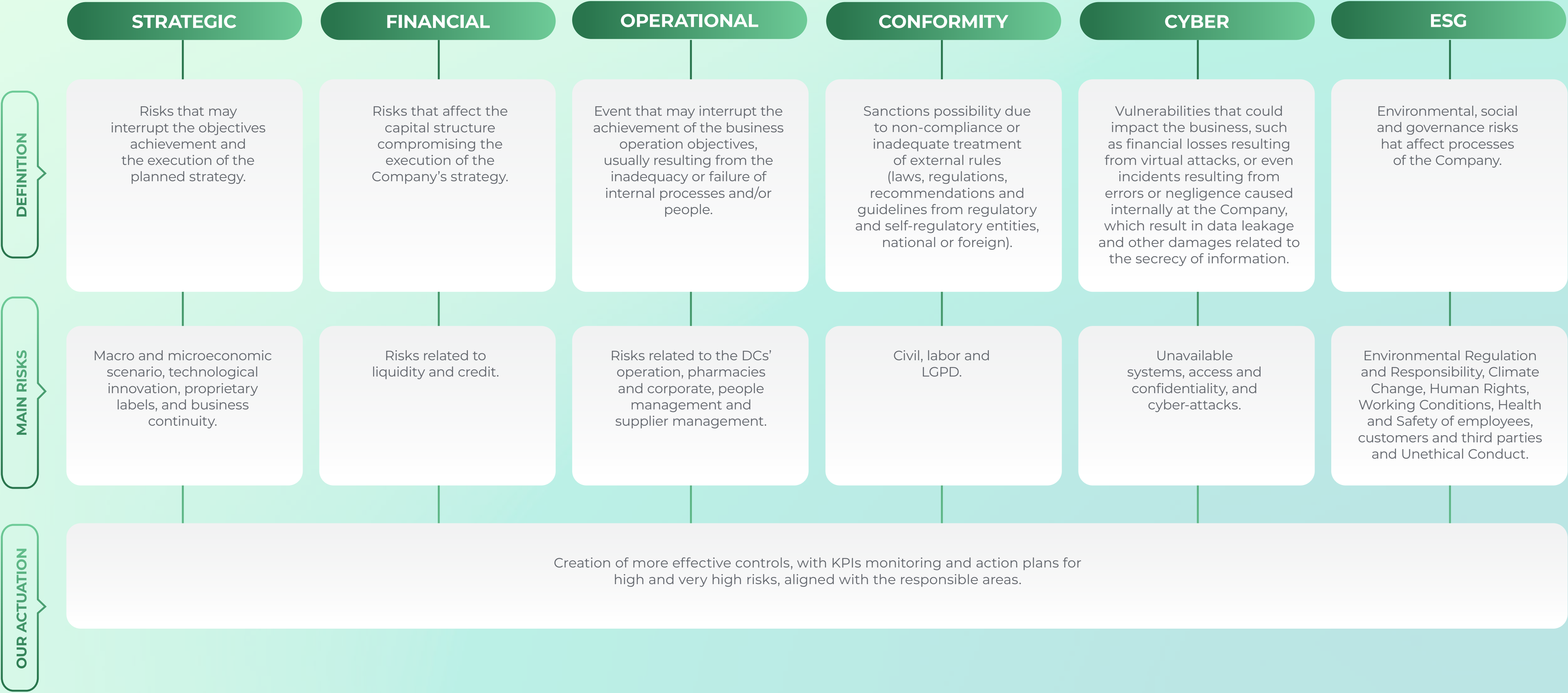
7th Communication, recording and reporting: we disclose relevant information to interested parties in a format and time frame that enable the execution of employee responsibilities, ensuring relevance, transparency, availability, access, and accuracy of information related to risks. And the market risk process, as well as its rules and guidelines, are described in the Market Risk Policy.

To access RD's Risk Management Policy, [click here](#).



1. Committee of Sponsoring Organizations of the Treadwa Commission. 2. Brazilian Institute of Corporate Governance. 3. Institute of Internal Auditors of Brazil.

CORPORATE RISK MANAGEMENT



Climate risks and opportunities

GRI 201-2

With the update carried out in 2022, we included climate change risks in the Company's risk matrix for the first time, which will be monitored periodically by the Risk Committee, as well as by the Sustainability Committee.

In 2021, we carried out a climate change impact study on our DCs, which included the following steps:



In 2023, we will hire a consultancy specializing in the topic of climate change to expand the climate risks and opportunities study, extending the scope to all our operations.

The project proposes a four-stage approach, which comprises: engagement and collection of information from operations, climate risks diagnosis, preparation of a climate risks matrix, and climate strategy recommendations based on the TCFD (Task Force on Financial Disclosures). Related to Climate and engagement of our leadership.

TCFD

For more information, access the material we prepared in line with the recommendations of the Task Force on Climate-related Financial Disclosures – TCFD), [available here](#).

HEALTHIER PEOPLE

*Our purpose: together for a healthier society.
In this chapter, we will present our main
initiatives in integral health.*



HEALTHIER PEOPLE PILLAR: COMMITMENTS, STATUS AND RESULTS

Our ambition: 50 million healthier people

<div>TAKING CARE OF EMPLOYEES' HEALTH</div>	Reducing by 50% the health risk factors of the employees engaged in the RD healthy habits promotion program	To have a work environment perceived as healthy by at least 80% of employees	To significantly reduce sick leaves	Offering to 100% of employees mapped with chronic diseases the opportunity to participate in health programs	Providing nutritional guidance to 100% of employees
	STATUS 2022: We reduced by 20.6% the risk factors of the employees monitored	STATUS 2022: We are still working on developing this commitment	STATUS 2022: We monitor absenteeism and turnover by promoting integral health actions, thus reducing the leaves number. In addition, we introduced the Mental Health Journey to welcome and monitor employees	STATUS 2022: We included 36.8% of employees with chronic diseases in health programs	STATUS 2022: We provide all employees with nutritional guidance through the healthy habits program and use of the Tecnonutri application
<div>PROMOTING HEALTHY HABITS AMONG RD CUSTOMERS</div>	Improving health parameters of our customers that are connected to the health platform	Reaching 100% of customers covered by stores with pharmacists' health coaches	Reaching 100% of customers covered by pharma and/or health-hub services	Expanding customer base tagged as DNA Vida Saudável (DNA Healthy Living)	Monitor and/or exclude components considered controversial 100% of our own brand products
	STATUS 2022: This commitment is still under development	STATUS 2022: A pharmacist-coach is a professional trained to provide a more personalized and health-oriented service to the client	STATUS 2022: This commitment is still under development	STATUS 2022: We reached 2.02 million customers with Healthy Life DNA, which represents a growth of 10.1% compared to 2021	STATUS 2022: We monitor 100% of products with controversial components ¹
<div>PROMOTING INTEGRAL HEALTH IN COMMUNITIES</div>	Reaching 3 million people in situation of social vulnerability in comprehensive health actions	Engaging 20% of RD employees as active volunteers	Investing 1% of net income in comprehensive health promotion projects		
	STATUS 2022: The Social Investment area finished its Theory of Change elaboration and started the process to define the strategic KPIs and project monitoring mechanisms. We aim to account for these numbers from 2023/2024	STATUS 2022: We had 11.09% of employees engage in RD volunteer actions	STATUS 2022: In 2022, we invested BRL 11.3 million from own resources in integral health promotion projects, which represents 1% of net income		

1. The controversial ingredients currently monitored are ethyl alcohol, silicone, and sulfate. All products that contain one or more of these ingredients are being monitored. For the coming years, the challenge is to follow up with the monitoring, in addition to search for other non-controversial ingredients and with the same performance delivering in each product. We already banned these ingredients' use for products in launching.

HEALTH OF OUR PEOPLE

GRI 403-6, 3-3: 3-3 INTEGRAL HEALTH AND SAFETY OF EMPLOYEES

In 2022, we expanded and strengthened **My Best Version**, a program designed to encourage changes in habits among employees with information, content and solutions on physical activity, food, mind, and sleep. It has grown to the point of becoming RD's health umbrella, designed to care of our employees, considering the five health comprehensive pillars: physical, mental, spiritual, social and environmental.

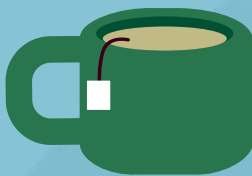
My Best Version expands the knowledge generation about the benefits of changing behaviors, and also offers tools to help in this process, respecting the individualities and the decision about their own lifestyle.

MY BEST VERSION WEB SERIES

At the beginning of the year, we launched the My Best Version Web series, with the participation of five employees chosen to share their journey success by participating in integral health programs.



The following programs are part of it:



CHANGE OF HABIT

It provides content and solutions on physical activity, food, sleep, and mind. To engage people, we offer gym incentives, nutritional guidance, meditation practice, among others;



MENTAL HEALTH JOURNEY

Offers psychological assistance available 24 hours a day, 7 days a week, free from charges, and for all employees and its dependents, including nutritional and financial guidance. The program also includes a platform with various content related to emotional intelligence and self-knowledge, such as meditation and breathing practices, a mood diary, psychotherapy, among others;



MONITORING OF CHRONIC PATIENTS

It has a specialized team prepared to offer attention and support, seeking for employees' life quality improvement, guiding and assisting in the risk-factors control, also encouraging self-care and healthier habits;



PARENTING JOURNEY

It has a series of benefits for pregnant people who effectively participate in the Pregnancy Program, including follow-up with a specialized medical team, baby kit and exemption from co-participation in exams and consultations during pregnancy, in addition to extended maternity and paternity leave. More than 1,400 mothers benefited from the extension of maternity leave from four to six months; and more than 340 fathers with a 20-day paternity leave.



COVID CELL

Created from the pandemic outbreak to receive and monitor the Covid-19 confirmed cases and its variants, guaranteeing assistance and access to health. It also became possible for employees to carry out free tests, following the internal protocols, and in accordance to the Ministry of Health guidelines;



Mental health journey

In 2022, in addition to the entire structure available to our people in the Mental Health Journey and as an RD Yellow September initiative, we started to promote for all the corporate leaders, pharmacies and DCs a lecture with the psychiatrist Daniel Martins de Barros on suicide prevention.

In October, RD also sponsored and participated in the 1st Mental Health Summit, a free online event that brought

together professionals from the areas of health, education, and assistance to rethink mental health practices in day-to-day life, building knowledge and reflecting on ways to transform proposals into concrete actions for people's well-being.

To conclude our mental health chapter, at the end of the year we resumed the project RD's Dialogues with the first episode program theme addressing issues

such as stigma, when to seek help, the pandemic impact pandemic, and positive psychology. The RD Dialogue is an event with great debates, experiences exchange, and interaction with employees and the external public regarding topics related to the Company's strategy in sustainability, innovation, and diversity. In 2023, we will expand our focus on mental health.

CRIS CARE

Cris is our virtual assistant specialized in mental health. She brings prevention tips and indicates practical tools offered by our partners to improve the well-being of employees. In addition, whenever necessary Cris is also prepared to direct the user to the 24-7 host services. In 2022, 2,692 employees received support from Cris Cuida, more than 15,000 therapy sessions were held and more than 16,000 people from RD accessed our partners content on mental health.





Health Profile in the RD

Every six months, we carry out a employees health assessment to learn about the health profile of our people, to obtain input on the programs implemented effectiveness, and to define new strategies action. In 2022, approximately 75% of employees filled the health profile.

In the survey, we measure:

RISK FACTORS

Quantified by measuring the abdominal circumference, the measurement is used by the World Health Organization (WHO) to determine the chronic diseases development risk, such as cardiovascular disease, diabetes, high cholesterol, and triglycerides. In 2022, 20.6% of employees had reduced risk factors for developing these diseases;

CHRONIC

In 2022, 5,413 people with chronic diseases were identified, that so employees who report one or more chronic conditions, including diabetes, high cholesterol, high blood pressure, and heart problems. The 36.8% chronic patients' percentage was included in our program and is under health follow-up;

PREGNANT WOMEN

Women who declared themselves pregnant (1.8%) were included in the Parenthood Journey;

MENTAL HEALTH

We used the Self-Reporting Questionnaire (SRQ-20), developed by WHO to identify people with mental distress signs;

ADOPTION OF HEALTHY HABITS

We investigated the practice of physical exercises, consumption of alcoholic beverages, smoking and sleep quality.

Portal with health and wellness solutions

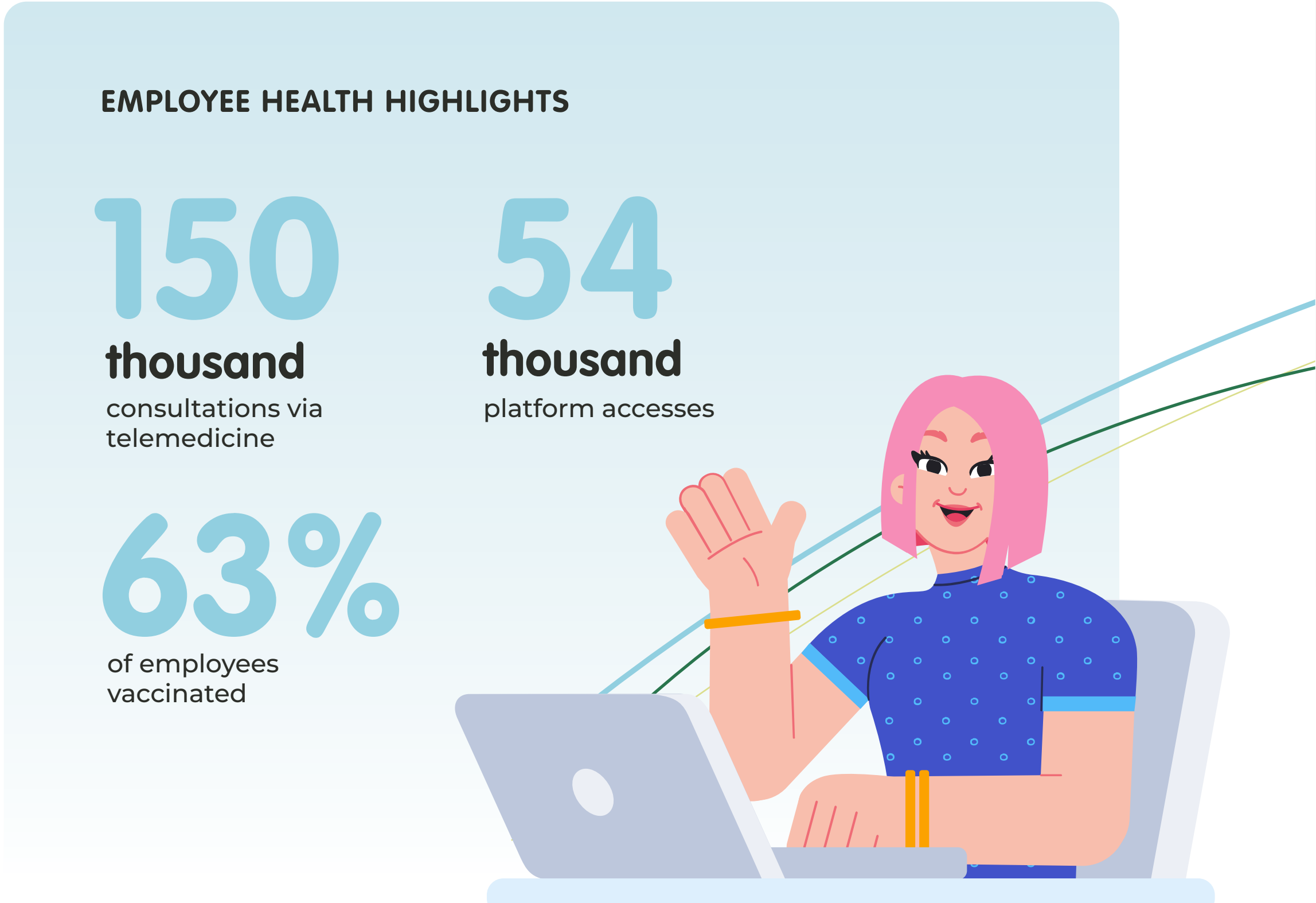
Also in 2022, we implemented a portal to unify all the health and wellness solutions offered to our workforce. This was our way to democratize information, facilitating its access and promoting our initiatives to more than 53,000 employees. All programs are detailed on the platform, which has had more than 150,000 accesses since the launching and has an 80% approval rating from its users. The most searched topics are Benefits, RD Clube, and Telemedicine.

The outpatient clinic serves the office employees and has a fundamental role in health programs by promoting coordinated care, and identifying chronic patients to follow up by a family doctor.

The telemedicine is a free service offered for RD's employees, also extended to dependents with reduced rates. Consultations are focused on primary care, and the team is built up of family physicians. In 2022, we carried out more than 54,000 consultations, an average of 126 per day.

The vaccination campaign has had big attendance rates due to the Covid-19 and influenza (H3N2) wave that occurred at the beginning of the year. Compared to 2021, the number of people vaccinated increased from 49% to 63% in 2022, a

positive fact as we believe that the vaccine protects RD people against serious forms of infection. The family members were also able to access vaccines with a price discount at pharmacies.



INTEGRAL HEALTH IN DCs

In April, we mobilized all our DCs to promote an unprecedented health action for integral health and prevention. Our partner Marcio Atalla joined us for valuable tips on changing habits. As a follow-up, the health team visited all the DCs to carry out blood pressure, bioimpedance, and blood glucose measurements, among other tests. This initiative was also an opportunity to gather new participants for our health and wellness programs. From 2023 on, CD's visits will be an integral part of the employees' health promotion annual calendar.

Occupational health and safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10

3-3 INTEGRAL HEALTH AND SAFETY OF EMPLOYEES

Our workforce health and safety is a priority for us. Therefore, we spare no efforts to create healthy and safe environments for employees throughout the Company.

The first point to highlight is the use of our own health and safety management system to comply with legal requirements based on regulatory standards, technical instructions from the Fire Department, Regulatory Standards (NBRs) and ISO. This system also covers the legal requirements for health and safety at work.

Currently, only the CDs' employees and the headquarters (including third parties) are covered by the management system, but we will gradually expand to 100% of the workforce.

In 2022, we carried out internal and external audits, including maintenance and ISO 45001 certification at the DCs and headquarters. The main improvements implemented were:

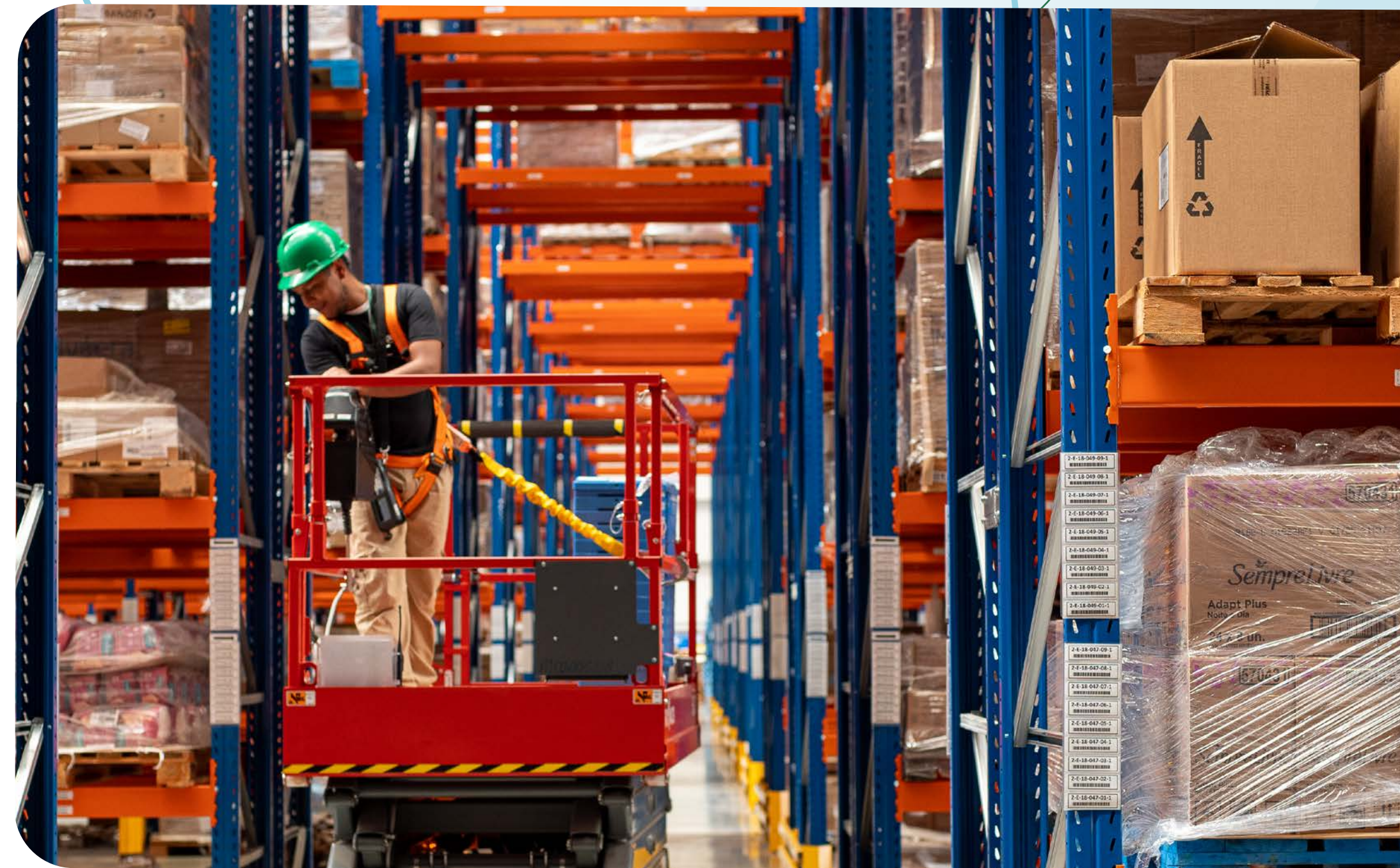
- Consultation and employees' participation in subjects related to health and safety at work;
- Security procedures and forms standardization;
- Engagement of the operation's leadership to improve the units safety culture;
- Operational controls improvement.

Occupational health and safety areas play an important role in identifying and preventing hazards and risks, and in reducing or eliminating the exposure

levels. To this end, it is necessary to identify and classify the occupational risks related to the employees' different exposure agents and actions levels through qualitative and quantitative assessments, according to the

requirements and methods defined in the NBRs.

The Risk Management Program raises and identifies hazards, assesses, and controls occupational risks, and analyzes work



accidents and occupational diseases. After identifying hazards, we adopt policies, health and safety programs and preventive measures to ensure the employees integrity and well-being. **GRI 403-10**

The Company's main risks in the health and safety area are:

- **Mechanical risks (accidents):** falls, cuts, impacts;
- **Ergonomic risks:** orthostatic posture, frequency of activities, work cycles, among others;
- **Physical risk:** exposure to cold (cold rooms) and noise exposure.

Among the measures to prevent and mitigate occupational risks, we can highlight the provision of personal protective equipment (PPE), training, Dialogue with the Safety Diary (DSD), medical examinations. We can also list the measures indicated by the Specialized Services in Safety and Work Medicine area and by the Occupational Health Medical Control Program (PCMSO), training events, such as Sipat, and direct actions to prevent

and promote health. In addition, also we carry out various risk and situation controls through the application of security alert forms, behavioral deviations, photographic reports, multi-area action plans implementation, among other measures.

The services quality is measured through indicators, medical examinations, and programs such as PGR and PCMSO, in

addition to internal and external audits. All policies, work instructions and actions are available in the internal network called the Knowledge Library on Workplace.

All employees are represented by Cipa, in which members communicate and monitor work safety demands. Cipa is responsible for carrying out inspections and reporting the identified risks in the work

environments, in addition to informing the management of the employees interests about health and safety.

Cipa also holds monthly meetings to discuss past accidents and incidents, improvements in the work process, preventive measures to identify risks, suggestions and improvements implementation, and decision-making



The Risk Management Program raises and identifies hazards, assesses, and controls occupational risks, and analyzes work accidents and occupational diseases

regarding strategies for mitigating and eliminating risks.

We implemented the “Safety Report” form, so the employees can report any situation related to work safety, such as risky situations, incidents and accidents, and improvement suggestions. It is also possible to report the form anonymously.

Our workforce has the refuse right to perform a certain activity when identifying a dangerous situation. In these cases, the employee must seek the Specialized Services in Occupational Safety and Medicine area, which analyzes the situation to characterize the risks and, if necessary, calls the manager for proper treatment to eliminate or mitigate the risks. And whenever an incident occurs, the area is called in to investigate the causes and draw up an action plan to eliminate or mitigate the risk.

To promote our team health and well-being, we carried out throughout the year the Eu Sou Herói (I am hero) safety

campaign, which encourages employees to be a safety hero and take care of their co-workers safety. In addition to it, we have the Minha Melhor Versão programs (more details at the beginning of this chapter). Sipat also brought several important topics on accident prevention and life quality in 2022.

Based on the incidents learning, we improved existing procedures and created new ones for activities with stairs and goods handling. In addition, we gathered the operation team to develop a safer model of stairs to mitigate the risk of falls. In 2023, we will continue to pursue zero accidents. The goal is to seek a minimum 10% reduction of the Company's accidents compared to 2022, in addition to maintaining ISO 45001 certification for all DCs and headquarters.

Regarding safety in our pharmacies, the Occupational Safety Management area seeks to ensure that activities take place in a safe and responsible environment, maintaining prevention and safety

WORK ACCIDENTS*

GRI 403-9

	2020	2021	2022
Number of mandatory reporting accidents at work	322	326	247 *
rate of accidents at work of mandatory reporting**	3.76	3.42	1.83
Number of accidents at work with serious consequences	28	59	15
Rate of accidents at work with serious consequences**	0.25	0.44	0.11
Number of fatalities resulting from work-related injuries	0***	0	0
Rate of fatalities resulting from work-related injuries**	0.02	0	0
Hours worked based on man hours of exposure	112,469,280	133,026,960	134,682,240

* There were no cases for third party workers and whose work and/or workplace is controlled by the organization. For the compilation of accidents, we have an internal accidents control and a procedure directing the data release and storage. Regarding the hazards and risks classification, we used a history criterion and critical analysis.

**These indices are calculated based on the number of cases divided by the total hours worked in the organization and multiplied by this base of hours worked, which can be 200,000 or 1,000,000 depending on the regulation or the size of the company. In the case of RD, the reference is 1,000,000. No workers have been excluded from this content.

***We revised the reporting scope of information on fatalities and readjusted the indicator, as the fatalities that occurred in 2020 were commuting accidents with the employee's own vehicle and therefore should not be considered in this indicator GRI 2- 4.

conditions through programs, specific guidelines, courses, training, standard operating procedures of activities and services, availability of individual protection equipment, among others.

Regarding the sharps object's use, we carry out specific training on activities carried out in pharmacies. We also guide employees via newsletters, provide support materials and carry out communications through the internal communication platform, among other actions. With this, we strengthen the

work safety culture and care for the health, safety, and well-being of our people.

In 2022, we started to monitor suppliers and carry out training on safety and accident prevention, with emphasis on the correct and complete use of individual and collective protection equipment in all RD worksites. RD suppliers are also required to produce reports with evidence of the PPE and CPE comply. Once identifying incompatibilities, it can generate fines provided for in the contract.

Outsourced companies are also required to respect and comply with safety items to carry out activities on the Company's premises, such as filling out a third-party registration form and presenting specific documents, such as ASOs, training certificates, proof of employment relationship and function, security service order, PPE sheet, PGR and PCMSO. All contracted companies receive safety and accident prevention training.

RECOMMENDATION
FOR CERTIFICATION
IN ISO 41001

In October, we received the NBR ISO 41001 recommendation for certification, an international recognition that defines the requirements for a facility management system with a high level of efficiency and quality. The audit carried out by Fundação Vanzolini verified our Facilities Management System within the NBR ISO 41001 requirements and concluded that they are healthy, clean, and safe environments for our workforce.



We trained 39,703 RD's professionals on Health and Safety

CARE FOR OUR CUSTOMERS

GRI 2-6, 3-3: HEALTHY CUSTOMERS

The current health scenario in the country validates our desire to work with integral health promotion. As an example, chronic diseases such as cardiovascular disease, cancer, respiratory diseases, and diabetes are responsible for more than half of all deaths in Brazil. The most recent data shows that in 2019 54.7% of deaths were caused by these illnesses, according to the 2020 Vigitel Report. The Unified Health System (SUS) data show that less than 50% of patients follow correctly the prescribed treatment and only 15% maintain it after three months.

Given these facts, we believe that we can contribute to improving people's health. In this sense, in 2022, we started a training program for pharmacists

preparing them to better comprehend the costumers needs, to welcome each person so that they feel assisted, to show interest and proper interact so that customers leave the pharmacy with the fulfillment perception.

As part of this program, we started to offer a free pharmacotherapeutic follow-up service by telephone. The pharmacist calls the client for a brief follow up, for example, on the proper use of its medication, remaining doubts or any adverse reaction experience. It is a dialogue that seeks to guarantee adherence to treatment. In 2022, there were more than 3.4 million connections.

We are investing in healthcare spaces and pharmaceutical room equipment to improve the customer experience. We also expanded our services portfolio and expanded it to more pharmacies, totaling 1,800 units with service rooms. In the year, we had 5.2 million Covid-19 tests carried out, 1.4 million of which were applied in pharmacies and 3.8 million were self-tests sold; and more than 1.9 million health services provided and around 143,000 doses of vaccines applied.

HERE IS A POPULAR PHARMACY

Currently, 989 pharmacies in the RD are registered in the Aqui Tem Farmácia Popular Program. This is a public government policy to improve the population's access to medication for chronic diseases such as hypertension, diabetes, rhinitis, Parkinson's, and osteoporosis, in addition to contraceptives and others. The program also provides free medication to people under the requirements.

GRI 203-2

In 2022, more than 13 million consultations were carried out in our pharmacies through this program, generating an economic benefit of BRL 241 million for patients.

GRI 203-2

During the year, BRL166.4 million were invested in existing unit's renovations, in addition to approximately BRL53 million for two new DC's constructions. These assets reinforce our capillarity and the population's access to medicines in different regions of the country. **GRI 203-1**

The size of RD network capillarity helps to generate a significant impact on the availability of medicines and on the ease of access to essential items for maintaining people's quality of life.

CURRENT HEALTH SERVICES PORTFOLIO

BASICS 2.0

COVID TEST
INJECTABLE
PRESSURE
GLYCEMIA
DRESSING
OXIMETRY
EARRINGS
LIBRE
LIPID PROFILE
BIOIMPEDANCE

VACCINES

THE FLU
HERPES
YELLOW FEVER
HPV
PNEUMO 13 AND 23
HEPATITIS A AND B
MENINGITIS B AND ACWY
TRIPLE VIRAL AND
BACTERIAL

TLR

GLYCATED HEMOGLOBIN
YELLOW FEVER
DENGUE
HEPATITIS C
ZIKA
CHICKUNGUNHA
BETA HCG
OVULATION
INFLUENZA A AND B
STREP A
LIPID PROFILE

Safe and quality products

GRI 3-3 PRODUCTS AND SERVICES

In the **Healthier People pillar**, we carried out studies to achieve our goal of monitoring and/or eliminating components considered controversial in 100% of private label cosmetic products, and to seek alternatives to these ingredients, mainly preservatives, which are widely used in this type of product to guarantee the safety against contamination by microorganisms.

Even adopting the purposes and concentrations approved by the National Health Surveillance Agency (Anvisa), we want to eliminate some ingredients use to comply with the best market practices, considering our concern for the environment and human health. For this end, the quality team continuously evaluates lists of controversial ingredients from Anvisa and international bodies, such as the United States Food and Drug Administration (FDA) and Scientific Committee on Consumer Safety (SCCS), in addition to data from the scientific literature.

Since 2020, we have banned the use of triclosan, parabens and formaldehyde, including formaldehyde precursor ingredients, in the new cosmetic products development. Since then, we have removed these components from over 65% of line products, and the remaining 35%, corresponding to 30 products, will also be reformulated by 2025. The use ingredients such as sulfates, silicones and ethyl alcohol has its use monitored and restricted, evaluating the category and mode of use.

For any questions, suggestions or information related to monitored ingredients, we have an exclusive customer service channel for RD Marcas products:

- sacrdmarcas@rd.com.br
- SAC: (11) 3004-8005

Development of new products

GRI 3-3 PRODUCTS AND SERVICES

Private label products are developed and manufactured in collaboration with industry partners. For a supplier to be authorized to produce RD branded items, it undergoes a complete qualification and risk assessment process in accordance with **RD's Supplier Governance Policy**.

Within this process, everyone is committed not to test raw materials and products on animals, which includes not hiring or outsourcing laboratories to carry out this type of test. When it is necessary to perform efficacy tests or clinical trials, they are performed in vitro or in vivo. In the latter case, they are performed on voluntarily humans. The use of laboratories accredited by Anvisa to carry out these tests is required for both RD and our suppliers.

Our suppliers undergo internal Quality Management audits, which follow the

legislation requirements applicable by regulatory bodies such as Anvisa, the Ministry of Agriculture and Livestock (Mapa) and Inmetro, as well as ISO certifications, British Retail Consortium (BRC), Good Manufacturing, Hazard Analysis and Critical Control Point (HACCP), among others.

All RD Label products undergo quality and safety tests, in the case of consumables – in laboratories accredited by Anvisa for verification and approval of labeling, compliance with legislation and registration and/or notification in the corresponding regulatory bodies, such as Anvisa and Mapa.

For the Nutrigood healthy snacks brand, we partnered with a renowned nutritionist.

The products do not contain chemical additives, preservatives, flavor enhancers,

transgenic foods, trans fats, or any other controversial ingredients.

In addition, we expanded direct communication through our social networks with quality information about our products, personal care tips, healthy and balanced food, integral health practices and well-being. We also improved communication with QR codes present on packages.

INSTAGRAM:

@SOMOSNEEDS

@QUERONUTRIGOOD

@VIVANATZ



DNA Vida Saudável (Healthy Life DNA) is a segmentation that identifies the customers with the highest representation in their shopping products basket aimed at health prevention and well-being (such as vitamins, herbal medicines, supplements, nutritional supplements, etc.). We reached the milestone of 2.02 million customers within this profile, and a last year growth of over 10%.

How we handle complaints at RD Marcas

We maintain a communication channel that is always open with consumers of RD Marcas proprietary brands, who contact the Customer Service (SAC) team directly or, through the pharmacy, contact a specific RD Label customer service.

Each call is addressed individually in accordance to the particularity of the contact: we record the calls in a report, identify trends and carry out the required investigations with suppliers. It is important to mention that complaints received on social networks are forwarded to the Customer Service (SAC) and gathered in periodic reports.

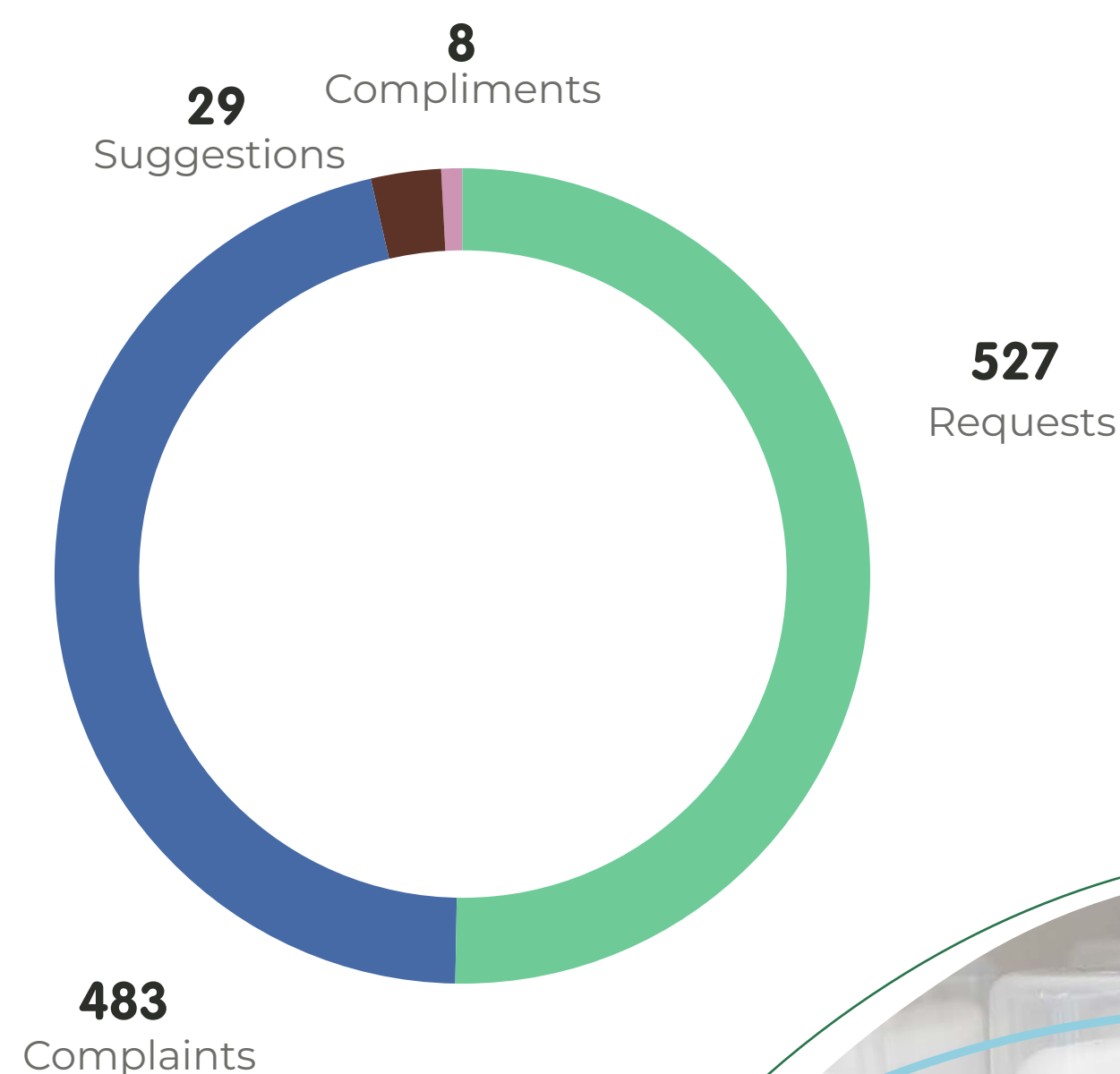
In cases of quality deviation, we call the supplier and request a deeper investigation into the root cause. If an error is found in the

product manufacture, we ask them to initiate the collection procedure. For cases not related to quality deviation, we make batch release reports available to consumers and proceed with the reimbursement procedure.

For all complaints, we offer the product replacement option or send a substitute item in its place by the client choice, as long as the costs remain the same amount. We also offer credit coupons in cases where product reimbursement is not accepted. In situations where we identify an interesting to establish a bond with the RD label, we connect the marketing team to send specific product kits to the customer's home.

CALLS FOR 2022

The call rate in our service channels is 13 requests per million units sold.



*Complaints concern products that are defective, incomplete and/or have unwanted effects.



PRIVATE SOCIAL INVESTMENT

GRI 413-1; 3-3: LOCAL DEVELOPMENT, 3-3: HEALTHY CUSTOMERS, 201-4

Since 2017, we have had a Private Social Investment (ISP) area, which is part of our Sustainability Department. Social investment actions aim to strengthen the donation culture and generate a positive impact on the overall people's health – employees, customers, and communities. The guidelines for PSI, donations, contributions, and incentives are listed in the **Philanthropy and Contributions Policy**.

Aiming to positively impact the world, we act by enabling or enhancing social initiatives that contribute to the integral health of people in vulnerable situations, so that they live longer and better. An important step taken in 2022 was the approval by the Board of Directors, of

the Theory of Change, which reviews our social investment strategy, organizing our pillars of action and investment guidelines.

The second achievement was the approval of 1.0% of the Company's net profit in donations for social investment, an important milestone for RD. This amount is combined with two other funding channels: customer donations and tax incentives. In 2022, considering the three collection fronts for social actions, the total budget was BRL 29.5 million.

Through the Troco Solidário (Donate your change) program, we raised BRL5.7 million, of which BRL1 million was donated to Ação da Cidadania and BRL4.7 million to the Association for Assistance to Disabled

Children (AACD).

An important initiative was the Emergency Protocol creation, which aims to unite efforts to donate resources to cities and localities affected in cases of public calamity. Ação da Cidadania is responsible for directing the amounts collected. If emergency collection is below BRL30,000, RD doubles the amount donated by customers.

Another revenue front is the **Sorria** e

TODOS, collections, items sold in pharmacies to support third-sector organizations that work in the health and well-being areas. The amount collected from books, calendars, magazines, and other creations, subtracting production costs and taxes, is entirely destined to social organizations that offer specialized assistance to the population free of charge. These social organizations are selected via public notice and receive the resource for three years.



Theory of change

Private Social Investment

OUR TARGET AUDIENCE

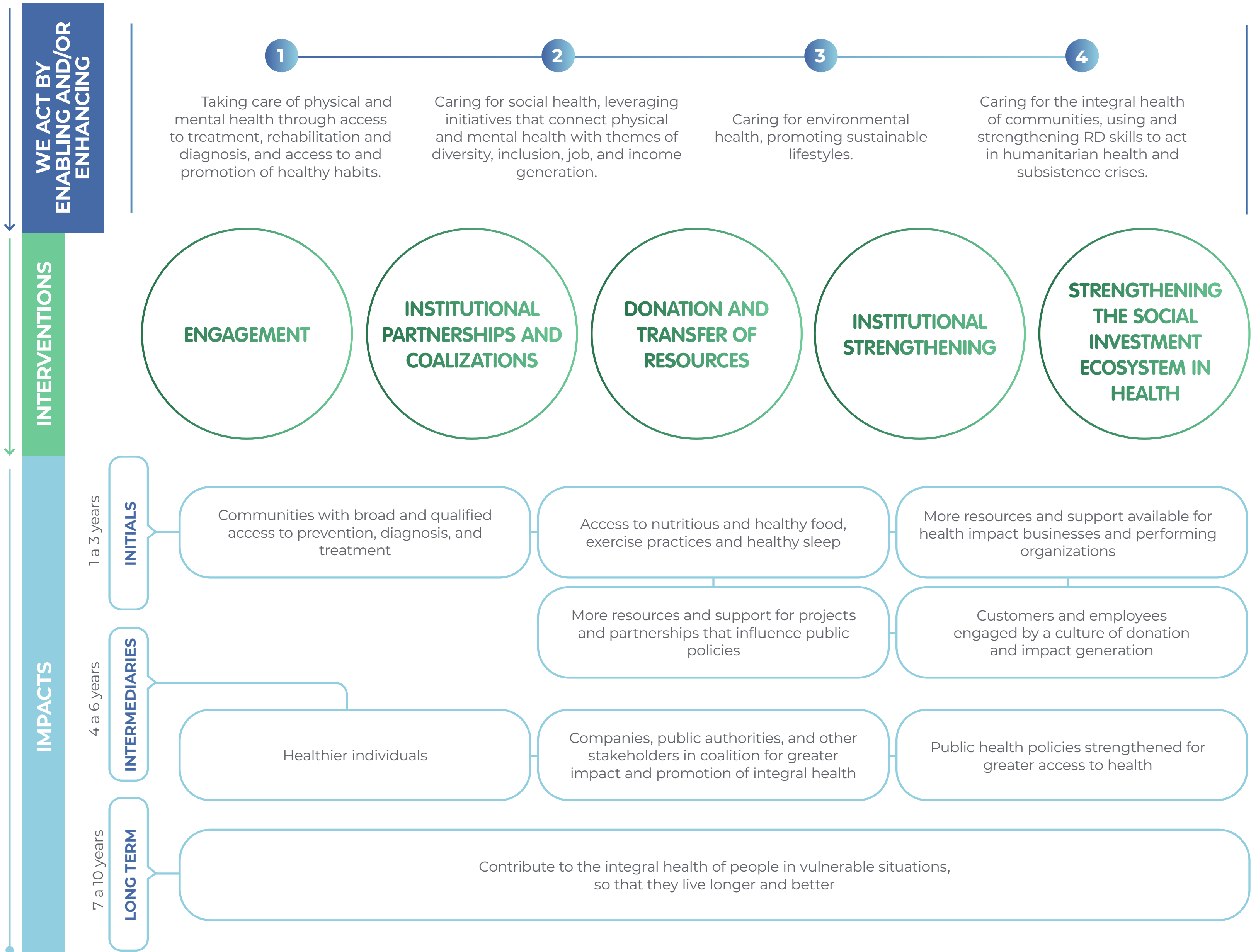
- Surrounding community
- RD Employees
- Impact business
- Civil Society Organizations

EXECUTING PARTNERS

- Impact business ecosystem accelerators and intermediaries
- Health care institutions
- Public Power

ENABLING PARTNERS

- RD Customers
- Partner companies (investment, communication, network)
- RD Employees



ORIGIN OF RESOURCES (BRL)

Donations with
own resources

11,3
millions

Customer
donations

11,1
millions

Tax breaks

7,1
millions

Total of:

29,5
millions

by an independent third party, and have the purpose of sharing positive content, inspiring stories, and democratizing access to reading. In addition to printed publications, in 2022, the publisher relaunched the MIMOS Collection bags and created e-books with health and quality of life themes for RD Ads, which strengthened the year's donations.

In 2022, we also participated in the **Pacto 15 por 15**, a major movement against the hunger in Brazil, and an initiative promoted by the social organization Ação da Cidadania. According to data from Rede Penssan, formed by entities such as Ação da Cidadania, Actionaid, Ford Foundation, Vox Populi and Oxfam, about 15% of the Brazilian population does not have the basic right to food. In 2022, there were 33 million people going hungry and 125 million in food insecurity. RD donated 15% of its own resources, corresponding to 900,000 plates of food distributed in various locations in the country.

We also created the Social Investment

Nucleus, a formal consultative space in which people from RD and external guests from pharmaceutical retail and the sustainability area evaluate and propose new social investment actions. The ideas are later presented to the Sustainability Committee and the Board of Directors.

In 2022, we also joined the Coalizão pelo Impacto, a national multisectoral initiative to promote more and better impact businesses, co-organized by the Helda Gerdau Institute, ICE, Humanize Institute and Somos Um, with the strategic partnership of Cosan, FEAC Foundation, Grupo Boticário, Instituto Sabin and Raia Drogasil. RD will participate during the five years of the initiative and supported the Coalition first year with BRL 500 thousand, in addition to contributing to the development of good governance practices, indicators, diagnosis and action plan.

Another important initiative is the Formigas do Embaúba project, which consists of planting Atlantic Forest mini regenerated areas to promote environmental education

In 2022, 2.9 million copies of the two collections were sold, totaling more than BRL 5.3 million donated to 28 social institutions. This expressive result impacted thousands of people in all regions of the country, and was possible

thanks to the employees commitment, who support the publications sale and engage customers during the service at the pharmacy.

Sorria and Todos are RD initiatives in partnership with Editora MOL, audited

and sensitize new generations to the urgent need to regenerate ecosystems and mitigate climate change.

RD donated BRL 100,000, an amount converted into the implementation of the project in three Unified Educational Centers (CEUs) in the city of São Paulo, with more than 300 children impacted.

The more than BRL 8.3 million contributed in 2021 through federal tax incentive laws – the Culture Law (Rouanet), the Sports Law, the Childhood and Adolescence Fund (FIA) and the Elderly Fund – collaborated to carry out, throughout 2022, 11 projects with national actions and in municipalities located in the Northeast, Southeast and South regions of the country. The contributions of more than BRL 7.1 million made in 2022 will contribute to 19 projects to be carried out in 2023.

Among the cultural projects encouraged, we can mention the support granted by RD to the exhibition S2 – Coração, Pulso e Vida, on display at the Museum of Tomorrow, in

Rio de Janeiro. The event's preview took place in October 2022 and was attended by one of our regional managers and 20 RD employees. **We seek to support strategic projects that influence public policies. Among them, two deserve to be highlighted in the 2022 report:**

- **Impulso Gov**, an organization that drives the smart use of data and technology in the SUS so that everyone in Brazil has access to quality health services. RD supported a mental health pilot project in Aracajú and Aparecida de Goiânia, which helps public managers to monitor patients undergoing treatment for mental disorders;

- **Unicef Seal:** initiative that encourages and recognizes real and positive advances in the promotion, realization and guarantee of the rights of children and adolescents in municipalities in the Brazilian Semi-arid Region and Legal Amazon.



Projects supported
by RD



Mental Health Movement

We consider it important to highlight that in 2022 our social investments had a strong focus on mental health, reflecting the internal effort of health care for our people. Our decision to heavily invest in actions in this area is a result of the belief that mental health is a central pillar of health, and without it is not possible to achieve our integral health goal.

Guided by this belief, we are supporting the construction of a mental health movement to promote the population's mental health and transform RD in a reference in the subject. One of the first steps is our participation in a coalition with organizations in the area, including Ame Sua Mente, Associação pela Saúde Emocional de Crianças (ASEC), Instituto Bem do Estar, Instituto Vita Alere and SoulBeGood.

On this journey, we chose to start in the prevention than in the treatment of mental illnesses, stimulating new public policies in the area. The next steps will be building governance for this mental health movement and seeking new partners and funders. So far, RD has supported the initiative with BRL 482,000.

NEEDS UNICEF

The **#PraQuemMenstrua** movement was launched by RD through its proprietary brand Needs, in partnership with Unicef's Wash action. In 2022, we worked with the students integral health from Pará, in Belém city. We donated BRL200,000 to Unicef and allocated part of the profit from each pad sold to the initiative, which corresponded to BRL132,000 in the year.

- 30,000 tampon packs donated;
- 10,000 teenagers benefited;
- 26 neighborhoods in Belém impacted;
- 78 conversation circles about menstrual dignity with children and adolescents.

EMERGENCY FUND

Managed by a committee formed by Company's different areas, it is a fund with resources destined to support employees in emergency situations, such as catastrophes, floods, fires, and illnesses. All employees are encouraged to monthly donate via the payroll or with sporadic donations throughout the year. For every BRL1 given by an employee to the Fund, RD doubles that donation.

- Average of 1,532 employee donations per month;
- BRL14.30 is the average amount donated per person;
- BRL263,000 in employee donations to the Fund, which were matched by RD, totaling a volume of donations of BRL526,000 in 2022 alone;
- BRL465,000 in donations to employees;
- 1,017 employees benefited since the Fund's inception;
- 411 beneficiaries in 2022.





RD Volunteering

We continuously encourage the donation culture in RD through various initiatives. In 2022, we restructured the program and reached 11.09% of volunteer employees at the corporate, pharmacies and DCs. Actions were carried out such as competitions, joint efforts, and collections of various products, such as personal hygiene, food, and clothing.

2

joint efforts of pharmacies

1

joint efforts in the corporate

10

DCs with volunteer actions

5,682

participating employees

250

actions registered by pharmacies

Farol (Lighthouse)

We spent 2022 immersed in a careful, multidisciplinary, and participatory process of building a new proposal for the Farol Social Business, ensuring the initiative's design puts the impact on improving the health of the low-income population in the first place. It also reinforcing public policies and, at the same time, maintaining the connection with our business.

In addition to in-depth research, we continue to involve communities, SUS members, RD leaders and health experts in the development of the solution, ensuring technical rigor and depth of discussions. As a result, we believe that we have a courageous and innovative proposal in many ways, involving at its core the concept of integrative health, the composition with public policies and a strong community articulation, connected with the socioeconomic and cultural reality of the low-income public.

It was a highly participative process with the involvement of several stakeholders, which benefit the process, also extended the schedule beyond expectations. For this reason, we postponed the pilot implementation to 2023, thus ensuring adequate time for all the structuring and organization necessary to put this initiative on its feet, which has been adding innovation to RD.

Another important step taken in 2022 was to articulate relevant partnerships for the initiative, such as the Brazilian Consortium for Integrative Health (CABSIN), Yunus, Transverso, Solano Trindade and Din4mo. For 2023, our main objective is to carry out the pilot, being able to test the hypotheses that support the designed solution and adjust.

HEALTHIER BUSINESS

We believe that RD has the potential to promote equity, social transformation and socioeconomic development for employees, commercial partners, and the production chain, based on its size, capillarity, and relevance. Our internal indicators improvement, in especial the diversity and inclusion, and the engagement of our teams contribute to this.

HEALTHIER BUSINESSES: COMMITMENTS, STATUS AND RESULTS

GRI 3-3 LOCAL DEVELOPMENT

Our ambition: to include and economically empower 350,000 people

<div>INCLUDING AND EMPOWERING EMPLOYEES THROUGH PROMOTING DIVERSITY</div>	Achieving gender equity across all functional categories in head office, stores, and Distribution Centers (CDs)	Having at least 50% representation of people of color in leadership positions	Having 6% of employee PCDs across all operations, with reduced turnover	To double the representativeness of people 50+ in RD compared to 2020	Achieving a discrimination-free environment witnessed or experienced in stores, head office and CDs (against public PCDs, LGBTQIA+, people of color, seniors [over 60 years] and women)
	STATUS 2022: <ul style="list-style-type: none"> 29.3% of women in executive leadership 44.1% of women in middle leadership 68.9% of women in operational leadership 	STATUS 2022: We ended 2022 with 46.1%* of people with color in leadership positions	STATUS 2022: We ended the year with 1,853 people with disabilities in our workforce	STATUS 2022: We grew by 20.8% the representation of people 50+ compared to 2020	STATUS 2022: RD Census Diagnosis: 77% of employees perceive the RD environment as diverse and inclusive. Our goal is to reach more than 90% of employees with a positive perception of RD in terms of diversity and inclusion
<div>EXPANDING EMPLOYEES' PERSONAL DEVELOPMENT OPPORTUNITIES</div>	Boosting the training of 7,000 professionals with incentives from RD	Reaching 40,000 employees trained in professional growth courses	Providing 10,000 income increase opportunities every year		
	STATUS 2022: We have accumulated 1,586 employees covered since 2021 with exclusive undergraduate and graduate scholarships and partnerships	STATUS 2022: There were 9,083 employees trained in professional growth courses at Universidade RD between 2021 and 2022	STATUS 2022: We had 14,108 promotions or merits among RD employees in 2022		
<div>PROMOTING EMPOWERMENT AND DIVERSITY AMONG SUPPLIERS</div>	Reaching 100% of regular small suppliers trained in business management and sustainability	Providing business management and sustainability training for 100% of small active sellers	Evaluating 100% of suppliers of critical categories with ESG criteria	Reaching 100% of suppliers of critical categories with diversity goals or indicators	
	STATUS 2022: We are still working on developing this commitment	STATUS 2022: We are still working on developing this commitment	STATUS 2022: We had 41.4% of our suppliers in critical categories evaluated on ESG criteria*	STATUS 2022: We are still working on developing this commitment	

* In 2022, the size of our critical category supplier base increased greatly with the addition of five new critical category concepts. Therefore, we had a result below the target set for the year.

DIVERSITY AND INCLUSION

GRI 3-3: PROMOTING DIVERSITY AND INCLUSION

The topic of **diversity and inclusion** has evolved significantly at the Company because we want to foster inclusive and diverse environments and, consequently, much healthier environments.

In 2022, the following short-term goals were established in relation to the topic:

- 43.3% female representation in middle leadership. We surpass the goal and achieve 44.1% by the end of 2022;
- 80% of the active employee base participating in the racial self-declaration campaign. We ended the year with a 69% share and the implementation of improvements;
- Training focused on race, LGBTI+

and people with disabilities for 80% of leaders in pharmacies and DCs, which was achieved in pharmacies and surpassed in DCs.

We are adopting a series of actions that guide RD towards fulfilling its commitments to include and empower employees through the promotion of diversity. One of these initiatives is D-Day, an event that marks the beginning of a process of mobilization, engagement, and reflection by leaders on the issue. This activity positions RD as a Company that does not tolerate any situation of racism, prejudice, discrimination, and harassment in any of our operations, making it clear that at RD all people are welcome and can be who they are.

The D-Day events were held in the business units and had the participation of the main leaders of operations in pharmacies, DCs and corporate. The leaders received materials and guidelines that help to disseminate the concepts and correct positioning within the teams. This preparation of leaders is important so that they can know, for example, how to act in situations of racism, homophobia, and disrespect for people's rights. With the support of specialists, we defined the correct flow for the possible scenarios and structured a Diversity Committee to attend to the cases of customers and our team.



FEMALE EMPOWERMENT JOURNEY

In 2022, we launched a unique program to develop RD female leadership, which is in line with our sustainability commitment to promote gender equity. The first group began with 25 managers and executive managers, who began their training in topics such as life and career, autonomy, psychological safety, and the future of work. Mentorships with inspiring women and specialists complement the training.

This mobilization and engagement format makes it possible to boost the diversity and inclusion culture throughout the RD, involving leaders in this process of building an increasingly diverse and plural environment, in which everyone respects differences. More than these, they learn the relationship of care that we must feed among people, promoting an environment free of harassment, discrimination and prejudice that has been witnessed or experienced.

Throughout 2022, six events on diversity were held for the internal public, with themes related to motherhood, promotion of rights to the LGBTI+ public and gender equity, construction of racial identity and generational diversity.

BEST DIVERSITY PRACTICES

RD received an outstanding mention in the Diversity, Equity, and Inclusion Survey by the Ethos Institute and Época Negócios magazine, a recognition of the best practices of diversity and inclusion adopted by the company.

D-DAY IN NUMBERS

2,290

pharmacy
operations
leaders

157

leaders from
the corporate
environment

289

leaders of the
Distribution
Centers

RD+ Diversa

The RD+ Diversa program develops actions on five fronts – Gender Equity, People with Disabilities, Race, LGBTI+ and Generations – aligned with our commitment goals to include and empower employees through the divertisy promotion.

Gender Equality

On this front, we work to promote parenting, encouraging a culture of co-responsibility in caring for young children and sharing household tasks. To this end, we expanded

our support network for mothers in the RD and increased the length of maternity and paternity leave.

Women already represent 64.2% of our workforce. We reached 29.3% in executive leadership positions and 44.1% of women in middle leadership.



Persons with disabilities

Regarding PWDs, we continued with renovations in pharmacies and DCs to increase accessibility and released new episodes of the web series Inclusion and Career in RD, which totaled more than 17,000 views on the internal communication platform.

Race

To meet the goal of representing at least 50% of people with color in leadership positions, we developed career acceleration actions for black and brown people in operational leadership. An example of this

is our presence in the Movement for Racial Equity (MOVER), which offers training for leaders, in addition to communication on the subject.

In RD, the percentage of people with color in leadership positions reaches 46.1%, with 64% women and 36% men.

LGBTI+

For the LGBTI+ group, we carried out campaigns to employ transgender people in DCs and pharmacies through a partnership with TransEmpregos, a transgender employability project,

which started to publicize RD vacancies on its platform. We also participated in the DIVERS/A Fair, the main event for connecting and articulating opportunities between lesbian, gay, bisexual, trans, intersex students and professionals and companies that promote diversity and inclusion in their teams.

Generations

We also want to double the representation of people over 50 years old in the RD in relation to 2020, giving opportunities to a group of professionals who find it difficult to reposition themselves in the market. At RD, we believe that the convergence of generations, on the one hand, strengthens the business journey, and on the other, promotes diverse and inclusive environments. Currently, this population represents 2.9%, which, in absolute numbers, are 1,579.

In 2022, we deployed Diversity Governance, structured in 2021 with the creation of Affinity Groups, made up of employees from different levels and business units, aligned with the pillars of Gender Equity, Race, People with Disabilities, Generations

and LGBTI+. These groups worked on the proposal and projects development aimed at increasing the theme visibility among the internal public, as well as expanding opportunities to all different groups.

Based on the results of the Diversity Census that we carried out in 2021, the Affinity Groups proposed, in early 2022, nine projects on the following topics: communication and engagement; promotion of employability and career; accessibility; and inclusion. Of the nine, six have been deployed and the rest are planned for 2023. Our Census is conducted every two years, so a new survey is scheduled for 2023.

Refugees

As we value diversity in all its dimensions, we have employees of various nationalities. Ensuring opportunity for different peoples, in addition to being a positive practice of inclusion, is a humanitarian cause. At RD, we employ around 100 refugees of nine nationalities: Angola, Benin, Cape Verde, Congo, Haiti, Nigeria, Syria, Tunisia, Venezuela.



CAREER DEVELOPMENT

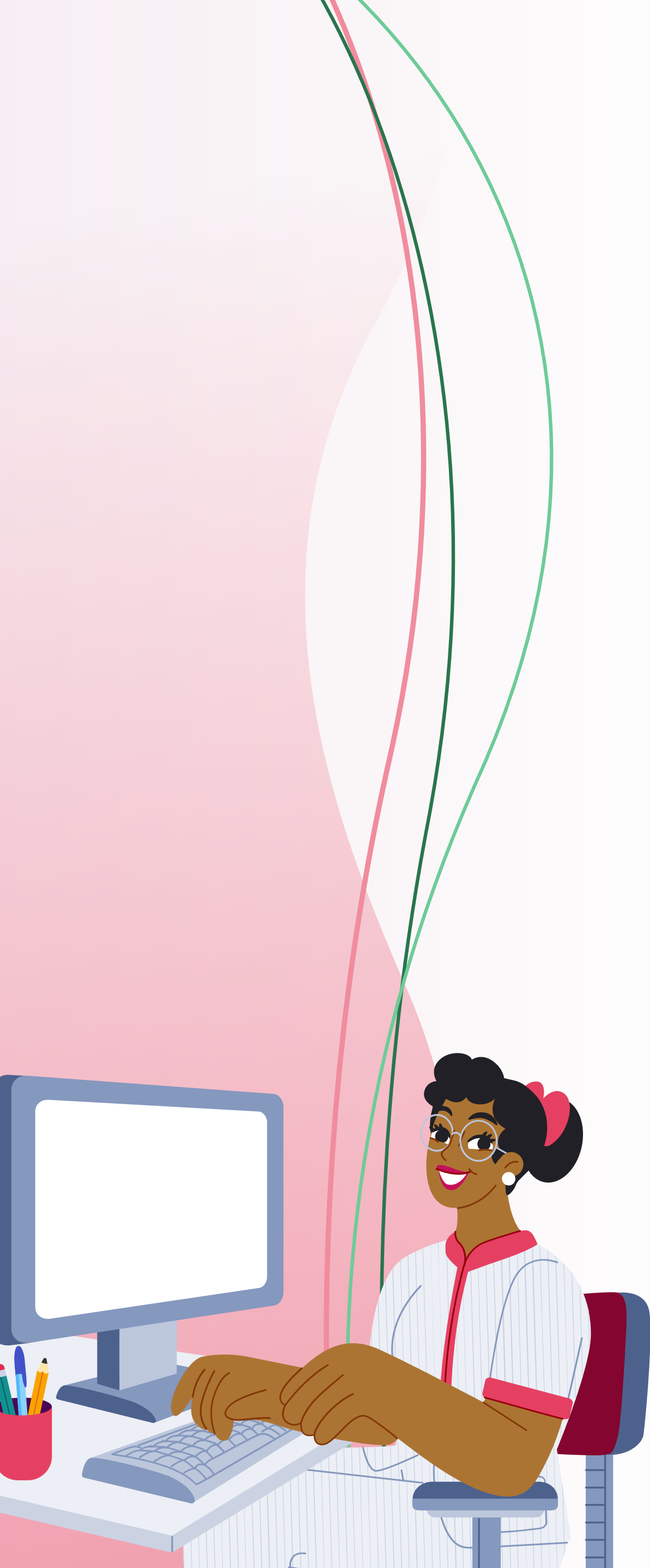
GRI 404-2, 3-3: PEOPLE MANAGEMENT

We believe that stimulating the personal and professional development of our team is essential to transform not only the business, but also people and the world. That is why, through Universidade RD, we continuously invest in human development, generating numerous learning opportunities and encouraging each employee to be the protagonist of his journey at the Company.

For employees, Universidade RD offers courses in personal development, interpersonal relationships, self-knowledge, and professional performance in the Company. In addition, it promotes courses on sustainability, diversity, market trends, among other topics, which are also available on a platform for families. In 2022, we totaled more than **5.8 million hours of training** in various formats.

We also offer the education incentive program, an educational subsidy so that employees can study at the best private universities in the country. We have also established partnerships with some institutions to grant discounts of up to 65% on undergraduate and graduate courses. Between 2021 and 2022, 1,586 employees were encouraged to continue their studies through grants and educational partnerships. And since 2020, more than 2,018 scholarships have been awarded.





DIGITAL LEARNING

In 2022, we expanded the learning initiatives at Universidade RD to the areas of Technology, Data and Digital Products. Currently, we have more than ten career and development tracks, more than 16,000 contents available to our professionals on platforms such as Alura, Udemy and Coursera, and training in data analytics for various areas of the Company.

We invested in the Quero Ser Dev program, in which we provide internal and external vacancies for people who want to start a developer career, but do not have experience in the technology area. Seven classes of the program have been held since 2020, two of which are exclusively for women.

We held the **7th edition** of the **Quero Ser Dev program and an exclusive class for people with disabilities** in partnership with Labenu - Full Stack Programming School, **training over 27 people** to work in **Developer positions**.

In partnership with the Digital Solutions and Data Analytics departments, we implemented three new learning projects.

App Academy

Training for programming mobile applications, training 11 people to work in this specific area.

Data Academy

Support for the formation and consolidation of a data driven culture in RD, bringing the necessary knowledge to work with data. We ended the year with more than 300 people trained in at least one of the pillars:

- **Literacy:** make the Data theme known throughout the company.
- **Career:** strengthen the knowledge of data professionals.
- **Business:** Preparing analysts through data to generate business insights.

Tech Lead Journey

Technical leadership training for facilitating leadership, communication and influence and negotiation, aiming to prepare them for the challenges of the role of a technical leader in the corporate universe, totaling 23 employees in the positions of Tech Lead or trained IT Specialists.



For the development of executive leadership, in partnership with the Blue Management Institute (BMI), we carried out an immersion in Essential Leadership, addressing megatrends about the future of work and organizations, sustainability and innovation. During the two days of the program, dynamics, case studies, dialogues and interactions reinforced the importance of the leadership role in business management, team development and action on relevant global issues, such as the panel on climate change.

Additionally, we chose IESE Business School, a world-renowned business school, to accelerate the training of two executive directors.

The program, which has an international module in Barcelona, combines classroom content with practical application and the latest global business updates, in addition to provoking reflections and actions that generate immediate impact on organizations.

In all, 58 executive leaders were trained in 2022 in various topics and modalities, such as courses, events, and workshops, totaling 1,461 hours of training. Adding up all leadership levels, from the different business units, in the year, we surpassed the mark of three thousand leaders impacted by topics such as people management, diversity and sustainability, agile and digital culture, leadership and communication.

Professional development programs

GRI 3-3 LOCAL DEVELOPMENT, 404-2

We adopt the practice of prioritizing internal promotion opportunities. One example is pharmacies, for which we do not hire any managers or market supervisors, as they are all trained and promoted in the RD. In this sense, we developed the Trilhar Program, a career and training plan for pharmacies and DCs, which enables professional growth from the base to the highest levels of the operation.

In addition to Trilhar, the ProgreDir Program continues to train regional managers in leadership, soft skills, time, and project management, among others. During the four months of training, meetings take place to discuss matters about decision-making, market analysis and pharmacy indicators. In 2022, we trained 14 new regional managers, and 454 new managers began to lead our pharmacies throughout Brazil.

As part of the career programs aligned with the strategy to transform the pharmacy into a place for the promotion of integral health, we promote the technical and behavioral development of our pharmacists and pharmaceutical managers. In 2022, more than 5,000 employees underwent training in health and well-being, including topics such as food, sleep, physical activity, and mind, as well as technical training in vaccine application, customer service, medication dispensing, beauty and wellness products, rapid laboratory tests, application of injectables, dressings, among others. We also started training in health coach behavioral skills, which will expand the role of our pharmacists and managers in caring for the health of customers and employees. The frequency of these trainings may vary according to the position and position, being administered every year by the RD.

TRILHAR PROGRAM TRAINING IN DCS IN 2022		
FUNCTIONAL GROUP	Nº CONCLUSIONS	HOURS
Administrative	96	597
Specialist	10	28
Average Leadership	23	58
Operational Leadership	2	13
Operational	5,086	35,001
Total	5,217	35,697

TRILHAR PROGRAM TRAINING IN PHARMACIES IN 2022		
FUNCTIONAL GROUP	Nº CONCLUSIONS	HOURS
Average Leadership	3	4,32
Operational Leadership	295	494.57
Operational	11,819	18,810.18
Administrative	44	54.88
Total	12,161	19,363.95

The positions in the Specialist category are only part of the DCs and the corporate and, therefore, do not enter this table.
The data consider employees in an active situation, on leave and on leave trained during the year, both for the DCs and for the pharmacies.

**Development and feedback
- Crescer Program**

We continuously evaluate the employees performance through the Crescer Program to align individual and organizational objectives and strengthen their role in the business results. The program is based on a set of six competencies, subdivided into three expected behaviors, which are aligned with the business strategy and drive culture and development. This is an important tool for managing the team and developing our people, through which the Company makes clear what is important for the evolution and cultural support and for delivering the strategy and business results. Competencies translate how the company expects results to be delivered.

The assessment is carried out using a specific platform, guided by the Individual Development Plan (PDI), which helps

employees achieve their professional and personal goals and is monitored by leadership throughout the year. In 2022, we had 3,355 employees from the Corporate and Distribution Centers evaluated through Crescer.

Regarding career transition assistance, we have a specific outplacement program for corporate managers and directors who have had their employment contracts terminated. We also carry out tailored demands for executives – directors and managers – and maintain a mentoring program, which was improved in 2022 with the creation of reverse mentoring in addition to classic mentoring.

**RD'S ORGANIZATIONAL SKILLS
GUIDING THE DEVELOPMENT
JOURNEY**

**WE DEVELOP HEALTHY
TEAMS**

We contribute to the formation of increasingly healthy, inclusive, and high-performance teams.

**WE DELIGHT OUR
CUSTOMERS**

Dive into customer needs to deliver the best solutions and experiences with human warmth.

**WE DELIVER
RESPONSIBLY**

We deliver consistent results, acting responsibly and reconciling short- and long-term goals.

**WE WALK
TOGETHER**

We collaborate with others and consider different perspectives, celebrating our people and teams achievements.

**WE LEARN
CONTINUOUSLY**

We take the initiative to seek new knowledge, learn from mistakes and build partnerships.

**WE INNOVATE WITH
IMPACT**

We question the state of things, take risks, and put into practice new ideas that generate impact.

Mentorship RD

To promote exchange, development and learning at different levels of the Company, we have structured Mentorship RD, a voluntary program with monthly meetings lasting one year. On the one hand, vice-presidents, directors, and managers participate as mentors; on the other hand, as mentees, in addition to managers, there are coordinators, project managers and interns, people aged between 28 and 55 years old, setting up a diverse and inclusive environment.

In addition to classic mentoring, we launched reverse mentoring, a modality in which a younger professional assumes the role of mentor, working together with an older colleague. In RD, these mentors are between 25 and 35 years old, and the mentees are more experienced professionals, aged between 40 and 50 years old. In 2022, there were 26 participants in total.

NOTABLE OF THE YEAR

We consider public recognition of our employees' performance to be important. One example of the promotion is the Notables of the Year event, created to recognize and reward the best regional managers and managers who stand out in each Droga Raia and Drogasil

pharmacy throughout Brazil. Other categories such as Length of Service, Distribution Center, Expansion Manager and Pharmaceutical Team are also recognized and awarded. In 2022, as well as in 2020 and 2021, the event took place online.

In 2022, there were 89 mentors and 113 mentees

Succession program

The Succession Program aims to develop a pipeline of leaders – managers, directors, vice presidents and CEO – that meets the current and future demands of the business. Annually, we carry out a cycle to build the company's succession map, consisting of mapping stages and calibration/validation committees.

The program also maps emerging talents

(potential for the future) and key people (outstanding performance, know-how) of each department. With the mapping, it is possible to define priorities for monetary recognition and development actions for employees, which helps with retention and accelerates the readiness of professionals to assume more complex positions. In 2022, more than 70 forums were held to map successors, talents and key people

and more than 140 hours were invested.

In the 2022 cycle, we had 234 candidates eligible for succession and 57 successors mapped, representing 86% of the boards with an identified successor, 14% more than in the 2021 cycle. In addition, we have succession candidates mapped for all vice presidencies.



ENGAGEMENT SURVEY

Our team engagement is evaluated annually through the Engagement Survey. In 2022, we held the third edition and had the participation of more than 37,000 employees, which corresponds to 77% of RD, who evaluated it with a grade of 3.9 on a maximum scale of 5.

In the results, the career opportunity topic appeared as one of the main factors of attraction for people, with 29% of respondents stating that they had their first job opportunity in RD and 52% stating that they had already received some type of promotion.

The variable with the highest growth, in 2022, was sustainability in everyday life, followed

by that which assesses people's knowledge of their goals and, finally, humanization, which seeks to identify how much managers know the objectives of career of their teams.

On the other hand, we have the challenge of acting on topics such as motivation and balance between personal and professional life. To address these challenges, we have established engagement committees across all boards to discuss and create practical solutions to these issues. We will continue to listen to our people and work hard on the actions identified so that we always have the best RD for everyone.

CONVERSATION WHEEL

After two years happening virtually, the Conversation Wheel between the CEO of RD, Marcilio Pousada, and the pharmacies returned to the face-to-face. This project has the objective of recognizing and valuing the pharmacies that achieved the best performance in the indicators pre-established by the Company and takes place every six months. There were two days, in October 2022, of chatting with managers, pharmaceutical managers and regional managers at the headquarters for learning and knowledge.

SUPPLIER GOVERNANCE

GRI 3-3: PRODUCTS AND SERVICES

In the relationship with commercial partners, we work to ensure more and more efficiency in the supply chain. To this end, we improve the management of the topic by continually reviewing processes and developing initiatives that direct RD towards excellence in supplier governance. We know we still have a long way to go, but we are proud of the path we have taken so far.

For more efficient governance, we started to categorize suppliers into RD Labels, Direct, Supplies, Patrimony and Healthcare Product

Marketplace.

We have structured this journey into four pillars:

- Complete mapping of our supply chain;
- Monitoring and compliance of the risks involved;
- Engagement and development of partners;
- Internal and external partnerships that can create even more value for companies and society in general.

We ended the year with 8,210 active suppliers, 1,974 of which were classified in critical categories for ESG1 topics and 6,236 in non-critical categories. In 2022, we carried out a review of the mapping of the most critical categories in relation to socio-environmental risks and opportunities, thus expanding the categories managed by the Supplier Governance area, which increased from 7 to 11, including transport and/or treatment suppliers. waste and inputs with the RD label.

NUMBER OF SUPPLIERS

CLASSIFICATION	2021	2022
Proprietary labels	131	118
Direct Suppliers	2,245	766
Supply Suppliers	2,837	2,915
Special Suppliers		4,441*
Total	5,213	8,210**

*Other commercial partners, such as law firms, associations/institutions/NGOs, energy/water/telephone/gas concessionaires, financial institutions, property tenants, public agencies, etc. This category had not been mapped until mid-2022.

**The total number of RD suppliers increased by 58% from 2021 to 2022 due to three factors; the reclassification of the criticality of 100% of our base, the inclusion of 3 segments classified as critical and the way of monitoring the indicator through the system responsible for payments to commercial partners.

1. Critical categories for ESG themes are the categories of suppliers that are more exposed to socio-environmental risks. For RD, they are: branded RD products, processing of personal data, provision of services with allocated third parties, distributors (B2B and B2C), waste (transport and/or treatment), personalized: inputs identified with the RD brand, suppliers that have dealings with public agents and suppliers that manufacture and sell directly to RD.



The year 2022 also marks the beginning of the implementation of a dedicated system to supplier governance and compliance activities in ESG matters, allowing us to carry out a complete management of our supply chain. The platform offers a broad view of this complex ecosystem stages, which involves approval, monitoring, auditing, action plan, management of allocated third parties, among others. In addition to promoting transparency in the relationship with suppliers, the system

has dashboards for each topic evaluated, issuing alerts, and storing documents: all in the same place.

The Supplier Governance area starts the supply chain management process through the approval (qualification) of our commercial partners. Then, they are divided by category and product/area of activity and go through the monitoring, adequacy, and development processes, according to their classification.

In 2022, 1,991 new suppliers were approved, with approximately 450 classified as critical category (22.6%), submitted to a complete approval and monitoring process in accordance with socio-environmental and compliance aspects, referring, above all, to environmental licenses, debts, and labor claims. Based on the generated nonconformities, action plans are prepared, while the cycles for monitoring and implementing improvements are defined according to the criticality of the occurrence.

GRI 308-1, 308-2, 414-1, 414-2

In 2022, we began carrying out our own audits, a major achievement for the Company. RD has a team of auditors who visit commercial partners in person to apply a questionnaire with approximately 210 questions on various topics, including ESG and compliance.

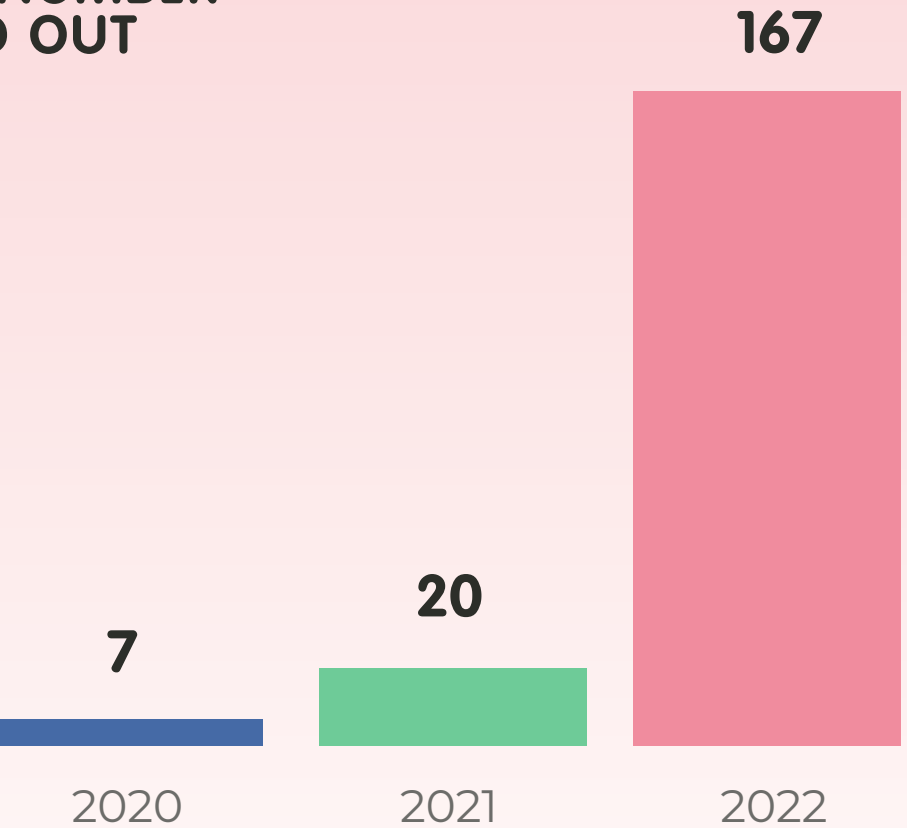
During the year, 167 companies were audited in this new format, which demonstrates progress in the process when compared to the number of audits carried out in 2020 and 2021.

To determine who will be audited, we prioritize critical categories such as RD Brands and suppliers of customized products. Around 57% of the audits took place at RD Marcas partners. Another major milestone in this process was the start of audits at the second level of the supply chain, which are the subcontractors.

Audits are advisory in nature, as in addition to identifying the level of adherence to RD prerequisites in ESG matters, we guide suppliers and their subcontractors to achieve the best market practices regarding working conditions with the lowest possible environmental impact, thus creating trust relationships guided by ethics.

We increasingly seek to engage our suppliers in issues related to sustainability so that they know, understand, and share in our journey, and so that we are positively impacted by the sustainable strategies of our partners. One of the initiatives in this direction was the RD Suppliers Workshop, held online in December 2022. On the occasion, we had the opportunity to talk

EVOLUTION IN THE NUMBER OF AUDITS CARRIED OUT





about RD's ESG strategies, advances in the ESG agenda of suppliers, socio-environmental impacts in the supply chain, diversity and inclusion for healthier businesses and the importance of data security with the validity of the LGPD.

We also expect suppliers to comply with the LGPD with measures that guarantee data privacy and security, for example, by adopting an adequate and up-to-date

information security policy, using tools to prevent loss or unauthorized disclosure, the use of contact channels for receiving complaints, among other initiatives. Based on evaluation criteria aligned with the best international practices, we closely monitor compliance with the LGPD by commercial partners. In 2022, more than 550 assessments were completed with an accurate risk result.

Two other important initiatives of the year were the beginning of the monitoring of third parties located in the RD facilities – headquarters, pharmacies and DCs –, in addition to the launch of the **Code of Ethics and Conduct for Suppliers**, aimed at all RD commercial partners, who also sign a Term of Adhesion and Commitment to the Code. The document brings together different topics that describe the role to be played by suppliers regarding obligations, prohibitions and desirable requirements of a non-mandatory nature that are relevant to direct improvements and the pursuit of excellence.

Through Universidade RD, we provide the Supplier Development Portal with training in various topics and areas: conflict of interests, anti-fraud and anti-corruption, human rights and diversity, ESG practices, among others. Currently, 788 active companies are registered on the platform, of which 730 are suppliers and 58 are sellers.



SELECTION OF PARTNERSHIPS FOR THE RD HEALTHCARE PRODUCT MARKETPLACE

Among our commercial partners are companies that make their products available on our Healthcare Product Marketplace platform, called sellers. There are two formats for registering sellers within our business: via Mar Aberto, that is, when the interested company registers directly on our portal, or via hunting, when the Healthcare Product Marketplace team performs the selection and search process for such partners. In 2022, we also included this category in the governance and compliance process, from the previous assessment – Mar Aberto – to the most complete assessment, the latter in line with the supplier risk rule. We emphasize that sellers are not considered a critical category but are monitored within a specific protocol.

HEALTHIER PLANET

Caring for the planet is one of the three pillars of our Sustainability Strategy. Thus, we continue to encourage initiatives that reduce our environment impacts and contribute to future generations.

HEALTHIER PLANET: COMMITMENTS, STATUS AND RESULTS

Our ambition: Net zero and landfill zero

<div>CONTRIBUTING TO GLOBAL CARBON NEUTRALITY</div>	<p>Reducing absolute GHG emissions (scope 1 and 2) within the level below 1.5°C, with base year 2020*</p>	<p>Reducing relative emissions of GHG/m² store (scope 1 and 2) within the level below 2°C, with base year 2020**</p>	<p>Reaching 115% of GHG emissions (scope 1, 2 and 3) compensated in 2030</p>	<p>Reaching 90% of own units supplied with renewable energy</p>	<p>To have 30% of critical category suppliers with GHG emission reduction and compensation plans</p>
	<p>STATUS 2022: We had a 15% increase in scope 1 emissions, mainly due to higher diesel consumption in the fleet of trucks to supply pharmacies. There was also a 227% reduction in scope 2 emissions due to the reduction in the emission factor of the Brazilian energy matrix and the progress in migration to other electricity consumption markets, such as the free market and distributed generation, which is part of our decarbonization plan</p>	<p>STATUS 2022: We emit 37.30 kg of CO2 per m² (considering pharmacies, distribution centers and headquarters). This represents a reduction of 120% when compared to the previous year. This significant drop reflects the reduction in the emission factor of the Brazilian energy matrix and the progress in migration to other renewable electricity consumption markets</p>	<p>STATUS 2022: We offset 70% of our scope 1 and 2 emissions for the year 2021 through the purchase of carbon credits</p>	<p>STATUS 2022: 45% of our own units are already supplied with renewable energy</p>	<p>STATUS 2022: We are working on developing this commitment. See more about advances on page 99</p>
<div>ENHANCING THE CIRCULAR ECONOMY IN THE RD VALUE CHAIN</div>	<p>To have 40% of the company's own products with eco-efficient packaging</p>	<p>To bring to zero the use of landfills (head office, stores and distribution centers)</p>	<p>Reaching 100% coverage for medication waste collection by 2025, with increased volume collected</p>	<p>Reaching 100% stores with solutions to reduce consumption of tertiary packaging implemented (in stores and at home deliveries)</p>	<p>To lead a circular economy initiative with sectoral articulation</p>
	<p>STATUS 2022: In 2022, 1% of private label products had ecoefficient packaging</p>	<p>STATUS 2022: This commitment is still under development</p>	<p>STATUS 2022: We have 100% coverage for the collection of medical waste and ended 2022 with 192 tons collected, a 40% increase compared to 2021</p>	<p>STATUS 2022: This commitment is still under development</p>	<p>STATUS 2022: This commitment is still under development and our goal is to start working together with the sector from 2024</p>

ACTIONS FOR THE CLIMATE

GRI 3-3: ACTIONS FOR THE CLIMATE



In recent years, we have matured our climate-related strategy, an agenda that is integrated into the Company's strategy. Aligned with a sustainable future, we set targets for reducing greenhouse gas (GHG) emissions, in addition to offsetting part of the emissions with the Net Zero Company's ambition.

Commitments related to the climate change agenda follow the guidelines established by the Paris Agreement, which promotes efforts to limit temperature increases to 1.5°C above pre-industrial levels. Our calculations for reducing absolute and relative emissions were prepared following the assumptions of the Science Based Targets initiative.

We also started to adopt practical measures to be more and more sustainable, such as the use of electric trucks in our own and third-party fleet that supply pharmacies. In 2022, the fleet received six electric trucks that are initially circulating in São Paulo and Paraná for testing. It is worth noting that the rest of the fleet uses S10 diesel, a less polluting fuel.

Another important initiative is the partnership with some companies to use electric motorcycles, bicycles and tuk tuks for last mile deliveries. Through these partnerships, RD contributes to the reforestation of a permanent preservation area in Garça/SP. Since the beginning of the partnership, more than 200 trees have been planted. Currently, there are two electric motorcycles, four electric bicycles and a tuk tuk.

In addition, in 2022, we maintained our partnership with Delinti, a startup that uses electric bicycles to deliver to customers in the city of Uberlândia (MG). During the year, 26 pharmacies were served, 21,433 km traveled and a total of 12,195 deliveries made.

At the beginning of 2022, sustainable deliveries represented 2.96% of all deliveries made by Droga Raia and Drogasil. At the end of December, this percentage had risen to 8.96%, that is, an increase of six percentage points.

Our journey at CDP

GRI 3-3: ACTIONS FOR THE CLIMATE

RD has carried out its greenhouse gas (GHG) inventory since 2018. In 2020, we carried out a first survey of the DCs' climate vulnerability. This work evaluated the possible environmental risks for RD operations in four environmental pillars: management of GHG emissions, electricity, water consumption and waste generation. It also included a historical survey of extreme weather events already witnessed in our operations and a benchmarking with the main global players in the pharmaceutical retail sector.

However, to become even more mature in the climate change topic, we identified the need to deepen the climate risks study and their impacts in our business. Therefore, in 2023, we will evolve in our study, in addition to expanding its scope to 100% of our operations (pharmacies, DCs and headquarters).

In parallel with this study, RD worked internally to revise the Company's Risk Matrix, so that the new matrix, designed

in 2022, would also include the theme of climate change.

Still on this journey, we improved the Greenhouse Gases (GHG) Inventory, promoting great advances in the quality of information and, mainly, in the detailed screening process, of Scope 3, identifying the most relevant categories. This screening made it possible to identify the main sources of emissions and, therefore, where we should focus to reduce them.

To this end, we will work on defining decarbonization projects, considering future projections of scope 1, 2 and 3 emissions. We will also identify opportunities for decarbonization, considering the analysis of impact calculations and economic evaluation through the preparation of a MAC curve and ranking of mitigation opportunities based on cost and potential reduction of emissions.

RD is also already working on some fronts aimed at reducing its emissions, such as

the acquisition of electric trucks for its own and third-party fleets, B2C deliveries made by modes with lower emissions, acquisition of electricity from renewable sources, among others.

As part of the climate change strategy, we started to encourage the engagement of our partners to disclose their emissions in the CDP Supply Chain, which include governance issues, emissions, risks, and other topics. We requested information on the topic of climate change from 50 priority suppliers and received feedback from 29 of them. This information was important for improving the scope 3 inventory and for identifying the level of maturity of suppliers in the subject, so that we can, therefore, propose initiatives to support them in their development towards a low carbon economy.

Next year, we will continue the CDP Supply Chain and hold workshops on climate change and build GHG emissions inventories for suppliers who are at the

beginning of this journey. We want to get closer to this audience and identify joint project opportunities.

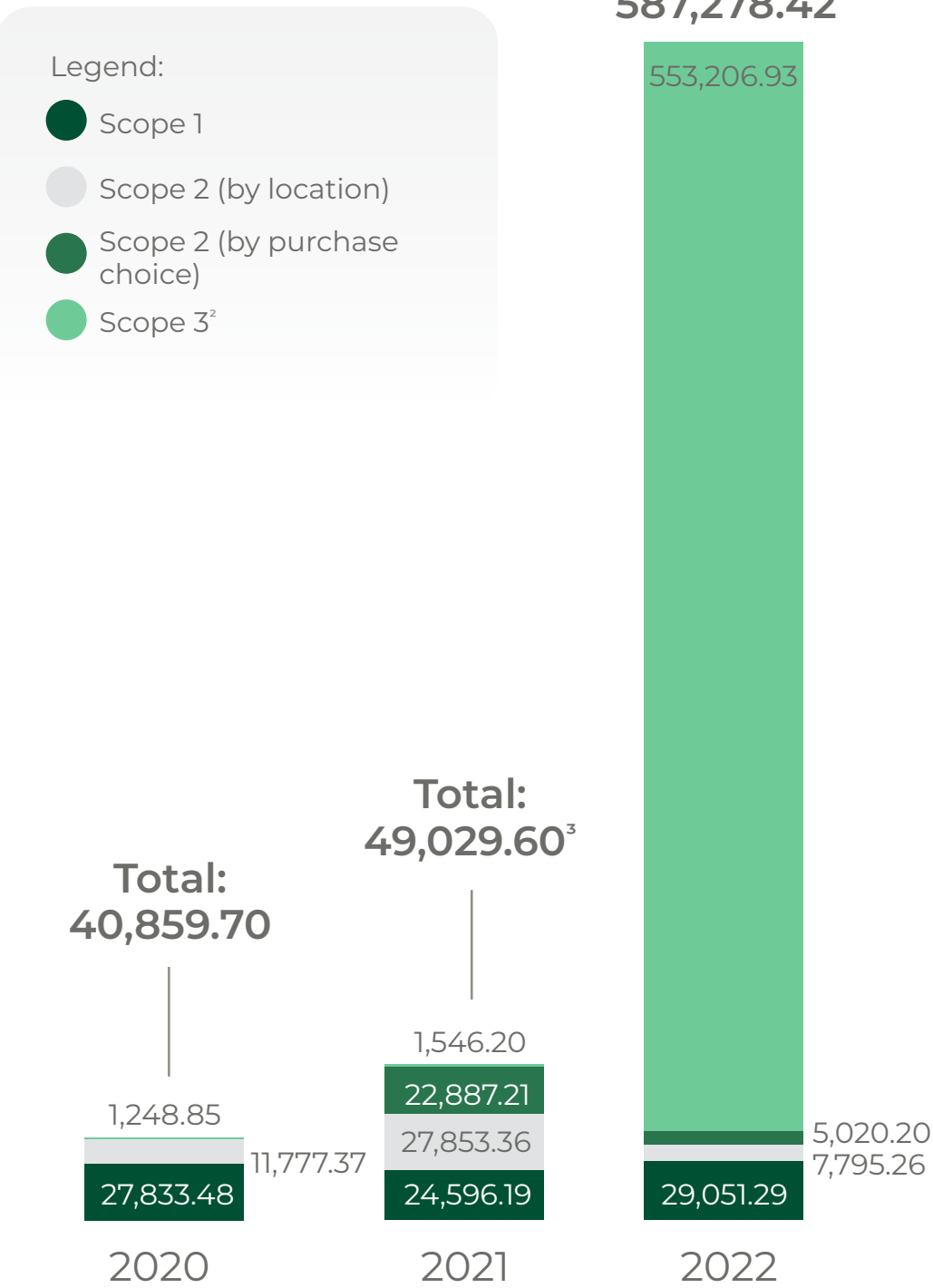
As a result of improving and maturing the topic of climate change, in 2022, we obtained a B score in the CDP Climate Change questionnaire, the main international tool used by the market and investors to measure the quality of company management in this regard.

Evolving from C to B is an important evolutionary acknowledgment in our journey to a low-carbon economy.

Emission control

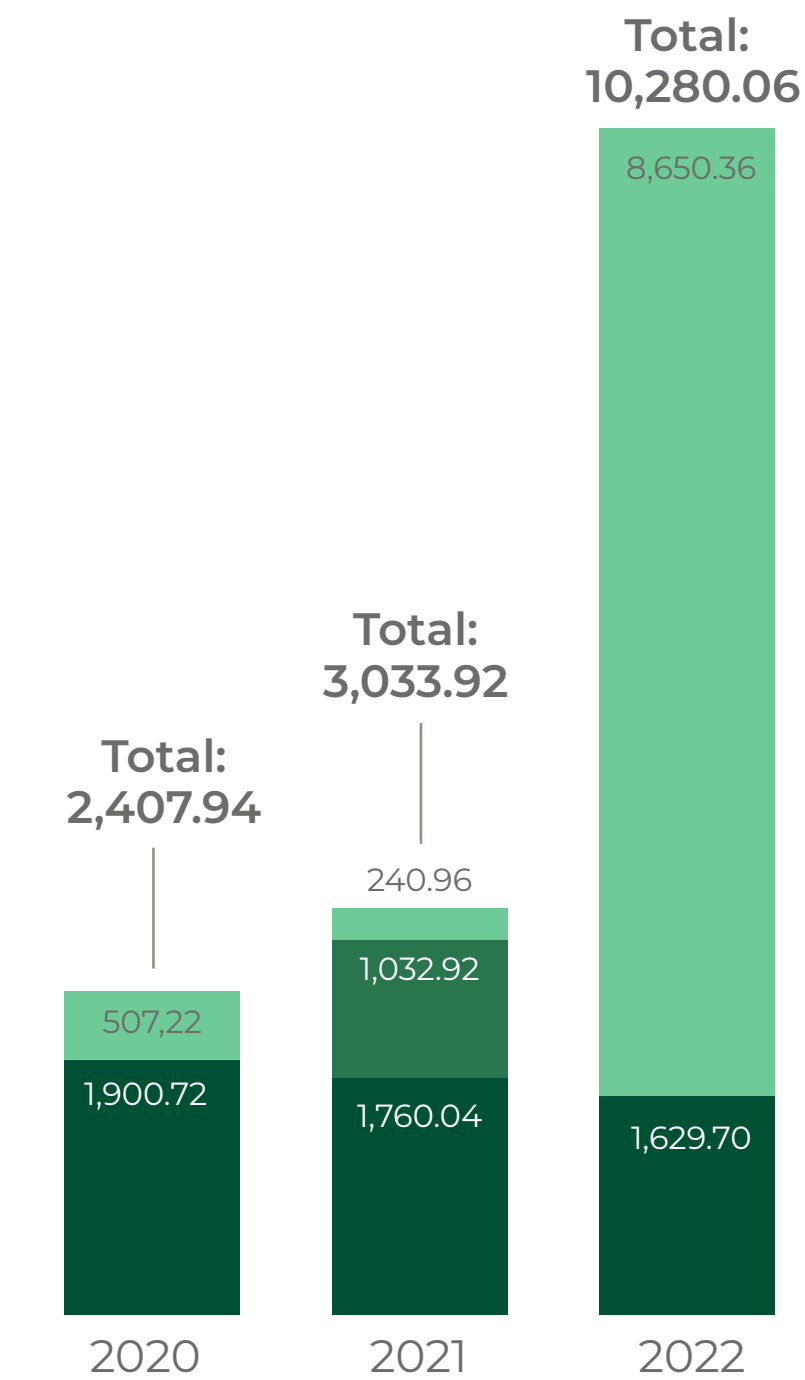
EMISSIONS BY SCOPE (tCO₂e)¹

GRI 305-1, 305-2, 305-3



BIOGENIC EMISSIONS BY SCOPE (tCO₂e)

GRI 305-1, 305-2, 305-3



INTENSITY OF GHG EMISSIONS (SCOPES 1 AND 2)¹

GRI 305-4



1. Includes Kyoto GHG emissions in tCO₂e (CO₂, CH₄, N₂O, SF₆, HFCs and PFCs). Does not include CO₂ emissions from renewable sources.

INTENSITY OF LOGISTICS AND UPSTREAM AND DOWNSTREAM TRANSPORTATION EMISSIONS (tCO₂e/KM) IN 2022¹

INTENSITY

0.00003

1. Includes logistics and product transport data.

GRI 305-4

INTENSITY OF PROCESSING OF SOLD PRODUCTS EMISSIONS (tCO₂e/t)

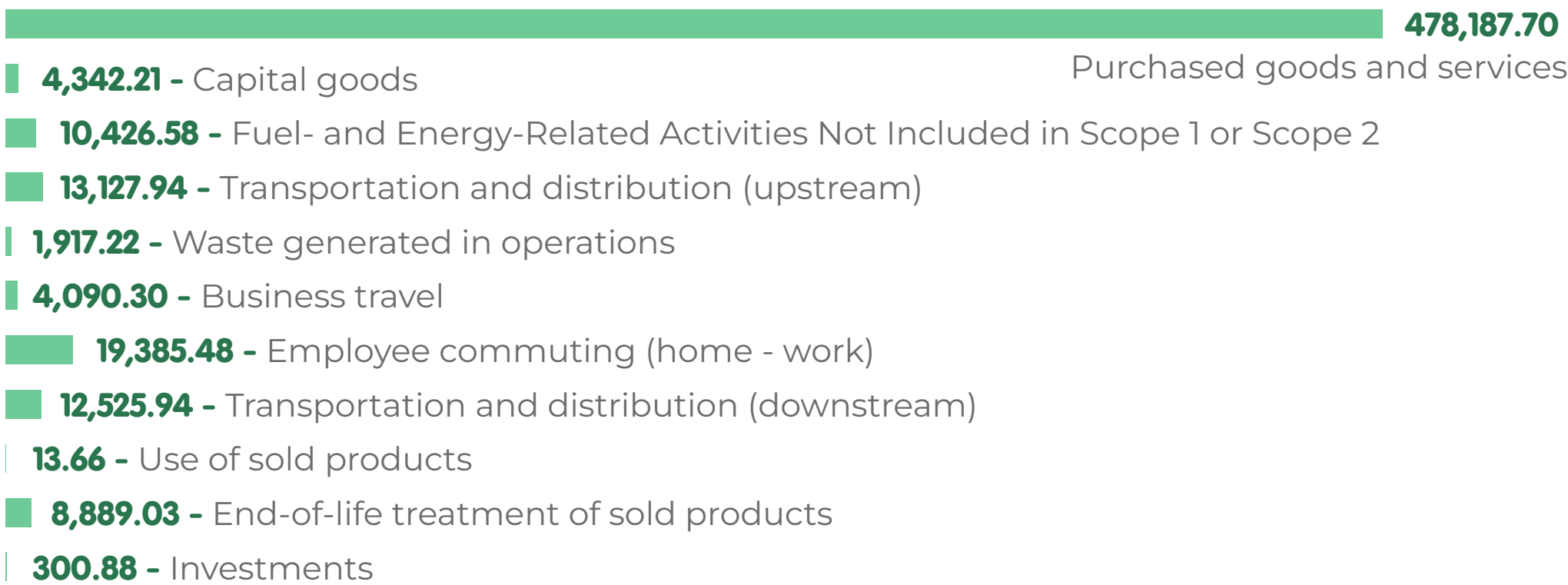
INTENSITY

4.76640

1. It considers drugs, over-the-counter (OTC) drugs, and perfumery products.

GRI 305-4

OTHER GREENHOUSE GAS EMISSIONS (SCOPE 3) IN 2022 (tCO₂e)¹



1. Includes Kyoto GHG emissions in tCO₂e (CO₂, CH₄, N₂O, SF₆, HFCs e PFCs). Does not include CO₂ emissions from renewable sources.

1. Includes Kyoto GHG emissions in tCO₂e (CO₂, CH₄, N₂O, SF₆, HFCs e PFCs). Does not include CO₂ emissions from renewable sources. Non-Kyoto GHG emissions: 1,547.39 tCO₂e. In 2022, RD hired a specialized consultancy to support the improvement of the GHG emissions inventory, including a detailed Scope 3 screening process. As a result of this work, emissions increased significantly.

2. Considers scope 3 categories as shown in the table on the right.

3. Total GHG emissions consider only Scope 2 by purchase choice.

4. For 2021, the conversion factor for electricity from the national grid was much higher compared to 2020 (mainly due to the greater use of thermoelectric plants) and this greatly increased CO₂eq emissions even though we consumed a similar amount of energy in MWh. In 2022, the conversion factor returned to previous levels.

Energy efficiency

GRI 302-4, 302-5, 3-3: RESOURCE CONSUMPTION

Our position in relation to energy consumption can be summarized in two main fronts: initiatives and projects that promote the consumption reduction in the units based on the modernization of the properties physical infrastructure, equipment and employees and customers awareness; and actions to increase energy consumption from renewable sources.

RD ended 2022 with 1,209 pharmacies connected to distributed generation plants, which is equivalent to 45% of its total units. Regarding the free contracting energy environment, seven DCs and the administrative matrix are in this model. In 2022, 18,465MWh of the 21,849MWh available were consumed, that is, an average representation of 72% in relation to the total volume of energy consumed in large consumer units.

In addition, 100% of the units have lighting

with LED technology – a target achieved in 2021. We continue to advance in the installation of electric current filters in 90% of the pharmacies, which reduces consumption by an average of 15% in each unit and in the replacement of air conditioning equipment for the inverter model (to date, 71% of the pharmacies have already have the lowest energy consumption technology).

We also started to implement a specific device for air conditioning automation, which is already present in more than 360 units. These improvements are proven to reduce consumption and, therefore, were prioritized as actions for the short and medium term.

To ensure the practical effectiveness of infrastructure actions, all projects begin with pilots, whose measurements and results are empirically verified. After validating the

objectives and returns of the projects – both financial and environmental – we start the implementation, and the effective result indicators are periodically monitored. The more detailed impacts and progress of the projects are monitored bimonthly in the Environmental Impact Program, led by the Sustainability and Engineering areas.

Additionally, periodic campaigns are carried out with the dissemination of explanatory videos and internal communications to reinforce the importance of the topic, the large numbers involved and good practices for the best use of equipment and rational consumption of energy in the Company's administrative areas and pharmacies.

With all these energy efficiency actions, we recorded a reduction and avoided consumption of 131,808.49 GJ of electricity, consolidating the effects of adopting new, more efficient technologies and reducing

consumption due to the awareness of RD employees and customers.

GRI 302-4

Actions and commitments go beyond regulatory compliance, aiming at optimizing the use of natural resources.



Climate change agenda

TRAINING IN CLIMATE CHANGE

We promoted the training course Together for a healthier planet: understanding the impacts of Climate Change, which trained 132 leaders, including regional managers, managers, and coordinators. This training was extended to Sustainability Ambassadors, training 17 of them in total.



CLIMATE CHANGE FORUM

Once again, we participated in the Exclusive Climate Change Forum of Chapter Zero Brazil, one of the chapters of the Climate Governance Initiative, an initiative of the World Economic Forum that mobilizes boards of directors around the world to deal with the impacts of climate change on the business environment. RD was represented by Cristiana Pipponzi, counselor and leader of the Sustainability Committee, and Giuliana Ortega, director of Sustainability.

PRESENCE IN ICO2 B3

In 2022, we participated for the third consecutive year in B3's Carbon Efficient Index (ICO2), which highlights the companies in the IBRX 100, an index that evaluates the performance of the 100 most traded stocks on the Stock Exchange with the best practices in carbon management in Brazil. RD's participation in the ICO2 increases the transparency of our emissions and sustainability strategy, contributing to the commitments of the Planeta+Healthy pillar towards a low-carbon economy.

ICO2 B3



PARTICIPATION IN COP27

In November 2022, RD participated in the COP 27 – United Nations Conference on Climate Change, in Sharm El Sheikh, Egypt. The event was attended by representatives from several countries to discuss climate change, find solutions to the environmental problems that affect the planet and negotiate agreements. RD was represented by the Social Investment manager, Maria Izabel Toro. The invitation for RD to be present came from the Group of Institutes, Foundations and Companies (GIFE), which recruited four emblematic and representative organizations from the field of private social investment to participate in the Mission of Brazilian Philanthropy at COP 27.

WASTE MANAGEMENT AND ENCOURAGEMENT OF THE CIRCULAR ECONOMY

GRI 306-1, 306-2, 306-3, 306-5, 3-3: WASTE MANAGEMENT AND REVERSE LOGISTICS

We have audacious goals in the Planeta + Saudável pillar, which involve the RD commitment and the customers and suppliers' engagement leading us to act on several fronts, such as selective collection at DCs, reverse logistics of medicines, use of eco-efficient packaging, reduction in use of plastic bags, among others.

In 2022, we generated 32,037.32 tons of waste in our operations, a volume 423% higher compared to 2021. This increase is due to the improvement in the management of civil construction waste data (page 104).

In pharmacies, among all the waste generated, we still feel the increase in the health waste volume due to the Covid-19 pandemic and the vaccines application. These wastes are correctly disposed by approved partners in the various regions where we operate.

One waste post-consumer type we generate is plastic bags. That's why we make it a practice to ask customers if they really need one at the time of purchase. This simple attendant attitude ends up making many people give up their

packaging when purchasing a few items. In 2022, 23,289 employees were trained in this approach. In addition, we carried out communication actions with the customer to make them aware of the impact of this attitude on the environment.

At the DCs, the main waste generated is recyclable, mostly cardboard and plastic, which come mainly from suppliers when delivering products. In addition, we generate non-recyclable waste, hazardous waste, and others.

In all our DCs, we rely on outsourced waste collection and final disposal companies within current legislation. To ensure that

processes are carried out in legal compliance, suppliers undergo an approval process with the submission of supporting documentation, periodically respond to a sustainability self-assessment questionnaire and are subject to audits to verify the information provided.

Waste generated at DCs is weighed and identified before disposal. To collect and monitor waste-related data, we have an information system, managed by the sustainability area, in which those responsible for each DC and matrix report the information, in addition to inserting supporting documents for the reported values. This information is verified by sampling in an audit process.



Hazardous waste

GRI 306-5

We take care of hazardous waste, which includes the disposal of personal protective equipment (PPE), uniforms, cloths, blankets, tow, packaging; recyclables contaminated by oil, grease, paint, solvent, fuels, lubricants, and other chemicals; and fluorescent lamps and electronics changed for maintenance.

Incorrect management of this waste can have a significant impact on the environment. Therefore, these materials are collected and placed in specific bins, properly identified, and located in places where access is restricted. Chemical product leak simulations are applied periodically at the DCs and headquarters, to instruct employees in case they occur. In these situations, environmental emergency kits are used to contain leaks, located in strategic locations.

We request the collection of hazardous waste when there is a minimum amount stipulated by the outsourced company responsible for this service.

Subsequently, the waste undergoes de-characterization and sorting processes, and is finally co-processed for use in combustion in the cement industry. Only psychotropic drugs are sent directly to incineration, according to the responsible agency.

Cosmetics and medicines that were not sold in pharmacies and returned within the current expiration date or that are returned because they are unserviceable, obsolete, or damaged are treated as hazardous waste in our DCs. The trucks that deliver the products to the pharmacies also return to the distribution centers with the discarded medicines, which makes it possible to optimize transport and avoid the greenhouse gases emission with additional transport just for this collection. These products are stored on pallets and disposed of monthly according to a pre-established schedule by the contracted outsourced company.

For waste generated in pharmacies, which are classified according to RDC ANVISA Resolutions No. 222/2018. CONAMA nº 358/2005 and relevant ABNT and local municipal standards, we have those in group A - Infectious and group E - sharps, generated in pharmacies that apply injectables, vaccines and COVID tests. Group B waste (chemicals) includes consciously disposing of medicines from the population and inappropriate items. And group D (common) waste includes recyclable materials (paper, plastics, cardboard, and glass), and non-recyclables, from toilets and pantries. All pharmacies annually carry out the PGRSS (Health Service Waste Management Plan), which describes the processes and procedures adopted for waste management. The document ranges from the classification of waste generated, quantities, packaging, collection, treatment and final disposal, legal obligations and recommendations for occupational health and safety.



Non-recyclable waste

GRI 306-5

We consider non-recyclable waste from bathrooms and pantries generated in DCs, pharmacies and the headquarters. They are packed in identified bins and are removed by the outsourced cleaning team, which organizes them in closed buckets to be collected by the local city hall or a contracted company.

Construction waste

GRI 306-5

In 2022, we began structuring a differentiated management model for civil construction waste generated by the RD works and ended the year with 15% of new pharmacy works managed within this new standard. There were 40 openings and 49 renovations and retrofits in existing branches, totaling 89 in 2022.

This model promotes waste management from the construction site, through transportation, to its final disposal,

always environmentally appropriate and with partners that promote circular alternatives in waste treatment, including transshipment and sorting areas, recycling plants, inert landfills and, in some cases, donations to city halls, which end up using the waste for other purposes, such as paving works.

To manage this project, we work together with Trashin – a company specialized in sustainable waste management –, which also supports us in prospecting suitable destinations for the construction waste generated in the RD works.

Additionally, we have partnerships with companies and associations specialized in the subject, among them, the Brazilian Association for Recycling of Civil Construction and Demolition Waste (Abrecon), which helps us to understand more deeply the challenge dimension. To engage suppliers, we promote workshops on the subject, preparing contractors and builders for this new model.

In the new standard selected sites, the

professionals undergo complete and specialized training on good practices in this area. Carriers and destinations are submitted to a careful approval process and once approved, are chosen to proceed with the waste treatment. In all, in 2022, 24 construction companies partnering with RD were involved and trained in this project, which included works in 14 states and 61 municipalities throughout the national territory.

It is worth mentioning that the contractors sign an Environmental Responsibility Term with RD to mitigate any type of risk or environmental liability, formalizing that they are responsible for the correct waste disposal and for the practical implementation of the agreed concepts for the project.

In 2022, we generated 24,205 tons of construction waste.

CIVIL CONSTRUCTION WASTE (t)			
	FINAL DESTINATION ¹	RECYCLING	INERTS LANDFILL
Class A	8,349.20	3,666.97	6,195.00
Class B	5,724.29	100.64	67.66
Class C	20.08	54.21	17.69
Class D	1.36	3.25	5.00
Subtotal	14,094.93	3,825.07	6,285.35
Total: 24,205.35			

1. Final disposal refers to cases where the site does not have the infrastructure to dispose of waste to inert landfills and recycling. Therefore, we follow the guidelines of the city hall and the Municipal Secretary of the Environment for the transport and disposal of RCCs, which is the common landfill of the municipality or even the donation for the reuse of this waste for paving by the city hall itself.

Conscientious disposal of medications

GRI 306-5

We offer customers the possibility of discarding expired or disused medicines and their package inserts, contributing to the preservation of the environment. In 2022, the Conscious Disposal program advanced and reached all RD pharmacies.

For the medicines to receive the correct destination, they are first discarded by the population in the collectors available in pharmacies, using packed in bags suitable

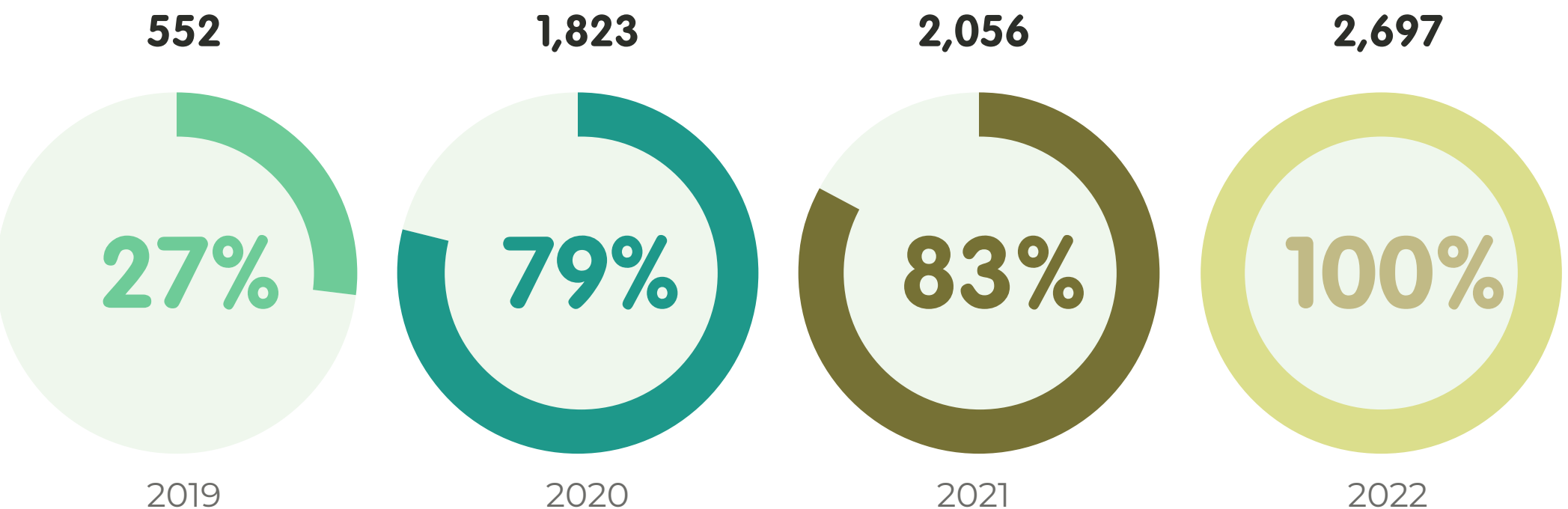
for this purpose. They are then taken to our Waste Center in DCs. Later, on a scheduled date, they are collected by a company approved by the pharmaceutical industry and taken to incineration or co-processing. It is worth mentioning that, at the time of collection and during the journey to the final disposal, the waste is accompanied by all the required documentation, including the Waste Transport Manifest (MTR).

To ensure that the process is carried out correctly in our pharmacies, we remodeled the online course on medication disposal aimed at employees and revised the manual prepared by RD, so that attendants and pharmacists feel more prepared (as) for the process. In all, 31,854 professionals were trained, of which 5,150 were pharmacists. In 2023, our goal is to increase customer communication and engagement in the correct disposal of medications.

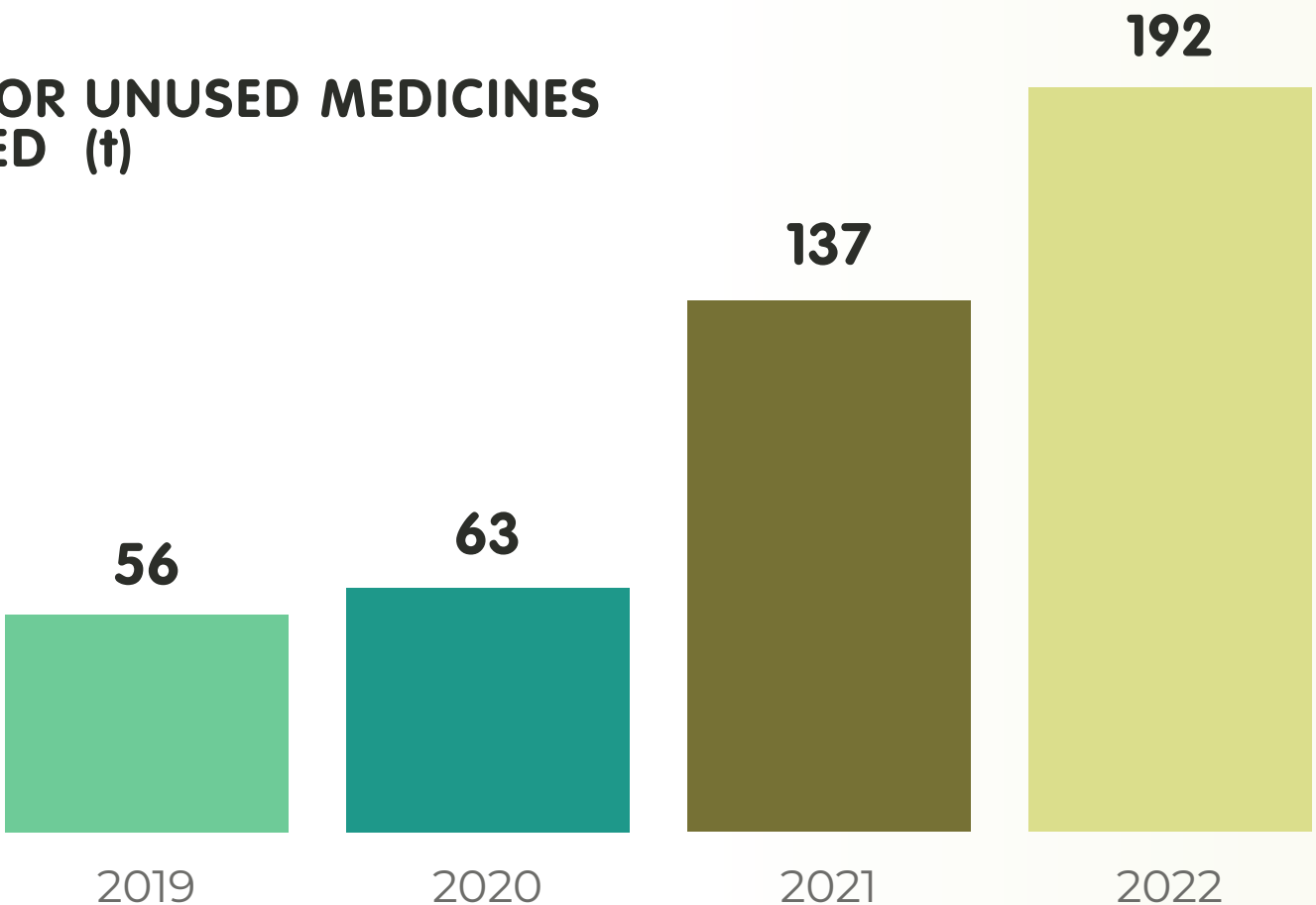
In the year 2022,
RD collected 192 tons of expired
or into disuse medicines

Since 2020, the RD Conscious Disposal program has become part of the reverse logistics chain for medicines in the country, made up of other retailers, distributors, and manufacturers, as determined by Federal Decree 10,388, of June 5, 2020.

PHARMACIES WITH COLLECTORS



EXPIRED OR UNUSED MEDICINES COLLECTED (t)





Reverse logistics of cells and batteries GRI 306-5

The reverse logistics process for batteries collected at pharmacies complies with CONAMA Resolution No. 401 of 11/04/2008. We thus fulfill the role of a merchant that acts as a Volunteer Delivery Point (PEV), for the collection of items discarded by the population. The battery reverse logistics program is a partnership with Green Eletron and is present in 100% of pharmacies.

Once a month, batteries are sent to the DCs, which have drums for storage at the waste center. Subsequently, they are collected by a contracted outsourced

company. Finally, the cells and batteries undergo separation, grinding, a chemical process and a thermal process, which allows the reuse of chemical components.

Eco-efficient packaging

We are committed to promoting the circular economy within our operations, setting the goal of having 40% of private label products with packaging considered eco-efficient and leading a circular economy project with sectoral articulation. To this end, we are making efforts in several directions. One of

them is the employees training in a course on circular economy that enabled the training of 14,869 professionals in 2022.

Also, during 2022, we worked, in partnership with Distrito – a platform that connects innovation and new technologies with companies – to search and select startups focused on the development of sustainable packaging. Twelve startups presented their solutions to the private label team, which is now studying the viability of the main opportunities.

Another important initiative during the year was the direct connection with large suppliers of plastic and cellulosic packaging raw materials and with packaging converters so that sustainability was considered from the beginning of the development of new projects.

The new Natz brand was launched with 100% of the paper packaging (cartridges) produced with 100% recycled cardboard with FSC certification and 30% post-consumer representation. In addition, in 2022, we implemented a first circularity pilot with this brand, passing on paper waste –

boxes and package inserts of medicines collected in our pharmacies through the Conscientious Disposal of Medicines program – to the producer of the recycled paper used in the production of the Natz cartridges. The first batch of this initiative will be produced in February 2023.

The Vegan by Needs brand has 100% of its packaging made from recyclable material. The tubes, for example, are produced with plastic from a renewable source, a polyethylene made from sugarcane ethanol.

As of 2022, 100% of packaging waste produced by private labels will be offset through partnerships with [EuReciclo](#) and the [Reciclar pelo Brasil](#) platform. In practice, this means that, for each product package sold, another – of equivalent weight and material – is recycled.

WATER FOOTPRINT

GRI 303-1

Water is not a resource directly related to the main operations in the retail segment. However, it is used for consumption, personal hygiene, and cleaning in all our units: headquarters, DCs and pharmacies.

Annually, we monitor consumption data and adopt initiatives to avoid waste, such as periodic actions in search of leaks in the units and awareness of the teams on how to save money, especially in the periods that precede the cleaning of the water tanks in the pharmacies. We released videos showing the large numbers involved, good practices for conscious consumption and contextualizing the importance of the topic. In addition, we have a water reuse system at two DCs (Gravataí and Guarulhos).

The impacts related to water are focused on the management and control of consumption. The data is structured, disseminated, and periodically monitored by the Sustainability and Engineering areas of RD, which check for inconsistencies and work on improving processes. In most units, water is discharged through the sewage networks of local sanitation companies, and in these cases, there is no specific monitoring. Only at the Embu and Aparecida de Goiânia DCs do we use pits to dispose of effluents. In both cases, the correct collection and disposal are carried out by a specialized company.

GRI 303-2

Goals related to water have always been approached considering the necessary infrastructure adaptations for a decrease in the consumption of this resource. In

WATER CONSUMPTION IN MEGALITERS

GRI 303-5

SURFACE WATER (TOTAL) ¹	ALL AREAS	AREAS WITH WATER STRESS
Pharmacies ²	496.33	0.13
CDs	29.41	3.48
Headquarters	16.50	16.50
Total	542.24	20.11

WATER CAPTURE IN MEGALITERS

GRI 303-3

GROUNDWATER (TOTAL) ³	ALL AREAS	AREAS WITH WATER STRESS ⁴
CDs	14.87	10.14

1. Consumption of water from state concessionaires.
2. For pharmacies, water consumption in areas with water stress was calculated based on an estimate that considers the percentage of pharmacies located in areas with water stress classified as “High”, multiplied by the total consumption of that business unit. Areas with water stress were defined using the Aqueduct Water Risk Atlas tool (<https://www.wri.org/applications/aqueduct/water-risk-atlas/>).
3. Capture of fresh water through an artesian well in two DCs (Embu and São José Dos Pinhais). RD does not capture other types of water.
4. Water stress is the term used to describe a situation in which the water demand is greater than its availability and/or renewal capacity in a given location.

2021, we set the goal of changing all sanitary devices in the administrative matrix – toilets and self-closing faucets – to more efficient models. In 2023, we will have the goal of implementing a water reuse system at the headquarters as well, as this is the Company’s largest and

most relevant consumer unit. It is worth mentioning that the DCs in Guarulhos and Gravataí already have this technology. This initiative allowed the reuse of 8,290.32 m3 of water in 2022, which enables a reduction in the consumption of water from other sources.

MAIN INDICATORS



Main indicators

PEOPLE	2020	2021	2022
HEALTH OF EMPLOYEES			
Number of employees	43,631	49,450	53,039
Employees covered by union agreements (%)	100	100	100
Employees engaged in the My Best Version Program¹	22,300	15,000	13,500
Reduction of risk factors of employees monitored by the healthy habits program (%)¹	*	23.5	20.6
Employees with chronic illnesses participating in health programs (%)¹	*	31.3	36.8
Telemedicine consultations	More than 22 thousand	More than 49 thousand	More than 54 thousand
CUSTOMER HEALTH			
Number of active customers (in millions)	39	42	47
Healthy Life DNA Customers (millions)	1.80	1.80	2.02
Covid-19 rapid tests	900,000	+ than 4M	+ than 5M
Customers connected to the healthcare platform (millions)	*	2.7	32.0
Service satisfaction indicator (%)	88.1	88.5	89.0
HEALTH OF COMMUNITIES			
Hours of volunteer work²	9.64	9.52	1.87
Employees who act as volunteers (%)	9.0	10.4	11.1
Direct donations RD in integral health projects (in BRL)³	25,929,936	11,377,305	11,331,214

1. Programs started in 2021.

2. In 2022, we changed the way we calculate this indicator. Until 2021, the total number of hours dedicated to each volunteer action was reported by each volunteer. To avoid discrepancies, we define a default for each action type. It was not possible to recalculate data from previous years.

3. 2020 was an atypical year for RD direct donations to integral health projects due to the Covid-19 pandemic.

BUSINESS	2020	2021	2022
DIVERSITY AND INCLUSION			
Women in executive leadership (%)	18.4	26.3	29.3
Women in middle leadership (%)	45.8	42.0	44.1
Women in operational leadership (%)	67.7	68.5	68.9
VALUE CHAIN			
Total number of suppliers	5,354	5,213	8,985
Number of critical category suppliers¹	201	382	1,897
Suppliers evaluated according to socio-environmental criteria (%)	66.0	100	41.4
EDUCATION AND CAREER			
Average hours of employee training	103.9	88.2	112.4
Total people who received performance evaluation¹	6,108	12,228	13,564
Employees who received educational incentives	382	752	834
Employees who received promotions or merits	11,266	14,385	14,381

1. Data referring to the Crescer Program. In addition, we also have the evaluation of expected behaviors in the Trilhar Program, applicable to teams from DCs and Pharmacies. As a result, 21,773 employees are eligible for evaluation within the program.

PLANET	2020	2021	2022
CLIMATE			
Greenhouse gas emissions (tCO ₂ eq)	40,859	49,030	572,796⁴
Consumption of renewable energy (%)	88.6	85.0	85.4
WASTE MANAGEMENT			
Conscious disposal of medications (t)	63	137	192
Pharmacies with a conscious drug disposal program (%)	79	83	100
Total waste generated (t)¹	6,569	7,577	32,037
Diverted waste (sent for recycling) (t)	4,290	4,619	8,906
Recycled waste (%)²	65.0	61.0	28.0
Waste sent to landfill (%)³	8.0	14.0	66.0
Other destinations (incineration, co-processing and composting) (%)	27.0	25.0	6.0
WATER MANAGEMENT			
Water consumption (m³)	389,793	393,349	565,400

1. In 2022, we improved our civil construction waste management, which led to an increase in the reported number.

2. The reduction in the percentage of waste recycled in 2022 is due to the increase in civil construction waste, which is mainly sent to landfills.

3. The increase in the percentage of waste sent to landfills was due to the improvement in the management of civil construction waste data, in addition to the expansion of information collection and improvements in weighing processes in our Distribution Centers.

4. In 2022, RD hired a specialized consultancy to support the improvement of the GHG emissions inventory, including a detailed Scope 3 screening process. As a result of this work, emissions increased significantly.



ANNEXES

Information about employees

“Important operating units” refers to the organization’s headquarters, the DCs and the pharmacies.

GRI 202-1, 202-2, 204-1, 401-2, 405-2

EMPLOYEES - BY EMPLOYEE CATEGORY AND GENDER									GRI 2-7
	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Administrative	553	657	1,210	728	898	1,626	811	1,125	1,936
Specialist	184	146	330	219	197	416	238	212	450
Executive Leadership	38	9	47	42	15	57	41	17	58
Average Leadership	243	206	449	390	283	673	445	351	796
Operational Leadership	786	1,654	2,440	835	1,821	2,656	862	1,914	2,776
Operational	14,112	25,040	39,152	15,707	28,315	44,022	16,592	30,431	47,023
TOTAL	15,916	27,712	43,628	17,921	31,529	49,450	18,989	34,050	53,039

In 2022, we started to consider young apprentices within this category.

EMPLOYEES BY CONTRACT TYPE AND GENDER									GRI 2-7
	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Temporary	44	111	155	0	0	0	0	0	0
Permanent	15,872	27,601	43,473	17,921	31,529	49,450	18,989	34,050	53,039
TOTAL	15,916	27,712	43,628	17,921	31,529	49,450	18,989	34,050	53,039

EMPLOYEES BY REGION AND TYPE OF CONTRACT							GRI 2-7
	2020		2021		2022		
	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY	PERMANENT	TEMPORARY	
North	989	0	1,316	0	1,618	0	
Northeast	5,696	19	6,808	0	7,591	0	
Center-West Region	3,940	11	4,428	0	5,064	0	
Southeast	28,567	120	32,053	0	33,285	0	
South	4,281	5	4,845	0	5,481	0	
TOTAL	43,628		49,450		53,039		

New hires and employee turnover GRI 401-1

Contracted Employees						
By Gender	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Men	5,453	38.09	7,822	48.68	7,373	41.83
Women	9,036	36.78	12,657	45.97	13,386	43.32
Total	14,489	37.26	20,472	46.97	20,759	42.78
By Age Group	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Under 30 years	10,971	42.48	15,876	55.30	16,533	50.78
Between 30 and 50 years	3,319	26.93	4,227	30.37	3,899	26.45
Over 50 years	199	27.04	376	38.68	327	26.59
Total	14,489	37.26	20,479	46.97	20,759	42.78
By Region	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
North	450	57.92	602	56.26	721	51.06
Northeast	1,732	34.67	2,361	39.51	2,406	34.65
Center-West Region	1,222	35.24	1,607	41.57	2,298	51.23
Southeast	9,013	34.52	13,324	46.82	12,444	40.53
South	2,072	58.53	2,585	61.08	2,890	57.97
Total	14,489	37.26	20,479	46.97	20,759	42.78

Employees Who Leave the Company						
By Gender	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Men	4,470	31.22	5,797	36.08	6,541	37.11
Women	6,476	26.36	8,847	32.13	11,399	36.89
Total	10,946	28.15	14,644	33.59	17,940	36.97
By Age Group	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Under 30 years	7,508	29.07	10,258	35.73	13,332	40.94
Between 30 and 50 years	3,277	26.59	4,138	29.73	4,340	29.45
Over 50 years	161	21.88	248	25.51	268	21.79
Total	10,946	28.15	14,644	33.59	17,940	36.97
By Region	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
North	175	22.52	270	25.23	433	30.67
Northeast	977	19.56	1,266	21.19	1,789	25.77
Center-West Region	820	23.64	1,148	29.69	1,764	39.32
Southeast	7,673	29.39	9,871	34.69	11,458	37.32
South	1,301	36.75	2,089	49.36	2,496	50.07
Total	10,946	28.15	14,644	33.59	17,940	36.97

PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE EVALUATION		
AVERAGE BY FUNCTIONAL CATEGORY	2021	2022
Administrative	71.59%	77.38%
Specialist	76.44%	96%
Executive Leadership	94.74%	100%
Average Leadership	90.94%	98.50%
Operational Leadership	94.65%	51.80%
Operational	17.19%	19.88%
Total	24.73%	25.57%

GRI 404-3

PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE EVALUATION			
AVERAGE BY GENDER	2020	2021	2022
Men	12%	20.87%	22.83%
Women	15%	26.92%	27.09%
Total	14%	24.73%	25.57%

GRI 404-3

LABOR SUITS RECEIVED PER NUMBER OF EMPLOYEES			
	2020	2021	2022
Number of cases	2,610	2,974	3,560
Number of employees	44,301	50,188	53,039
Percentage of processes by number of employees	6%	6%	7%

The data above is the number of labor lawsuits filed by former employees against RD, which defends itself in such cases, in the appropriate courts, until the outcome, either by winning the lawsuit, losing, or reaching an agreement.

AVERAGE HOURS OF TRAINING PER YEAR, PER EMPLOYEE			
GRI 404-1			
GENDER	2020 ¹	2021	2022
Men	97.03	78.28	106.33
Women	107.90	93.82	112.62
Total	103.94	88.19	110.37

1. In 2020, due to the Covid-19 pandemic, we reformulated the tracks so that the career plan continued without depending on face-to-face attendance. As a result, new courses impacted all pharmacy positions. Even those with completed on-site content courses also took the revised distance learning path. Therefore, due to this reformulation the high volume of new courses generated a greater number of hours if compared to 2021.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE			
FUNCTIONAL CATEGORY	2020	2021	2022
Administrative	19.15	13.48	26.12
Specialist	2.94	21.98	8.13
Executive Leadership	13.96	12.11	25.29
Average Leadership	2.97	10.99	13.45
Operational Leadership	46.58	44.16	43.49
Operational	112.25	95.51	120.50
Total	103.94	88.19	110.37

LIMATERNITY/PATERNITY LEAVE ¹		GRI 401-3		
		2020	2021	2022
Employees entitled to leave	Men	15,916	17,921	18,989
	Women	27,712	31,529	34,050
Employees who took leave	Men	287	134	418
	Women	1,188	1,260	1,551
Employees who returned to work, in the reporting period, after the end of leave	Men	282	304	413
	Women	1,110	1,114	1,328
Employees who returned to work after leave and remained employees for 12 months after returning to work	Men	229	196	217
	Women	634	637	593
Return rate	Men	97.58%	99.02%	98.33%
	Women	99.28%	97.63%	95.4%
Retention rate	Men	75.33%	69.50%	71.38%
	Women	55.66%	57.39%	56.88%

1. The discrepancies between the return and retention rates occurred because we revisited the calculation method for this indicator in 2022, considering only the employees who should return to work in the year.

PEOPLE TRAINED DURING THE YEAR ON DIVERSITY, EQUITY, AND INCLUSION	
GENDER	2022
Men People with Disabilities	47,909
impostor syndrome	19,090
Diversity and Inclusion	18,521
Bê-â-bá LGBTI+	16,949
Gender Equality	14,945
Promotion of Gender Equity	13,986
The role of the LGBTI+ allied person	12,697
Inclusion beyond Quota	11,367
Deconstructing ableism	11,139
History of Brazil	9,794
Racial Construction	9,552
Unconscious biases	9,459
Promoting Gender Equity	3,860

Worker health promotion GRI 403-6

BENEFITS OFFERED TO FULL-TIME EMPLOYEES THAT ARE NOT OFFERED TO TEMPORARY OR PART-TIME EMPLOYEES GRI 401-2			
BENEFIT	ALL EMPLOYEES	FROM AVERAGE LEADERSHIP (MANAGERS AND DIRECTORS)	LEGAL DEPENDENTS
Life insurance	✓	✓	
Health Plan	✓	✓	✓
Health Plan	✓	✓	
Maternity/paternity leave extended to six months and 20 days, respectively, also applicable to adopters of children up to 12 years old	✓	✓	
Dental care	✓	✓	
Day care allowance granted as provided for in a collective agreement	✓	✓	
Clube RD – partner companies offer discounts to employees	✓	✓	
Pharmacy agreement – concession of benefit through Universe	✓	✓	✓
Payroll loan - granting of payroll loan for partner banks where the employee is an account holder	✓	✓	
Transportation vouchers	✓	✓	
Chartered for professionals work-ing in DCs and corporate	✓	✓	
Annual checkup		✓	
Agreement with gyms (Gympass)	✓	✓	
Cafeteria at the headquarters and DCs with a monthly discount of 20% on the value of the local meal	✓	✓	
Services mall in the head office with manicures, massages, benches, among others	✓	✓	
Travel insurance	✓	✓	✓
H1N1 vaccines funded by the Company	✓	✓	
LevelRD: granting leave in the month of birth of the corporate employee and DCs	✓	✓	
Profit Sharing Program (PSP)	✓	✓	
Long-term variable compensation (shares)		✓	

Diversity in governance bodies and employees

BY AGE GROUP									GRI 405-1
	2020			2021			2022		
	UNDER 30 YEARS	FROM 30 TO 50 YEARS	OVER 50 YEARS	UNDER 30 YEARS	FROM 30 TO 50 YEARS	OVER 50 YEARS	UNDER 30 YEARS	FROM 30 TO 50 YEARS	OVER 50 YEARS
Administrative	49.8%	47.8%	2.4%	47.7%	50.0%	2.1%	47.9%	49.3%	2.7%
Specialist	23.3%	72.7%	2.3%	19.7%	74.5%	5.7%	21.6%	71.3%	7.1%
Executive Leadership	0%	78.7%	3.9%	0%	80.7%	19.3%	0%	79.3%	20.7%
Average Leadership	7.3%	84.8%	21.2%	7.8%	84.9%	7.1%	7.8%	85.3%	6.9%
Operational Leadership	27.0%	72.1%	7.80%	26.0%	72.8%	1.0%	24.8%	74.1%	7.1%
Operational	69.0%	28.5%	0.8%	69.2%	28.0%	2.7%	68.5%	28.5%	3.0%

1. Calculations of employee numbers by gender, age, and employee category included all employees, including those who are new.

INDIVIDUALS WITHIN GOVERNANCE BODIES IN 2022 GRI 405-1					
GOVERNANCE BODY	BY GENDER		BY SELF-DECLARED RACE IDENTITY ¹		
	MEN	WOMEN	BLACK	WHITE	BROWN
Administrative Council	70%	30%	0%	100%	0%
Statutory Board	80%	20%	0%	100%	0%
Fiscal Council	75%	25%	0%	87.5%	12.5%

1. The data were obtained through a survey carried out with the consulting firm +Diversidade in February/2023, which resulted in the adhesion of 91% of the members of the Board of Directors, 63% of the members of the Statutory Board, 71% of the Non-Statutory Board and 100% of the members of the Fiscal Council.

EMPLOYEES BY GENDER GRI 405-1					
2020		2021		2022	
MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
45.7%	54.3%	44.7%	55.2%	41.8%	58.1%
55.7%	44.2%	52.6%	47.3%	52.8%	47.1%
80.8%	19.1%	73.6%	26.3%	70.6%	29.3%
54.1%	45.8%	57.9%	42.0%	55.9%	44.10%
32.2%	67.7%	31.44%	68.5%	31.0%	68.9%
36.0%	63.9%	35.68%	64.3%	35.2%	64.7%

RATIO BETWEEN BASE SALARY AND REMUNERATION C RECEIVED BY WOMEN AND THOSE RECEIVED BY MEN GRI 405-2

	2020		2021		2022	
	BASE SALARY	REMUNERATION	BASE SALARY	REMUNERATION	BASE SALARY	REMUNERATION
Administrative	86.13%	86.50%	79.46%	79.49%	78.53%	78.50%
Specialist	75.86%	75.90%	72.64%	71.74%	76.95%	76.20%
Executive Leadership	100.75%	98.09%	92.86%	86.26%	92.28%	83.63%
Average Leadership	96.72%	93.52%	96.85%	95.83%	94.25%	93.96%
Operational Leadership	101.16%	101.05%	99.97%	99.86%	100.95%	100.90%
Operational	113.79%	113.78%	112.23%	112.10%	110.94%	110.86%

DESCRIPTION OF POLICIES AND PRACTICES TO PREVENT REVENUE DISPENSATION ERRORS SASB HC-DR-260B.2

RD has procedures to guide employees in the dispensing prescriptions process. These procedures are described in the document Lojas em Ação (LEA), sent to the teams by e-mail and by the RH Connection, intranet, and information repository. The RD has three LEAs related to dispensing medication: good practices, dispensing antimicrobials and psychotropics. With this, we understand that we managed to mitigate and prevent prescription dispensing errors.

Materials

MATERIALS USED, BY WEIGHT OR VOLUME¹							GRI 301-1
TYPE	USED IN THE PRODUCT OR PACKAGING	SOURCE	UN. OF MEASUREMENT	2020	2021	2022	
Green PE	Consumption of packaging referring only to products sold by RD of Vegan by Needs, a brand that was discontinued in 2022.	Renewable	Kg	2,261	3,700	-	
PE (polypropylene)		Renewable	Kg	-	-	162,928	
PE (polypropylene)		Non-renewable	Kg	-	315,000	344,411	
PET		Non-renewable	Kg	4,407	252,000	109,964	
Cardboard		Non-renewable	Kg	2,329	126,000	3,434	
Paper		Renewable	Kg	-	-	351,594	
Other plastics		Renewable	Kg	-	262,000	176,995	
Glass		Non-renewable	Kg	-	42,000	35,903	
Aluminum		Renewable	Kg	-	24,000	17,502	
Outros metais		Non-renewable	Kg	-	-	339	

1. The control and monitoring of this indicator began in 2020, but the data were not yet complete. In 2021, a survey was carried out with all brands, which justifies the increase in volumes compared to 2020.

RECOVERED PRODUCTS AND THEIR PACKAGING (UN. PER THOUSAND)¹				GRI 301-3
BRAND	PRODUCTS SOLD	TOTAL PRODUCTS AND THEIR PACKAGING RECOVERED	PERCENTAGE OF RECOVERED PRODUCTS AND THEIR PACKAGING² (%)	
Needs	1,012	1,012	100	
Brands Droga Raia. Drogasil	66	66	100	
Caretech	27	27	100	
Nutrigood	76	76	100	
Natz	24	24	100	
TOTAL	1,205	1,205	100	

1. This indicator started to be reported in 2022. The data were taken from the official sales report of RD Proprietary Brands. Rejected products and recalls are excluded from the calculation.

2. As of 2022, 100% of packaging waste produced by private labels will be compensated through partnerships with EuReciclo and the Reciclar por Brazil platform. In practice, this means that, for each product package sold, another - of equivalent weight and material - is recycled. Rejected products and recalls are excluded from the calculation.

Energy

ENERGY CONSUMPTION WITHIN THE ORGANIZATION¹				HC-DR-130A.1	GRI 302-1
TOTAL ENERGY CONSUMED (GJ) RD		2020	2021	2022	
TOTAL FUELS FROM NON-RENEWABLE SOURCES		214,089.94	204,740.25	250,363.92	
Aviation kerosene		8,966.05	10,316.64	8,625.98	
Gasoline (regional)		4,254.43	4,993.07	5,148.85	
Diesel oil (logistics and generator)		200,834.05	189,201.04	236,392.00	
GLP		35.41	229.49	197.09	
Total Fuels from renewable sources²		25,817.76	27,930.71	25,960.58	
Biodiesel		23,172.05	23,863.19	23,639.20	
Ethanol (regional)		2,645.71	2,819.24	2,321.38	
Energy consumed - electricity		686,894.25	793,330.18	665,714.85	
Electricity from non-renewable sources		74,879.28	105,326.82	98,902.87	
Electricity from renewable sources		611,103.22	688,003.36	566,811.98	
Energy sold - electricity		18,216.27	17,740.90	12,184.16	
TOTAL		926,801.95	1,125,965.17	942,039.35	

1. There was no consumption or sale of heating, cooling, and steam. The conversion factors were taken from the 2022 National Energy Balance.

2. To calculate fuel consumption, we consider a 10% share of biodiesel in diesel and 27% of ethanol in gasoline.

ENERGY INTENSITY RATE IN 2022¹		GRI 302-3
(GJ/total built area in m²)		
Total energy consumption within the organization (GJ)²		944,972.36
Total built area (m²)		963,406.52
Energy Intensity		0.98

1. This indicator started to be reported in 2022.

2. Electric energy used for lighting, refrigeration, and operation of equipment in pharmacies, DCs and offices.

We also consider the energy generated by diesel generators that are used when there is an insufficiency or problem in the supply of electricity from the local energy distributor.

Waste generated

GRI 306-3

WASTE DESTINED FOR FINAL DISPOSAL ^{1,2}					GRI 306-5
HAZARDOUS WASTE DISPOSAL (T)	TYPE OF WASTE	2020	2021	2022	
Recycling	Stacks	3.99	13.76	7.28	
	Lamps		18.33		
	Civil construction (class D)			3.25	
Incineration (no energy recovery)	Medicines	62.63	137.21	192.17	
	Health waste	58.78	131.43	101.05	
	Inappropriate	28.30	37.72	34.86	
Landfill	Civil construction (class D)			1.36	
Inert's landfill	Civil construction (class D)			5.00	
Total (scope: matrix and DCs)		153.70	338.45	344.97	

1. All waste was intended for disposal outside the organization.
2. We do not have waste destined for incineration with energy recovery.

WASTE DIVERTED FOR FINAL DISPOSAL ^{1,2}					GRI 306-5
DISPOSAL OF NON-HAZARDOUS WASTE (T)	TYPE OF WASTE	2020	2021	2022	
Recycling	Paper, cardboard, plastic, ferrous and non-ferrous metals, wood, tires, glass, styrofoam	4,281.82	4,587.23	5,072.80	
	Civil construction ³			3,822.82	
Landfill	Organic	624.51	930.35	865.06	
	Civil construction ³		115.34	14,152.76	
Inert's landfill	Civil construction ³			6,280.35	
Coprocessing	Inappropriate	1,572.26	1,605.26	1,469.86	
Composting	Organic			28.71	
Total		6,478.59	7,238.18	31,692.35	

1. All waste was intended for disposal outside the organization.
2. None of the non-hazardous waste from the RD is destined for incineration (with or without energy recovery)
3. Data for 2020 is not available

WASTE DIVERTED FOR FINAL DISPOSAL ¹			GRI 306-5
TYPE OF RECYCLED WASTE (T)	2020	2021	2022
Paper	96.21	189.60	117.89
Cardboard	3,941.74	3,937.43	4,626.39
Plastic	137.54	300.22	208.63
Earth metals	10.08	18.82	13.08
Wood	87.69	99.12	95.61
Civil Construction			3.5
Other (non-earth metals, tires, glass, Styrofoam)	8.56	42.03	11.20
Total (includes batteries and light bulbs)	4,285.81	4,619.31	5,083.33

1. All waste was destined for disposal outside the organization.

Greenhouse gas emissions

GRI 305-5

EMISSION BY SCOPE (tCO2e) ^{1,2}	2020	2021	2022 ³	VARIACÃO (2021 x 2022)
Scope 1	27,833.48	24,596.19	29,051.29	18%
Scope 2 (by location)	11,777.37	27,853,363	7,795.26	-72%
Scope 2 (by purchase choice)	-	22,887.21	5,020.2	-78%
Scope 3	1,248.85	1,546.2	553,206.93	35,678%

1. Includes Kyoto GHG emissions in tCO2e (CO2, CH4, N2O, SF6, HFCs and PFCs). Does not include CO2 emissions from renewable sources.
2. Non-Kyoto GHG emissions: 1,547.39 tCO2e.
3. In 2022, RD hired a specialized consultancy to support the improvement of the GHG emissions inventory, including a detailed Scope 3 screening process. As a result of this work, emissions increased significantly.

GRI Content Summary

Declaration of use	RD reported in accordance with the GRI Standards for the period between January 1 and December 31, 2022.
GRI 1	GRI 1: Fundamentals 2021
Applicable GRI Sector Standard	There was none

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-1 Organization details	pg. 4, 15, 46				
	2-2 Entities included in the organization's sustainability reporting	page 4				
	2-3 Reporting period, frequency and contact point	page 4				
	2-4 Restatements of information	Page 67				
	2-5 External assurance	page 4				
	2-6 Activities, value chain and other business relationships	pg. 15, 69				
	2-7 Employees	pg. 16, 17, 110				
	2-8 Workers who are not employees	pg. 16,17				
	2-9 Governance structure and its composition	pg. 41				
	2-10 Nomination and selection for the highest governance body	pg. 42				
	2-11 Chair of the highest governance body	pg. 44				
	2-12 Role of the highes governance body in overseeing the management of impacts	pg. 42, 43				
	2-13 Delegation of responsibility for managing impacts	pg. 43, 44				
	2-14 Role of the highest governance body in sustainability reporting	pg. 4.11				
	2-15 Conflicts of interest	pg. 49				
	2-16 Communication of critical concerns	pg. 50, 55				
	2-17 Collective knowledge of the highest governance body	pg. 42				
	2-18 Evaluation of the performance of the highest governance body	pg. 46				
	2-19 Remuneration policies	pg. 44				
	2-20 Process for determining remuneration	pg. 44				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	The ratio between the highest individual compensation over the median individual compensation of employees who contributed/ remained throughout the 2022 fiscal year (January/22 to December/22) was 332.55 times. Our calculation includes the total individual compensation of RD employees, therefore excluding apprentices, interns, board members and statutory employees. Compensation is made up of fixed and variable elements (fixed salary, 13th salary, vacation, PPR - profit sharing program and long-term incentive Vested).				
	2-22 Statement on sustainable development strategy	pg. 5, 7				
	2-23 Policy Commitments	pg. 30, 47, 49, 51				
	2-24 Embedding policy commitments	pg. 30, 44, 47, 48, 51				
	2-25 Processes to remediate negative impacts	pg. 12,30, 50 RD has as a premise in its formal commitments through its Policies to act to reduce its negative impacts and, when necessary, to repair these impacts. Since 2017, we have been working on actions and projects that address these impacts, and we have advanced strongly in the creation and implementation of new Policies, including the SGI Policy, the Private Social Investment Policy, the Diversity and Equity Policy, among others. In order to have greater clarity of our performance in 2020, we have developed our externalities matrix located on pages 132 and 133 of this document. This matrix was built with the RD's internal and external stakeholders' perception and approved by the Sustainability Committee. Every year we revisit our policies and actions to ensure that externalities are being monitored and managed. In addition, as mentioned in this document, we provide our stakeholders with various communication channels, such as the Conversa Ética Channel and the sustainability e-mail.				
	2-26 Mechanisms for seeking advice and raising concerns	pg. 50				
	2-27 Compliance with laws and regulations	There were no significant cases of non-compliance with laws and regulations in 2022.				
	2-28 Membership associations	page 32				
	2-29 Approach to stakeholder engagement	pg. 11				
	2-30 Collective Bargaining Agreements	pg. 16				
MATERIAL THEMES						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pg. 10				
	3-2 List of material topics	Pg. 12				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
MATERIAL THEME: LOCAL DEVELOPMENT						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 15, 16, 51, 73, 80 and 87; c) pg. 73; d) pg. 132, 15, 16, 51, 73, 80 and 87; e) pg. 15, 16, 51, 73, 80 and 87; f) pg. 11.50				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	a) Page 37 and b) It is not a representative indicator for the RD, therefore we will not report it. Requirement for compilation: all RD's financial data is audited by a third party, therefore, for this report we replicated the information available in our financial statements.				
	201-2 Financial implications and other risks and opportunities due to climate change	pg. 58				
	201-3 Defined benefit plan obligations and other retirement plans	RD does not offer a retirement plan to its employees. The Company makes the monthly payment of the Social Security contribution to its employees, destined to the National Institute of Social Security (INSS), which is responsible for the retirements and other benefits payment to Brazilian workers. (Law No. 8213 of July 24, 1991).				
	201-4 Financial assistance received from government	pg. 73				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	pg. 110 The proportion of the lowest salary practiced by the RD was 1.32, both for men and women. The lowest salary was BRL 1,604.00 compared to a minimum salary of BRL 1,212.00. For third parties, the ratio is 1.00, for both men and women. Wages are determined based on the minimum wage or the Collective Bargaining normative floor Agreements to which our employees are bound.				
	202-2 Proportion of senior management hired from the local community	pg. 110 100% of the board/executive leadership (directors, vice-presidents, and president) is hired from the local community, which is considered the whole of Brazil due to our operations throughout the national territory. All work full time.				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	pg. 70				
	203-2 Significant indirect economic impacts	pg. 69				
GRI 204: Purchasing Practices 2016	204-1 Proportion of spending on local suppliers	pg. 110 In 2022, 100% of the purchasing budget was spent with local suppliers, considering the entire Brazilian territory as local, due to our operations.				
MATERIAL THEME: ETHICS, COMPLIANCE AND PRIVACY AND DATA SECURITY						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 47, 55; c) pg. 47, 55; d) pg. 132, 47, 55; e) pg. 47, 55; f) pg. 11.50				
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	pg. 48				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
GRI 205: Anticorruption 2016	205-2 Communication and training on anti-corruption policies and procedures	pg. 48, 49	05-2-c	Information unavailable.	We do not have control over this information. However, our Code of Ethics and Conduct for Suppliers addresses the combating corruption issue and all new RD supplier is notified.	
	205-3 Confirmed incidents of corruption and actions taken	pg. 48				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	pg. 92				
	308-2 Negative environmental impacts in the supply chain and actions taken	pg. 92 e) in 2022 we did not terminate any relationship with our suppliers as a result of an environmental assessment.				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	pg. 92				
	414-2 Negative social impacts in the supply chain and actions taken	pg. 92 e) In 2022, we terminate contract with 1.3% of our suppliers due to assessments related to social issues.				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pg. 54				
MATERIAL THEME: CONSUMPTION OF RESOURCES						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132.99; c) pg. 99; d) pg. 132.99; e) pg. 99; f) pg. 11.50				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	pg. 116; d) we have an automated system for reading the water consumption bills of the public supply. To monitor water consumption in the units where we have water collection, we have hydrometers that are monitored periodically. Compilation requirements: we have a sustainability indicator control system, through which we monthly monitor the relevant indicators for the business.				
	302-2 Energy consumption outside the organization		302-2 complete	Information unavailable.	We do not control energy consumption outside the organization.	
	302-3 Energy intensity	pg. 116				
	302-4 Reduction of energy consumption	pg. 99 We use two assumptions to calculate the energy use reduction. The first is the practical reduction, that is, the comparison of measuring consumption in 2021 and 2022. The second is a study carried out to quantify the energy consumption reduction promoted by the electron aligners, which shows that the equipment promotes a minimum reduction in the consumption of each pharmacy of 15.32%, with a 95% confidence.				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	pg. 99 As a tool for controlling and monitoring information, we use our system of sustainability indicators, in which we control the energy consumption of all our units and monitor the history of reductions in consumption.				
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	pg. 106 Goals related to interactions with water have always been addressed considering the necessary infrastructure adjustments to reduce the resource's consumption. That is, in 2021, the goal was set to replace all sanitary devices in the administrative matrix (toilets, self-closing faucets) for more efficient models. In 2023, we will have the goal of implementing a water reuse system, also at the headquarters, the Company's largest and most relevant consumer unit.				
	303-2 Management of water discharge-related impacts	pg. 106				
	303-3 Water withdrawal	pg. 106				
	303-4 Water discharge	In most units, water is discharged through the sewage networks of local sanitation companies and, in these cases, there is no specific monitoring. Only at the Embu and Aparecida de Goiânia CDs do we use pits to effluents dispose. In both cases, the proper collection and disposal are carried out by a specialized company.				
	303-5 Water consumption	pg. 106				
MATERIAL THEME: ACTIONS FOR THE CLIMATE						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 96; c) pg. 96; d) pg. 132, 96; e) pg. 96; f) pg. 11.50				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	pg. 98 f) we used the emission factors and GWP indexes of the GHG Protocol v2023.0.1; e) the inventory consolidation approach was the shareholding, however, in this document we are reporting only emissions referring to RD (controlling group); g) we used the GHG Protocol as a calculation methodology. We have a specific tool for controlling and managing emissions called Climas. Compilation requirements: We exclude all carbon market trading from our direct Scope 1 emissions calculations. Biogenic CO2 emissions from biomass burning were reported separately from total Scope 1 emissions.				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	pg. 98 f) we used the emission factors and GWP indexes of the GHG Protocol v2023.0.1; e) the inventory consolidation approach was the shareholding, however, in this document we are reporting only emissions referring to RD (controlling group); g) we used the GHG Protocol as a calculation methodology. We have a specific tool for controlling and managing emissions called Climas. Compilation requirements: We exclude from the calculations of direct Scope 2 emissions all carbon market trading. Biogenic CO2 emissions from biomass burning were reported separately from total Scope 2 emissions.				
	305-3 Other indirect (Scope 3) GHG emissions	pg. 98 f) we used the emission factors and GWP indexes of the GHG Protocol v2023.0.1; e) the inventory consolidation approach was the shareholding, however, in this document we are reporting only emissions referring to RD (controlling group); g) we used the GHG Protocol as a calculation methodology. We have a specific tool for controlling and managing emissions called Climas. Compilation requirements: We exclude all carbon market trading from calculations of direct Scope 3 emissions. Biogenic CO2 emissions from biomass burning were reported separately from total Scope 3 emissions.				
	305-4 GHG emissions intensity	pg. 98				
	305-5 Reduction of GHG emissions	pg. 117 e) for the calculation of greenhouse gas emissions, RD has been using the GHG Protocol methodology since 2020. To calculate the reductions, we made a comparison between the total emissions of the previous year (2021) and the total emissions of this year (2022).				
	305-6 Emissions of ozone-depleting substances (ODS)	RD monitors emissions of HCFC-22 from fugitive emissions from air conditioners in your facility. In 2022, the emission of 1,547.39 tCO2e of this gas was calculated. The calculation was based on the GHG Protocol guidelines and reported in the non-Kyoto GHG emissions of the Company's Greenhouse Gas Emissions Inventory. Currently, RD is already studying and searching the market for alternative refrigerant gases that do not destroy the ozone layer and have less potential for global warming.				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Currently, RD still does not monitor NOx and SOx emissions from the fuel combustion of its trucks. We are in the process of improving our GHG emissions inventory and we have already mapped out the need to monitor this type of emissions from our fleet for the coming years.				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
MATERIAL THEME: WASTE MANAGEMENT AND REVERSE LOGISTICS						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 101; c) pg. 101; d) pg. 132, 101; e) pg. 101; f) pg. 11.50				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	pg. 116				
	301-2 Recycled input materials used	Currently, Natz, launched in September 2022, is the only RD proprietary brand that uses recycled materials in its packaging. In partnership with the operator in the reverse logistics management, we collect boxes and leaflets in our DCs, which are destined for waste sorting and, subsequently, sold to a recycled paper supplier that produces our Natz cartridge – 100% recycled and with 30% of post-consumer material. The total weight of recycled paper used in the brand’s packaging was 537 kg, which represents 0.04% of recycled materials used in the manufacture of our main products.				
	301-3 Reclaimed products and their packaging materials	pg. 116				
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	pg. 101				
	306-2 Waste by type and disposal method	pg. 101				
	306-3 Significant spills	pg. 117 b) we have an environmental indicator control system through which we monthly monitor the units waste generation . For this report, we compiled all waste generated in 2022 and segregated it into categories by destination method.				
	306-4 Transport of hazardous waste	All RD waste is diverted for final disposal.				
	306-5 Water bodies affected by water discharges and/or runoff	pg. 101, 117				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
MATERIAL THEME: PEOPLE MANAGEMENT						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 84; c) pg. 84; d) pg. 132, 84; e) pg. 84; f) pg. 11, 50				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	pg. 111				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pg. 110, 114				
	401-3 Parental leave	pg. 113				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	pg. 112				
	404-2 Programs for upgrading employee skills and transition assistance programs	pg. 87				
	404-3 Percentage of employees receiving regular performance and career development reviews	pg. 112				
MATERIAL THEME: PROMOTING DIVERSITY AND INCLUSION						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 81; c) pg. 81; d) pg. 132, 81; e) pg. 81; f) pg. 11, 50				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity in governance bodies and employees	pg. 115				
	405-2 Ratio of basic salary and remuneration	pg. 110, 115				
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In 2022, 99 calls were registered under the “discrimination” topic, of which 83 have already been analyzed and finalized, 26 are valid and partially valid, 44 are unfounded and 13 are not conclusive. The other 16 calls were still being investigated at the end of the period covered by this report. Actions taken in relation to completed calls include written and verbal warnings (9), dismissal with just cause (5), dismissal without just cause (8), orientations (9) or transfer of workplace (11). All discrimination claims are investigated by the compliance area and reported to the Ethical Affairs Commission for the necessary measures to be taken in relation to the offender and to repair the victim. Victims who accept compensation receive support from the Employee Support Center, whose work is monitored by the compliance area and reported to leadership. The offender, depending on the seriousness, may be dismissed for cause, without cause, suspended or warned. In addition, the results are reported to the Ethics and Audit Committees, both of which advise the Board of Directors. To prevent the occurrence of cases of discrimination, we carry out recurring communications on the subject, the D-Day of Diversity and Inclusion with the operational leaders of the pharmacy, DCs and corporate, in addition to training for promoted managers.				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
MATERIAL THEME: INTEGRAL HEALTH AND SAFETY OF EMPLOYEES						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 61, 65; c) pg. 61, 65; d) pg. 132, 61, 65; e) pg. 61, 65; f) pg. 11, 50				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	pg. 65				
	403-2 Hazard identification, risk assessment and incident investigation	pg. 65				
	403-3 Occupational health services	pg. 65				
	403-4 Worker participation, consultation, and communication on occupational health and safety	pg. 65				
	403-5 Worker training on occupational health and safety	pg. 65				
	403-6 Promotion of worker health	pg. 114				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pg. 65				
	403-8 Workers covered by an occupational health and safety management system	pg. 65				
	403-9 Work-related injuries	pg. 65, 67				

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
MATERIAL THEME: INTEGRAL HEALTH AND SAFETY OF EMPLOYEES						

403-10 Work-related ill health

pg. 65

a) In 2022, two cases of professional illnesses were registered, in own employees, of mandatory communication referring to mental and behavioral disorder. However, there was no evidence to psychosocial danger aspects and work-related mental disorders. The reported cases were considered as an occupational disease by Social Security and are being contested by the RD because there is no work causality link between the diagnosis and the activity performed;

b) There were no deaths or cases of mandatory reporting occupational diseases for both employees or third-party workers, but whose work and/or workplace is controlled by the organization.

c) We provide all employees and dependents with the Mental Health Day, which includes: free psychological care available 24 hours a day, 7 days a week; virtual assistant prepared to support employees with information and indications of practical tools for mental health care; telemarketing Healthcare Product Marketplace for psychotherapy, professional coach and platform with various contents; and specialized and differentiated service in metal health and personal development with legal, financial and nutritional advice. In addition, through the health mapping carried out twice a year, it is possible to act actively, guiding and including, when necessary, monitoring in the Mental Health Journey. Hazards that present a risk of occupational diseases are identified within the scope of the Risk Management Program (RMP). e) The information was compiled according to the follow-up of social security benefits, work accidents and health follow-up with a causal link basis.

GRI STANDARD	CONTENT	RESPONSE	OMISSION			SECTORIAL STANDARD GRI
			REQUIREMENT	REASON	EXPLANATION	
MATERIAL THEME: HEALTHY CUSTOMERS						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 69, 73; c) pg. 69, 73; d) pg. 132, 69, 73; e) pg. 69, 73; f) pg. 11, 50				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	pg. 73 More than 90% of our operations, considering DCs and headquarters, implemented development programs aimed at local communities. These actions were carried out through the Volunteer Program in 10 of the 11 DCs, in addition to the headquarters. Additionally, the Social Investment area has projects and programs in which actions are carried out based on listening and engaging stakeholders, allowing alignment between RD's social investment strategy and the needs of organizations supported in the surroundings of the headquarters, the DCs and pharmacies.				
	413-2 Operations with significant actual or potential negative impacts on local communities	The Private Social Investment area maintains an e-mail address (investimentosocial@rd.com.br) for formally receiving complaints from local communities. However, nothing was registered in 2022.				
MATERIAL THEME: PRODUCTS AND SERVICES						
GRI 3: Material Topics 2021	3-3 Management of material topics	a) pg. 13; b) pg. 132, 25 a 28, 33, 36, 70, 71 e 91; c) pg. 33; d) pg. 132, 25 a 28, 33, 36, 70, 71 e 91; e) pg. 25 a 28, 33, 36, 70, 71 e 91; f) pg. 11, 50				
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	pg. 36				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2022, there were no cases of non-compliance with laws that resulted in a fine or penalty. In mid-August 2022, some pharmacies in Rio de Janeiro received a warning from Inmetro regarding the bandana and turban of the brand Needs, in violation of Law nº 9933/1999, for not complying with the labeling requirements. We checked what happened, communicated to the supplier, and decided to collect the products for labeling in our DCs. At the end of the same month, we were informed of black and white particles in Needs micellar water. We voluntarily communicated the fact to all private label managers, DCs and pharmacy operations teams, as well as blocking the item sale with full recall of the lot. We carried out a process to investigate the non-compliance, resolve the issue and carried out improvement process, adding extra cleaning and inspection steps, even after concluding that the quality deviation did not cause any kind of risk or harm to the consumers health.				

SASB Content Summary

SASB THEME	CODE	ACCOUNTING METRICS	RESPONSE
Topics and accounting metrics for sustainability disclosure Health Sector Industry: Retail de medication			
Retail energy management	HC-DR-130a.1	Gigajoules (GJ), Percentage (%)	Pg. 116
Patient health outcomes	HC-DR-260b.2	N/a	Pg. 115
Activity metrics	HC-DR-000.A	Number	Pg. 15
	HC-DR-000.B	Square meters (m2)	Pg. 15
	HC-DR-000.D	Number	Pg. 15

TCFD Recommendations

RECOMMENDATIONS		RESPONSE	REFERENCE		
GOVERNANCE Disclose the Company's governance on risks and opportunities related to climate change					
a) Describe how the Board oversees risks and opportunities related to climate change	Our Board of Directors is advised by the Sustainability Committee, which meets at least 10 times a year to analyze the action plans established based on our strategy and the risks influenced by climate issues.	The weighting meetings is forwarded to the members of the Board of Directors – responsible for approving goals and defining the budget necessary to achieve them. Our CEO actively participates in the Sustainability Committee.	In addition, Committee members meet frequently with the Sustainability Board, which is responsible for designing a new sustainability culture, promoting actions, strengthening the approach to each guideline, understanding business risks and opportunities, and creating a long-term vision, including climate change issues;	And with the Engineering and Expansion Board, whose attribution includes all topics related to energy efficiency which have a direct impact on our GHG emissions, seeking to continuously expand the energy from renewable sources consumption.	CDP C1.1b, C1.2, C1.2a
b) Describe the role of the Board in assessing and managing risks and opportunities related to climate change	Through our governance structure, especially with the Audit, Risk and Sustainability Committees, we are attentive to the factors that may affect the creation of value, reputation, and the business perpetuity. In recent years, we have made progress on the ESG agenda and its integration into the scenario's routine analysis, trends and factors that may impact us, positively or negatively.	The director and president of the Sustainability Committee participates in several climate change agenda forums, such as Chapter Zero Brazil – Brazilian chapter of the Climate Governance Initiative (CGI), an initiative of the World Economic Forum led by the Brazilian Institute of Corporate Governance (IBGC), which contributes to the sustainable performance of organizations.	It is committed to promoting content and events to inform, exchange ideas and share experiences on actions that minimize climate change for the planet benefit. The objective is to raise awareness and educate board members and business leaders to identify the risks and opportunities that the climate emergency represents.	The acquired knowledge strengthens the Committee's role as an evaluator of risks and opportunities for creating value for society; orientation of socio-environmental programs and actions in the short, medium, and long term; and the sustainability goals definition to compose the variable compensation of the Executive Board, among other attributions.	CDP C1.1b, C1.2, C1.2a
STRATEGY Disclose the actual and potential impacts of risks and opportunities related to climate change on the organization's business, strategy, and financial planning, whenever such information is relevant.					
a) Describe the risks and opportunities related to climate change that the organization has identified in the short, medium, and long term.	Among the short-term risks, we identified water scarcity, which could result in an increase in the cost of electricity, impacting financial planning.	Reputational risks associated with greenhouse gas (GHG) emissions and the scarcity water risk was recognized as relevant in the medium term, given the materialization perspective in up to three years.	The long-term risk is associated with emerging regulations in the field of renewable fuels, impacting the logistics area's budget.		CDP C2.1a, C2.3, C2.3a, C2.4, C.2.4a
b) Describe the impacts of risks and opportunities related to climate change on the organization's business, strategy, and financial planning	<p>Risk 1: Increase in direct costs – in Brazil, Bill (PL) No. 1873/2021 is under discussion, which establishes the National Program for Advanced Renewable Fuels, an initiative that aims to encourage the production and green diesel consumption in the country. Percentages of mandatory minimum addition of green diesel to diesel oil are established for the entire national territory. The percentages are 2% from 2027 onwards, increasing by 1% until reaching 5% in 2030. This regulation may cause an increase in the diesel oil cost sold in Brazil, since green diesel costs more, representing a significant climate risk for our distribution operations.</p> <p>A study contracted by us and conducted by a specialized consultancy estimated diesel oil consumption in 2027. For the calculation, a growth rate in fuel consumption of 2% per year was assumed. The cost of diesel oil considered was BRL 4.52 per liter (average cost in Brazil) and two scenarios were evaluated: in the first, it was considered that the cost of green diesel was 20% higher in relation to diesel oil, between the period from 2027 to 2030, the cost would be around BRL 803,057.05; in the second, it was considered that the cost would be 100% higher, between the period from 2027 to 2030, the cost would be around BRL 3,212,228.20.</p>	<p>Risk 2: Increase in indirect (operating) costs – In the Distribution Centers, although water is not consumed in the production processes, the availability of this resource in adequate quantity and quality is necessary for the full development of activities.</p> <p>By crossing the location information of the assets with the qualitative and quantitative water balance maps from the National Water Agency (ANA), we identified that three units located in watersheds considered to have a satisfactory qualitative and quantitative balance, while the other eight are located in critical quali-quantitative balance basins. In an event of water scarcity, the reduction of water supply by local utilities may lead to the need to purchase water from another source, such as water trucks, which are more expensive. We estimate the potential financial impact, considering that from 20% to 40% of the water consumption of the Distribution Centers could be impacted by a water shortage event. In this scenario, the additional cost with water trucks would be between BRL 296,951.76 (20%) and BRL 593,903.52 (40%).</p>	Risk 3: Increase in indirect (operating) costs – The largest portion of the Brazilian electricity matrix is represented by hydroelectric plants and changes in precipitation patterns in the country may reduce the generation of energy from this source, forcing the activation of thermoelectric plants to generate energy, a more expensive energy and more polluting. There are, therefore, risks that the dry climate will result in problems in the supply of energy to the regions where the Distribution Centers are located. The increase in the cost of electrical energy from the network represents a risk of financial impact, as well as the reduction, or even interruption, in the supply of energy from the network. To calculate this impact, it was considered that 20% to 50% of all electricity consumption from the network by the Distribution Centers in 2020 (16,548 MWh) had occurred under red flag 2. The financial impact due to poor rainfall conditions and, consequently, the triggering of red flag 2 is estimated at between BRL 314,147.23 for the value of 20% and BRL 785,368.08 for 50%.	<p>Opportunities: Migrating our Distribution Centers to the free energy contracting market is an opportune action both to mitigate the risk of an increase in the cost of electricity in the National Interconnected System and to reduce greenhouse gas emissions. We started this movement in 2020 and, in 2022, we ended the year with seven of the 11 active DCs with electricity supply contracts in the free market. The goal is for all units to be migrated over the next four years.</p> <p>To reduce fuel consumption, in 2021 we started a project seeking to increase efficiency in the trips made by our drivers to make the journey between the Distribution Centers and pharmacies, that is, to drive more with less fuel. Driver training started in December of the previous year and ended in July 2022. The results show that economic driving involves improved efficiency, as well as more correct braking reduces tire consumption, reducing the impact on the environment. Gain is projected at 23% in fuel consumption.</p>	CDP C1.1b, C1.2, C1.2a

TCFD Recommendations

RECOMMENDATIONS	RESPONSE	REFERÊNCIA
RISK MANAGEMENT Disclose how the organization identifies, assesses, and manages risks related to climate change		
a) Describe the processes used by the organization to identify and assess risks related to climate change	Since 2018, we have prepared annual inventories of greenhouse gases and are advancing in our work on climate change. In 2020, we decided to invest in a climate vulnerability survey of the Distribution	Centers, which currently have 11 units in the South, Southeast and Northeast regions of the country. To mature in the climate change agenda, the need to further deepen the understanding of the climate risks to which our businesses are exposed was identified. In the following year, an external consultancy was hired to develop a more robust work of climate risk analysis, which culminated in the identification and validation of these risks. The ambition, in 2023, is to continue expanding this study, considering the other operations.
b) Describe the processes used by the organization to manage risks related to climate change	We have six support committees for the Board of Directors that discuss relevant strategic issues. The Sustainability Committee is responsible for considering risks and opportunities for creating	value for society (including, but not limited to, climate change); discuss and monitor the preparation and application of short, medium, and long-term socio-environmental programs and actions, as well as the impacts generated; and to develop and propose to the Board of Directors sustainability targets for the variable compensation of the Executive Board.
c) Describe how the processes used by the organization to identify, assess, and manage risks related to climate change are integrated into the overall risk management of the organization	In 2022, our risk matrix was revised to include climate risks. Risk Management, on the other hand, is responsible for organizing meetings with the other departments to engage them in the topic. The Supply Chain Board, for example, is charged with reducing emissions.	To this end, one of the goals in 2022 was to include 20 electric trucks in the fleet that travels between the Distribution Centers and pharmacies. In addition, to cover the routes between pharmacies and customers, it is hiring electric bicycles and motorcycles, eliminating emissions through these means of transport. The Transport Director and the Logistics Planning and Development Director also have emission reduction targets, carrying out joint actions to implement training and technologies that contribute to efficiency in the routes traveled, thus resulting in the reduction of emissions and more agile processes. Another example is the Engineering and Expansion Board, which is responsible for all topics related to energy efficiency and which have a direct impact on GHG emissions.
METRICS AND GOALS Disclose the metrics and targets used to assess and manage risks and opportunities related to climate change whenever such information is relevant		
a) Inform the metrics used by the organization to assess the risks and opportunities related to climate change in accordance with its strategy and risk management process	The definition of significant financial impact is quantitatively related to a shareholders' equity percentage. In qualitative terms, in the climate issues context, we have the support of a specialized consultancy to identify environmental risks and opportunities, more specifically from our 11 Centers. Distribution, including the risk analysis related to climate change. The choice for the	study focused on Distribution Centers considered that DCs are essential for the agility and logistical efficiency in operations, and because these centers are distributed in different regions of the country, providing a macro view of risks by location. Crossing the impact and probability information, the environmental risks matrix was obtained, classifying them according to the following typology: Low, as the risk associated with current regulation in terms of GHG emissions; Reasonable, such as acute physical risks; and Considerable, such as emerging regulatory risks and increased operating costs (electricity). According to our classification, qualitatively, this type of priority risk can be divided into two main groups: of considerable impact, associated with a probability of occurrence greater than "probable to occur from time to time"; and of extremely significant impact associated with a probability of occurrence greater than "unlikely to occur, but possible".
b) Report the Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions and the risks related to them	In 2022, 29,051.29 tCO2e were issued in Scope 1 and 7,887.78 tCO2e in Scope 2 (by location) and 6,998.22 tCO2e in Scope 2 (by purchase choice). In the previous year, these numbers were,	respectively, 24,596.19 tCO2e, 27,853.36 tCO2e and 22,887.21 tCO2e. In Scope 3, in 2022, emissions were 536,746.72 tCO2e. The number is much higher compared to the previous year (1,546.20 tCO2e) because, during the year, a specialized consultancy was hired to support the improvement of the GHG emissions inventory, including a detailed Scope screening process 3.
c) Describe the targets used by the organization to manage risks and opportunities related to climate change, and performance against the targets	We have a target related to improving the inventory of greenhouse gases, both for Scope 1 and Scope 3, and remaining in the Corporate Sustainability Index (ISE B3) portfolio. Regarding scope 2, we have a target for contracting energy	from renewable sources linked to the variable remuneration of some specific boards. In addition, some boards and managers have specific goals, such as the Director and the Sustainability Manager, with goals related to the topic of climate change; and the Engineering Manager, with targets related to the consumption of energy from renewable sources.

Externalities Map

GRI 2-25, 3-3

BUSINESS AREA	POSITIVE EXTERNALITY	NEGATIVE EXTERNALITY	SOCIAL IMPACT	ENVIRONMENTAL IMPACT	ECONOMIC IMPACT	STAKEHOLDERS IMPACTED
PROPRIETARY BRANDS PRODUCTION, EXTRACTION OF RAW MATERIAL AND INDUSTRIALIZATION	1. generation of indirect jobs 2. development of the associated value chain 3. new products with sustainability and/or health attributes 4. taxes paid	1. air, water, and soil pollution 2. use of natural resources 3. greenhouse gas emissions and other pollutants 4. impacts on biodiversity 5. waste generation	✓	✓	✓	1. Society 2. Suppliers and partners 4. Employees 5. Customers 6. Government 7. Environment
PHARMACIES	1. generation of direct local jobs 2. local development 3. taxes paid 4. offer of products and services to consumers	1. generation of domestic effluents and waste 2. energy and water consumption 3. Increased vehicle traffic 4. impact on urban mobility 5. interference in historical and cultural heritage	✓	✓	✓	1. Employees 2. Customers 3. Society 4. Government 5. Environment
LOGISTICS AND TRANSPORT	1. Availability of products to consumers in a timely manner 2. generation of direct and indirect jobs 3. support for conscious disposal projects (bring the medicines) 4. drivers as agents of transformation and protection against sexual exploitation 5. promotion of employees' integral health	1. consumption of fossil fuels and dependence on this input 2. greenhouse gas emissions 3. contribution to climate change 4. sexual exploitation of children and adolescents on the roads 5. SSO practices and accidents 6. impacts on road, bridge, and other infrastructure	✓	✓		1. Society 2. Most vulnerable communities 3. Employees and third parties 4. Government and/or highway concessionaires 5. Environment
DCS OPERATIONS	1. generation of direct local jobs 2. Greater employability for young people (without experience and early career) 3. Reduction in product displacement distance, reducing fuel consumption and greenhouse gas emissions 4. investments in renewable energy consumption 5. local development 6. promotion of the integral health of employees 7. Donation of inappropriate products to vulnerable groups	1. truck traffic in specific regions 2. Noise nuisance and pollution concentrated in surrounding communities 3. power generation through diesel-powered generators, with higher carbon emissions. 4. Workstations with a higher risk of accidents at work (with loads and ergonomics) 5. generation of organic waste (food) and recyclables (paper and cardboard) 6. employee accidents on the way to the DCs (eg motorcycles) 7. generation of hazardous waste	✓	✓	✓	1. Society 2. Employees and third parties 3. Local communities 4. Environment
ADMINISTRATIVE AREAS	1. generation of jobs 2. local development 3. promotion of employees' integral health	1. generation of organic and recyclable waste (paper and plastic) 2. consumption of fossil fuels for employee commuting (Home – Work) 3. consumption of natural resources such as water and energy	✓	✓	✓	1. Employees and third parties
EXPANSION AND ENGINEERING	1. greater capillarity and accessibility to health products and services for the entire population 2. presence in places with little access to public health 3. generation of direct jobs in distant locations and far from large capitals (with development plan) 4. movement of the local economy (purchase of materials and others) 5. investment in renewable energy generation (distributed generation) and adoption of technologies to reduce energy consumption 6. real estate development	1. generation of civil construction waste 2. emission of greenhouse gases and other pollutants 3. Noise pollution in regions concentrated during construction 4. Risks of violating human rights at construction sites 5. SSO practices and accidents 6. interference in historical and cultural heritage 7. impact on the microentrepreneur / reduction of competition 8. removal of tree species	✓	✓	✓	1. Customers 2. Vulnerable communities 3. Employees and third parties 4. Environment

Externalities Map

BUSINESS AREA	POSITIVE EXTERNALITY	NEGATIVE EXTERNALITY	SOCIAL IMPACT	ENVIRONMENTAL IMPACT	ECONOMIC IMPACT	STAKEHOLDERS IMPACTED
HEALTH BUSINESS	1. new business models to take care of customers' health 2. Actions to bring health to the population with low access to public health 3. patient health through adherence to treatment 4. cost reduction to the public health system 5. amplification of access to health	1. positioning risk for business effectiveness (if there is a perception that the business competes with private medical activities, the professional stops recommending the platform)	✓		✓	1. Customers 2. Society and or communities most vulnerable 3. Public Health
FUSIONS AND ACQUISITIONS	1. growth in the offer of services and products to society for health and well-being 2. efficiency gain 3. job creation 4. Increased economic opportunities – generating more business chain opportunities	1. market concentration			✓	1. Customers 2. Society 3. Competitive market 4. Suppliers 5. Employees
PHARMACY OPERATIONS	1. generation of local and direct jobs 2. career plan and professional growth 3. availability of health care and wellness products 4. investments in renewable energy 5. investments in low energy consumption technologies 6. availability of reverse logistics for drugs and batteries 7. social investment with micro donation from customers 8. promotion of the integral health of employees	1. power consumption (lighting and cooling) 2. exposure of employees to COVID (pandemic context only) 3. generation of hazardous waste (drugs and application room)	✓	✓	✓	1. Society 2. Own employees
MULTI-CHANNEL	1. greater access to products and services (online and for audiences with special needs) 2. service to a greater number of customers 3. reduction in fuel consumption 4. flexibility and exposure reduction for customers (pandemic) 5. generation of indirect jobs in delivery logistics 6. development of opportunities in the value chain	1. generation of packaging waste 2. emission of greenhouse gases in the logistics process	✓	✓		1. Customers 2. Society 3. Suppliers
COMMERCIAL	1. generation of indirect jobs 2. access to affordable medicines in low-income regions. 3. expansion of the supply of healthy products to the population 4. payment of taxes	1. generation of inappropriate products (expired and damaged) 2.waste generation in supplier operations 3. inbound carbon footprint	✓	✓	✓	1. Society 2. Environment 3. Customers 4. Suppliers



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Independent auditors' limited assurance report on non-financial information included in the Annual and Sustainability Report
(A free translation of the original report in Portuguese, containing the Assurance Report).

To the Board of Directors and Shareholders
Raia Drogasil S.A.
São Paulo - SP

Introduction
We have been engaged by Raia Drogasil S.A. ("Raia Drogasil" or "Company") to present our limited assurance report on the non-financial information included in the "2022 Annual and Sustainability Report" of the Company, for the year ended December 31, 2022.

Our limited assurance does not extend to prior period information or to any other information disclosed in conjunction with the 2022 Annual and Sustainability Report, including any embedded images, audio files or videos.

Responsibilities of the Company's management
The management of the Company is responsible for:

- select and establish appropriate criteria for the elaboration of the information contained in the 2022 Annual and Sustainability Report;
- prepare the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards);
- design, implement, and maintain internal control over information relevant to the preparation of 2022 Annual and Sustainability Report that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditors
Our responsibility is to express a conclusion on the non-financial information included in the 2022 Annual and Sustainability Report, based on the limited assurance engagement conducted in accordance with Technical Communication CTO 07/2022 issued by the CFC, and based on NBC TO 3000 - Assurance Engagements other than Audits and Reviews, also issued by the CFC, which is equivalent to international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require compliance by the auditor with ethical requirements, independence, and other responsibilities relating to it, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Additionally, the standards require that the work be planned and performed with the objective of obtaining limited assurance that the non-financial information in the 2022 Annual and Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) mainly consists of inquiries to the Company's management and other Raia Drogasil's professionals who are involved in the preparation of information, as well as the application of analytical procedures to obtain evidence that enables us to conclude, in a limited assurance manner, on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the 2022 Annual and Sustainability Report, taken as a whole, may present material misstatements.

The procedures selected were based on our understanding of the aspects relating to the compilation, materiality and presentation of the information contained in the 2022 Annual and Sustainability Report, other circumstances of the engagement and our consideration of areas and the processes associated with the material information disclosed in the 2022 Annual and Sustainability Report where material misstatements could exist. The procedures comprised, among others:

- a. planning the work, considering the materiality of the aspects for the Company's activities, the relevance of the information disclosed, the volume of quantitative and qualitative information and the operating and internal control systems that served as a basis for the preparation of the information contained in the 2022 Annual and Sustainability Report.
- b. the understanding of the calculation methodology and the procedures for the compilation of the indicators through inquiries with the managers responsible for the preparation of the information;
- c. the application of analytical procedures on the quantitative information and inquiries on the qualitative information and its correlation with the indicators disclosed in the information contained in the 2022 Annual and Sustainability Report; and
- d. for the cases in which the non-financial data correlate with indicators of a financial nature, the confrontation of these indicators with the accounting statements and/or accounting records.
- e. analysis of the processes for preparing the Report and its structure and content, based on the Content and Quality Principles of the Sustainability Reporting Standards of the Global Reporting Initiative - GRI;
- f. evaluation of the sampled non-financial indicators from GRI-Standards;

- g. understanding the calculation methodology and the procedures for the compilation of the indicators through interviews with the managers responsible for the preparation of the information.
- h. analysis of the reasonableness of the justifications for the omission of performance indicators associated with aspects and topics indicated as material in the Company's materiality analysis.

The limited assurance work also comprised adherence to the guidelines and criteria of the GRI - Standards elaboration framework applicable in the preparation of the information included in the 2022 Annual and Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations
The procedures performed in limited assurance work vary in nature and timing, and are smaller in extent than in reasonable assurance work. Consequently, the level of assurance obtained in limited assurance work is substantially lower than that which would be obtained if reasonable assurance work had been performed. If we had performed reasonable assurance work, we could have identified other issues and possible distortions that may exist in the information contained in the 2022 Annual and Sustainability Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work on data reported for prior periods, nor in relation to future projections and targets.

The preparation and presentation of sustainability indicators followed the GRI - Standards criteria and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations. These standards do, however, provide for the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines are incurred. Our assurance report must be read and understood in this context, inherent to the selected criteria (GRI - Standards).

Conclusion
Based on the procedures performed, described in this report and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in the 2022 Annual and Sustainability Report for the year ended December 31, 2022 of Raia Drogasil, have not been prepared, in all material respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative - GRI.

São Paulo, April 26th, 2023

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6

Original report in portuguese signed by

Sebastian Yoshizato Soares
Accountant CRC 1SP257710-O-4

Expedient

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