



People,
Health &
Well-being

RD Supplier Code of Ethics & Conduct

#caminharjuntos
towards a healthier society



Introduction

This Code of Ethics & Conduct describes what RD expects from its suppliers regarding legal compliance, labor practices, environmental performance and issues such as ethics, moral, compliance, integrity, anti-corruption, anti-fraud, conflict of interest, money laundering and relations with public agencies. For that purpose, it draws on corporate policies and laws that govern RD's business. To clarify any doubts or information not fully covered in this document, please send an email to the Ethics & Compliance area:



eticaecompliance@rd.com.br



People,
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RD's Values

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RD's Values

Belief

People who take care of people.

Purpose

Take close care of people's health and well-being in all moments of life.

Efficiency

Always do well, with the best result.

Ethics

Do what is right, transparently and honestly, in any situation.

Innovation

Innovate today to be better tomorrow.

Trusting relationships

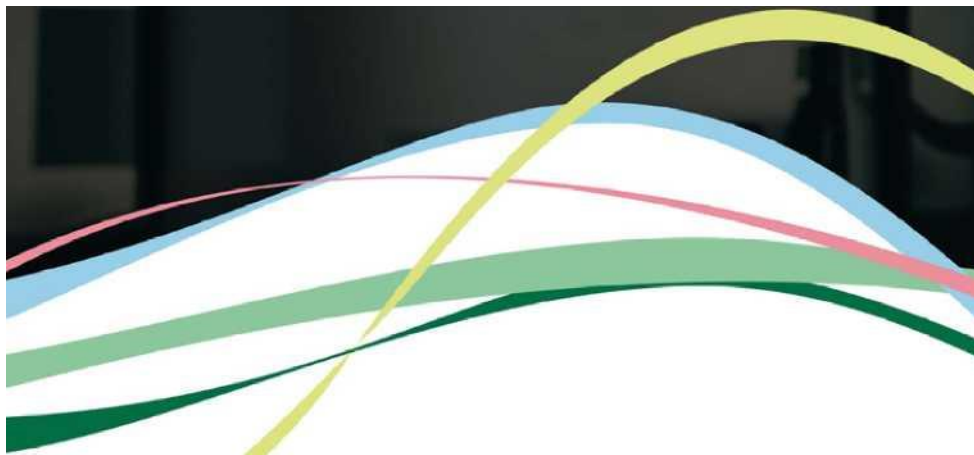
Have a genuine interest in people, nurturing trusting relationships.

Long-term vision

Act today, adding value to our future and that of the whole society.



Commitments



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RD's Commitments

Build sustainable relationships with our supply chain

Our purpose of taking close care of people's health and well-being in all moments of life only comes true from the relationships we build. This could not be different in the relationship with our business partners. For this reason, RD does business responsibly with its supply chain.

RD aims to build principled, transparent and responsible relationships with this stakeholder group. We want to be leaders in strengthening our supply chain through engagement, development and co-creation of solutions for sustainability challenges.

We know that the inclusion of ESG (environmental, social and governance) aspects in the supply chain is a journey and that, consequently, we need to closely follow the market evolutions and the new demands of our stakeholders.

In order to ensure the integration of environmental, social and governance aspects into all the supplier relationship cycle, RD has established the ESG in the Supply Chain Program - whose focus is to develop a sustainability methodology to be added to traditional supplier analysis criteria. The program's objective is to integrate sustainability and compliance into procurement practices and decisions.

The Program is inspired by the guidelines of ISO 20400 Sustainable Procurement and is organized in three pillars:



RD -----

RD's Commitments

RD's procurement practices are based on the balance between technical-financial criteria and integrity & sustainability aspects. We understand that every company is free to determine its own procedures, but RD expects to work with suppliers committed to the requirements and the best practices that help reduce the impacts and risks of our activities. In addition, we tap into opportunities to promote sustainable growth.





People,
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REACH

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REACH

This material is designed to all business partners that work to or on behalf of RD (hereinafter called 'suppliers'), including: suppliers of goods, suppliers of inputs, contractors, service providers and distributors; whether routine or one-off supplies, including own production units or outsourced ones (subcontractors), head office or branches, warehouses, distribution centers that provide transshipment and/or any activity in which there are products to be delivered to RD, besides sites that handle imported products. It should be noted that the requirements described in this Code of Ethics & Conduct are the minimum acceptable standards - not the maximum ones - for RD expects that suppliers will have the objective of continuously improving their performance in ESG-related issues. The supplier shall be responsible for guiding and monitoring their employees, subcontractors and other partners in applying the practices of this Code of Ethics & Conduct.

This document gathers different topics that describe the role to be played by suppliers when dealing with the relevant obligations, prohibitions and desirable non mandatory requirements in order to guide the improvements and the search for excellence.





Guidelines and requirements of the Code of Ethics & Conducts



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Guidelines and requirements of the Code of Ethics & Conducts

RD's relationships with suppliers are based on respect, professionalism, laws in force and on its Belief, its Purpose and its Values. For this reason, RD expects that its supply chain will live up to the same standards.

1. Legal Compliance, Anti-Corruption, Anti-Bribery, Anti-Fraud and Brazilian General Data Protection Law ('LGPD')

1.1 Legal Compliance

- Suppliers shall, in every moment and under any circumstances, comply with the laws in force in Brazil, provided that the Brazilian legislation shall always be enforced to ensure compliance with the jurisdiction where services are provided and with this Code of Ethics & Conduct. In the event services are provided in a foreign jurisdiction, suppliers shall comply with the laws in force in the relevant foreign country.
- Suppliers shall have the necessary licenses and permits for the operation, production and/or service provision. For Brazilian suppliers, it means that the CNAE (National Classification of Economic Activities) of the company (whether primary and/or secondary), for example, shall reflect the product and/or service that will be sold to RD.

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- Suppliers shall not, during their visits to pharmacies, distribution centers, administrative center or any premises of RD, make any records (photographic or of any other nature) without proper authorization from the officer in charge of hiring the supplier.
- Suppliers shall neither use or disclose relevant and confidential RD's facts, data and/or information for their own or third parties' benefit.
- Suppliers shall maintain absolute secrecy about any and all information related to supply contracts and commercial terms of procurement or provision of services.

1.2 Anti-Corruption and Anti-Bribery

- RD's Anti-corruption, Anti-fraud, and Relations with Public Entities/Agencies Policy, available at rd.com.br/sustentabilidade/visao-geral, deals exclusively with prevention of and fight against bribery and corruption in the company's activities, business and operations, defining standards of ethical conduct, including the relationship with business partners. That policy shall also be complied with by other third parties/contractors that, due to contract, agreement or relationship, act on behalf of RD and its controlled companies in joint activities, businesses and commercial operations in Brazil and abroad. RD shall follow the principle of cooperation with public authorities in investigations or inspections, providing all documents and information requested and that are in line with the formalities required by law.
- Suppliers shall not perform, either directly or indirectly, any unlawful act in RD's and its controlled companies' activities, businesses and operations.
- Suppliers shall neither carry out nor be directly or indirectly involved in any unlawful activities or conducts, such as tax evasion, tax fraud, contraband or bribery.
- Suppliers shall not receive, promise, offer or give, directly or indirectly, or through third parties, any undue advantage; use privileged information; commit market abuse, fraud, money laundering; make use of illicitly obtained governmental advantages or permissions, including through extortion, bribe or any illegal practices (bribery and/or corruption), involving persons related to state-owned, government controlled or privately held companies, including payments to obtain direct and/or indirect advantages/benefits.

- Companies that participate in bidding processes shall strictly follow the rules defined in the Requests for Proposal and the laws in force.

1.3 Frauds

- Fraud is characterized by the act of deceiving and harming people or companies to obtain undue things of value or fail to fulfill obligations or duties. RD forbids in its activities, business and operations, any act that might constitute fraud. Examples: falsifying payee's records, results or processes; forging signatures on checks, documents, etc; forging or falsifying documents, reports or records of any kind.

1.4 Relationship between RD's employees and suppliers

- Commercial and contractual relationships of RD's employees with suppliers shall be characterized by the defense of free competition, always aiming at preventing competition risks such as, for example, abuse of market power.
- RD **forbids** in its activities, business and operations, any act that might constitute corruption or fraud involving Public Entities/Agencies or Government Officials, in Brazil or abroad.
- We avoid maintaining business or personal relationships with our suppliers that constitute actual, potential or perceived conflict of interest. An actual conflict of interest exists when there is in fact a clear conflict of interest. A potential conflict of interest occurs when there is a situation that could turn into an actual conflict of interest in the future. Finally, an apparent or perceived conflict of interest exists when there is a situation in which an employee should act to the best interest of the company, but did not act with integrity or honesty to fulfill his/her obligation. Therefore, suppliers shall be aware to avoid any of the situations described above.

1.5 Freebies, Gifts, Events and Courtesies from third parties

- Business relationships sometimes involve the offer of freebies, gifts and other items/elements on the part of suppliers, showing an attitude of politeness and courtesy. However, in some situations, the offer of such items may create expectations or claims of privilege, perceptions that there might have been bribery or inappropriate advantage,

and may characterize a situation of conflict of interest. Therefore, it is considered and accepted as freebies given by suppliers to the pharmacy's customers products that only have symbolic value (no commercial value) and promotional value (notebook, daily planner, pen, calendar and others of internal and common use). Nevertheless, this politeness shall be applied cautiously.

- Suppliers **shall not** offer to RD employees freebies and courtesies of any kind. Exceptions to the rule shall be previously authorized by the officer and/or vice president of the area responsible for the supplier, besides the necessary approval of the Ethics & Compliance team.

1.6 Attitude towards the media

- When the supplier and/or contractor is invited for interviews or public presentations due to his/her contractual relationship with RD, the company defines that, to guarantee coherence in the discourse and confidentiality of strategic information, the supplier and the contractor shall not speak directly with journalists, professionals of the communication area or the government about any information related to RD without the authorization and monitoring of the Officer responsible for corporate issues.

2. Personal Data Protection

Consolidation of a strong personal data protection culture and respect for privacy are part of the organizational objectives established by RD. However, to make it happen, all business partners and suppliers must be equally engaged in this process.

Therefore, all RD's suppliers shall take technical, organizational and administrative measures to ensure an appropriate level of protection to personal data and sensitive personal data of their employees, partners, customers, suppliers and/or contractors with whom they have any type of relationship. This commitment must necessarily involve a strengthened internal governance and capacity building for those who act on behalf of or represent RD's suppliers, including, but not limited to, the provision of training and the review of processes.

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As far as Privacy is concerned, suppliers shall take measures to protect personal data and sensitive personal data against unauthorized access and accidental or illegal situations including data destruction, loss, change, communication or any other form of inadequate or illegal processing.

All these measures shall be in full compliance with the provisions of the RD Privacy Policy and, also, the Contractor Privacy Risk Assessment Policy - or documents equivalent to these regardless of their respective titles.

In addition, all RD's suppliers are responsible for committing to the RD Information Security Policy, so that they can take possession of resources on behalf of RD only when this is authorized, previously fulfilling the obligations in order to take care and protect our assets.

Therefore, suppliers shall not take undue possession of technology resources without mandatory permission, considering the information security principles of Confidentiality, Integrity and Availability:

- **Confidentiality** - Suppliers shall help maintain secrecy and provide access to the information shared during the execution and provision of services. All information processed on behalf of RD during the execution of the services hired shall be deemed confidential.
- **Integrity** - Suppliers shall commit to use RD's assets exactly as authorized. It is forbidden to manipulate, delete and share information of our assets. This obligation draws on the principle of maintaining the information as is, without changes; to handle information, use only what was provided access to. The information contained in our systems shall remain unaltered.
- **Availability** - Suppliers shall make careful use of our supporting environments and technology resources, made available for the execution of services hired so as to favor the continuity and steady effectiveness of our services.

Any non compliance with the above-mentioned principles of information security shall be considered as an information security incident. As for the undue processing of personal data, it shall be considered as personal data violation, which may occur through accidental, unlawful destruction and unauthorized disclosures. These violations might lead to investigations, punishments and liabilities according to existing penalties, thus contributing to the termination of the contract between the parties.

3. Working Conditions

3.1 Compliance with labor laws

- Suppliers **shall** comply with all legal obligations, including the social security and/or collective ones in their relationship with workers, as well as the formal registration of workers, providing them with social security rights, Government Severance Indemnity Funds, vacations, among others. These very labor obligations and rights shall be monitored by suppliers regarding outsourced employees, such as, for example, service providers.
- Suppliers **shall not** use the probation period as a reason for not registering workers. The probation period shall follow the laws in force, including collective rights.
- Suppliers **shall** commit to workers based on labor relations acknowledged by the national laws and practices of the country where they operate.
- Labor contracts **shall** always be signed between the company and the workers, and shall contain all legal provisions, besides the working hours.
- Any and all workers **shall** be formally hired and duly registered as provided for in law and/or collective agreements.

3.2 Forced Labor

- Suppliers **shall** make sure that their employees carry out their work voluntarily, which means that any forms of forced labor, including slave labor and bonded labor, are forbidden.
- Suppliers **shall** allow workers to complete their employment contract after providing reasonable notice.
- Suppliers **shall not** violate the freedom to choose work by requiring deposits, retaining identification documents or salaries.
- Suppliers **shall not** restrict the workers' freedom through retention of documents, exhausting working hours, and indecent labor and housing conditions - which can be

characterized as forced or compulsory labor.

3.3 Child Labor

- Suppliers **shall** make sure that workers are at least 16 years old. For workers below the age of 18, there shall be evidence of the connection, when required by the local laws, to educational programs such as *Jovem Aprendiz* (Young Apprentice) (14 - 24 year-olds).
- Workers below the age of 18 are not allowed to perform activities deemed dangerous or unhealthy, or carry out night work.
- Suppliers **shall** make sure that no child below the age of 16 enters the premises of the company, even if it is not to work.²

3.4 Discrimination and Harassment

- Suppliers **shall not** allow, in any circumstances, discrimination between individuals on the grounds of: race, color, creed, sex, age, sexual orientation, gender, philosophy of life, political ideology, physical and/or mental disability or impairment, way of dressing or speaking, physical appearance, financial condition, school background or any form of expression.
- Suppliers **shall not** make use of medical exams as a way to prevent workers from being hired, including pregnancy tests; likewise, they shall not dismiss workers who develop diseases or who may suffer injuries.
- Suppliers **shall not** tolerate or participate in, under no circumstances, any type of harassment, whether physical, moral, sexual and/or bullying. Intimidation, violence or corporal punishment are also included in harassment. Respect and dignity shall be the only type of relationship between people.
- Suppliers **shall not** impose a deduction from employees' salary as a disciplinary

² We understand as exception to this rule the child day care (with facilities in the company for employees' children), as well as special situations when there is a corporate social gathering, like Christmas celebrations, Mother's Day, Father's Day or Children's Day, occasions when employees are encouraged by the company to take their children to get to know where they work.

measure.

- Suppliers **shall** develop written disciplinary policies/procedures, which shall form part of the company's Code of Ethics & Conduct, clarifying and explaining to employees and partners the strictness related to discrimination and harassment issues. We also recommend periodical capacity building to the company's professionals in management positions, thus increasing responsibility and enabling information sharing.

3.5 Workload

- Suppliers **shall not** allow excessive workload, considering overtime, which shall be done within the limits provided by law. Eleven hours rest between working days and weekly paid time off. Overtime compensation shall comply with the laws in force, considering the collective agreements of each category and their respective percentages. As a rule, the workload should not exceed 44 hours a week, or 220 hours a month, and potential overtime hours, when worked, cannot be more than 2 hours a day.
- Suppliers **shall** make sure that working overtime is always voluntary, and employees shall not suffer any type of reprisal or differentiated treatment for not working overtime. Overtime work shall, in any and all situations³, be recorded in official and transparent documents and/or systems. Therefore, any parallel or hidden control that does not allow overtime hours to be included in the monthly salary and in the workers' pay slip shall be deemed irregular.

3.6 Salaries

- Suppliers **shall** ensure that workers earn, at least, the minimum salary in force; and when the local (state) minimum salary or the salary agreed by the category (collective agreement) is higher than the federal minimum salary, suppliers shall pay what is more beneficial to the worker.
- Payments **shall** be made on time, directly into the worker's account, in local currency or as previously agreed with the worker, as recorded in the employment contract.

³Work from home is excluded from this requirement because this system does not involve control of working hours, as provided for in Article 62 (III) of CLT (Brazilian Labor Code).

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- In case of productivity payment (including payment for part produced) the supplier **shall** ensure at least the minimum salary in force, even when the productivity amount does not reach the minimum salary amount.
- Any and all salary deduction shall comply with the laws in force. Therefore, **there shall not** be discounts for disciplinary issues, uniforms or PPE.
- All salaries paid, including overtime hours, and all discounts **shall** be included in the workers' pay slips in a clear and simple way; and the company shall have a responsible channel available to workers for potential clarifications.

3.7 Health and Safety

- Suppliers shall provide for and ensure that all facilities are always safe and clean, keeping the appropriate hygiene, lighting, ventilation and temperature in any and all places in every moment, thus guaranteeing decent conditions to all workers, whether employees, outsourced workers and/or temporary service providers.
- Sanitary installations shall be clean, airy (natural or mechanical ventilation), providing people with access to liquid soap, toilet paper and disposable hand towels.
- Cafeterias **shall** also be clean, airy (natural or mechanical ventilation), and physically separated from the production area. There shall be drinking water available and, in case of food handling, the necessary permits shall be obtained. The cafeteria, as well as all facilities, shall provide people with dignity.
- In case there is a dormitory or lodge for workers, these facilities **shall** be clean, safe and ready to meet the basic needs of workers.
- Suppliers **shall** provide specific training to ensure the safety of workers performing their tasks, whether employees or outsourced workers who carry out activities in their facilities or for their company; such as, for example, production process or provision of services in RD's current and future premises. Training shall be given by specialized and certified professionals and companies, in compliance with the requirements related to refresher training and training programs update.
- Suppliers **shall** provide training such as emergency simulation, firefighting, handling and storage of chemicals, work at height (when applicable), among others.

3.7.1 Construction and Renovations

Besides the general caution with health and safety, suppliers and service providers that carry out construction and/or renovation work **shall**:

- Meet the legal requirements, especially those related to the applicable permits from the City Hall and Condephaat (Council for the Protection of Historical, Artistic, Archaeological and Tourist Heritage) - and other bodies/agencies - and meet voluntary commitments made.
- Provide employees and contractors with safe and healthy working conditions, eliminating hazards and reducing risks, thus preventing work-related injuries and health problems, ensuring to all those involved compliance with the labor laws and the provisions of the sector's collective agreements.
- Be aware about the use of Personal or Collective Protection Equipment (PPE and/or CPE), ensuring proper and mandatory use when necessary and determined by the technical standards, including specific training for the construction activity.
- Pay special attention to the signage during the construction or renovation processes, both for signals to workers and to people outside the construction site.
- Ensure that the training programs for any and all construction/renovation activities are complied with, such as, for example, work at height and electrical installations, among other activities that pose a high risk to workers and that involve specific technical standards. Training programs **shall** be in accordance with their expiry date.
- Suppliers **shall** make sure that health and safety programs at work include, without limitation, PCMAT (Conditions and Environment in Industrial Construction Programs), PPRA (Environmental Risk Prevention Program), PCMSO (Occupational Health Control Program) and other specific programs for related activities.
- Forbid workers from using or being under the influence of alcohol and drugs at work, which could increase the risk of accidents.
- Take all necessary measures to avoid, reduce or remediate the environmental impacts resulting from their activity, providing the documents related to compliance with the processes established in the PGRCCs (Construction Waste Management Plans),

considering, but not limited to, hazardous waste (class I), non-hazardous waste (class II), non-inert waste (class II - A), and inert waste (class II - B).

Establishing a systematic process to achieve continuous improvement in the environmental, health & safety and quality performances, using models of management, periodic evaluation of results, as well as innovation and technologies.

- Act to reduce environmental impacts through sustainable technologies and practices, protecting the environment, seeking to minimize the use of raw materials and inputs in the activities, and to encourage the use of recycled/recyclable materials in the products bought and sold, and manage the waste generated by the construction process.
- Ensure that climate change risks and opportunities are identified and evaluated, making it possible to work on the development of GHG emissions reduction targets and on their offset.
- Communicate the policy for and commitments to environmental and occupational health & safety management, raising awareness of all stakeholders, including the employees involved in the construction process.
- Commit, when applicable, to the provisions of the TRA (Environmental Responsibility Statement) made by RD.

3.8 Freedom of association

- Suppliers **shall** guarantee to workers the right to freedom of association to unions and/or labor representatives of their own choice, or appointed by their unions, established in a legal and peaceful manner; as well as the right to enter into collective agreements.

3.9 Diversity and Inclusion

- Suppliers **shall** pay special attention to vulnerable persons, such as women, domestic workers, agency workers, temporary workers, foreign workers and other groups, preventing abuses and/or abusive labor practices.
- Any type of discrimination is forbidden on the grounds of race, color, ethnicity,

nationality, gender, age, sexual or political orientation, religion, disability, medical conditions, position, criminal records or any other condition.

- In recruitment, selection, hiring, employee career management and dismissal, the supplier **shall** strive for an inclusive, solidary and discrimination-free workplace that ensures equal treatment of people.

3.10 Sexual exploitation of children and adolescents

- RD **does not tolerate** sexual exploitation of children and/or adolescents in the course of activities carried out by its suppliers and **encourages** them to adopt measures to prevent this type of practice in their supply chains.

3.11 Outsourcing to a Fourth Party

- RD **does not allow** outsourcing to a fourth party of production processes and/or provision of services, including direct or indirect subcontracting with total or partial delivery of products and/or services.

4. Environment

The growing discussion in society about ESG (Environmental, Social and Governance) topics has caused our leaders to think deeply about RD's contributions to the sectoral and global sustainable development agenda. The major step towards aligning our business aspirations with the social and environmental dimension was the launch, in 2021, of the strategic sustainability plan '*Caminhar Juntos*' (Walking Together), which organizes the ESG planning in pragmatic targets to be achieved by 2030, broken down into 3 pillars: **Healthier people, Healthier businesses** and **Healthier planet**. Following this important guideline, we share with our suppliers rules related to these topics.

4.1 Environmental permits

- Suppliers **shall** have all environmental permits necessary for the manufacturing of RD products or products for RD, as well as the provision of services in RD's current and future premises. Permits shall be in accordance with the products and

primary/secondary activities to be undertaken, considering the expiry dates of permits and their restrictions.

4.2 Environmental incidents

- Suppliers **shall** make sure that risk situations resulting from the supply of products and provision of services are identified and mitigated. In case of incidents or accidents that might or might not impact on the environment and society, they shall be immediately notified to RD's Supplier Governance area (email: gov_fornecedores@rd.com.br).

4.3 Environmental management

- Suppliers **shall** have appropriate policies and systems to manage the environmental impacts of their activities, both in the product manufacturing process and in the provision of services.

4.4 Waste management

- RD **recommends** that suppliers take effective measures to reduce waste generation by increased operational efficiency, thus enabling reuse and recycling, whenever possible.
- Suppliers **shall** appropriately identify and store waste, separate hazardous from non-hazardous waste and, should preferably have a professional specialist in the topic. Otherwise, they shall provide workers with capacity building on handling the company's waste.
- Any disposal of waste, including production waste, **shall** be made exclusively by a specialized company with the proper permits, such as CADRI⁴.
- Suppliers that carry out construction and renovation activities **shall** pay special attention to the compliance with topic-specific laws related to RCC (Construction Waste), as well as refer to item 3.7.1 hereof, which focuses exclusively on these

⁴CADRI - Certificate of Movement of Waste of Environmental Interest This document is issued by CETESB (São Paulo State Company of Environmental Sanitation Technology), who approves the transfer of waste to reprocessing, storage, treatment or final disposal sites. For more information on this topic, refer to the regulatory agency of your state.

activities.

- When possible, circularity of waste derived from their production process should be sought; and, when applicable, there should be adjustment to reverse logistics, according to the National Solid Waste Policy, ruled by Law no. 12.305/2010.

4.5 Water and energy consumption

- Suppliers **shall** pursue a rational consumption of resources and keep water consumption within the limits established by law, including periodic tests to identify potential leaks in their facilities and/or workplaces, mitigating them whenever possible. Treatment and discharge of effluents from operations and activities shall be in accordance with the legal standards and parameters for non-contamination of water and groundwater with effluents.
- Suppliers **shall** pursue a rational use of energy, keeping energy consumption within the limits established by law, including periodic tests and monitoring of consumption in their facilities to identify potential wasteful use and/or opportunities for optimization and improvement aimed at a more rational consumption. RD recommends that, whenever possible, suppliers should use clean energy, such as water energy, wind energy, solar energy, tidal energy, geothermal energy and biomass energy, for example.

4.6 Raw materials

- RD recommends that suppliers should pay attention to their production and operational processes seeking to reduce, whenever possible, the use of natural resources and raw materials, reusing the referred inputs and avoiding wasteful use as much as possible.

4.7 Emissions

Suppliers shall take measures to reduce their greenhouse gas emissions, seeking alternative solutions for consumption from non-renewable sources.

4.8 Biodiversity

- The supplier **shall** comply with the environmental laws in force, so as to ensure, when applicable, that recognized areas of high biodiversity value are preserved. RD **recommends** that its suppliers, when applicable, should adopt additional measures for the conservation and restoration of ecosystems and their biodiversity.

4.9 Community relations

- The supplier **shall** respect the life style of the surrounding communities and neighbors who it relates to when performing its activities. For that purpose, **it is recommended** the development of tools for identification, monitoring and mitigation of potential social impacts on these stakeholders.
- For activities likely to cause any loss to the surrounding communities and neighbors, the supplier **shall** develop tools for remediation of potential damage in a fair, formal and transparent manner.
- When applicable, the supplier **shall** learn and comply with all the laws and regulations related to the rights of traditional communities, such as indigenous and *quilombola* (maroon) ones, especially regarding their legally recognized territories.
- As well as in the relationship with other stakeholders, RD **does not tolerate** acts of discrimination, harassment or abuse against any communities and neighbors, nor attempts of bribery and enticement to participate in irregular or unlawful activities.

5. Disclosure and homologation

5.1 Disclosure

- Suppliers **shall** make sure that all their workers, as well as their business partners learn about RD Supplier Code of Ethics & Conduct, disclosing this material digitally and/or on the company's bulletin board.

5.2 Homologation

- RD's future suppliers, including branches and/or subcontracted production units, as of disclosure of this Code of Ethics & Conduct, **shall** be previously homologated by RD's Governance area or by a company appointed by RD. This process includes, for example, information and documents to be sent by suppliers, and failure to comply with this stage may prevent the supplier from registering as an RD business partner.
- Suppliers and their production units, as well as their contractors, **shall** obtain prior approval by RD, through monitoring by the Supplier Governance team, before the beginning of the business relationship and the beginning of production, under penalty of suspension of and/or impediment to the business relationship. Approval will be automatic (CNPJ analysis), through self-assessment made by the supplier (based on a questionnaire) or through an in-person audit. In all cases, the RD team shall formalize the result and the completion of the homologation process.
- Suppliers **shall not** subcontract the provision of service for the production process without the prior consent of RD. The beginning of use of production units shall be linked to the monitoring/audit process, provided that the passing grade is obtained in the assessment.
- Service providers that perform in-person works in RD's premises, when necessary, shall present previous documentation that will be reviewed by the Governance area or other RD's areas.

6. Monitoring and transparency

RD informs that it shall carry out, at any time, monitoring of compliance with the provisions hereof in the facilities of suppliers and/or in the facilities of their contractors, as well as in our own (RD's) facilities. We expect that suppliers will engage in monitoring actions, will be facilitators and will be transparent during all the monitoring process, offering access, without limitation, to the records, to the work stations and to the workers, as well as to the lodges and the dormitory, when applicable.

6.1 Monitoring

- Through own team or through a company appointed by RD.
- Online, in-person or hybrid (online + in-person).
- In the format of announced, semi-announced or unannounced audit.

6.2 Transparency

- The supplier **shall** disclose to the RD Supplier Governance team, when requested, the list of its production units and its subcontractors used in manufacturing or provision of services to RD, including outsourced workers used in the activities hired by RD. The supplier **shall** inform whenever there is an update (changes in production units, staff and addresses); therefore, the list of companies and service providers shall be correct, comprehensive and updated, under penalty of suspension of the business relationship.
- RD may disclose, subject to prior authorization, the names, locations and performance assessments as to compliance with the RD Code of Ethics & Conduct, both of suppliers' and their contractors' production units.
- The supplier shall notify RD whenever it suspects or identifies the occurrence of any security incident that might jeopardize the confidentiality, integrity and/or availability of Personal Data connected to RD, never more than 24 (twenty-four) hours after the suspicion or confirmation of the incident, informing, at least: (a) nature of Personal Data affected; (b) information about the Data Owners involved; (c) technical and security measures taken to protect the data; (d) risks related to the incident; (e) reasons for the delay, if the notification was not immediate; (f) measures that have been or will be adopted to reverse or mitigate the effects of the loss.

7. Implications

RD understands that complying with the Code of Ethics & Conduct is as important as complying with the rules regarding the quality of products, provision of services or, even, delivery deadlines. RD's relations with all stakeholders are based on compliance with the laws and regulations applicable to its sector, and always works ethically and transparently, preserving the reputation of the RD brand. RD wishes to deliver good products and services to its customers and to society.

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- The full compliance with this Code of Ethics & Conduct is a critical condition for the company to remain in RD's supplier database.
- Non compliance with the principles and commitments hereof shall result in the adoption of penalties, from suspension and blocking orders to early termination of RD's business relationships with its suppliers, including termination of contracts in force, according to RD's rules.
- RD may hold suppliers and/or subcontractors liable for any damages and expenses incurred by RD, including, but not limited to, the loss of earnings and/or profits resulting from the violation of one or more items hereof.
- RD, through its internal team or an external auditor, may ask the supplier to develop an action plan (further to monitoring/audits) to implement corrective measures that will enable the supplier to adjust to the requirements of this Code of Ethics & Conduct. The action plan shall be implemented in due course, according to the complexity of the improvement needed.

This Code is now effective and shall be complied with in addition to all the other national and/or international laws and regulations in force, People Code - Ethics and Conduct in RD, and other rules established by RD.

8. *Canal Conversa Ética* (anonymous ethics hotline)

Dialogue is critical for human relationship and even more for maintaining an ethical environment. For this reason, RD keeps an open channel to hear employees, contractors and suppliers about potential violations to RD's Ethics & Compliance guidelines, which should be informed through:

Telephone: 0800 778 9009

Email: contato@conversaetica.com.br

Website: <http://www.conversaetica.com.br>

Anonymity, secrecy and confidentiality are guaranteed and RD does not accept any retaliation or punishment against an employee or supplier that opens a ticket.



9. Glossary

Supplier: any business partner that works to or on behalf of RD, including, but not limited to, suppliers, service providers, distributors, head office and branches. Routine or one-off supplies, own production units or outsourced ones (subcontractors) are also included.

RD's current and future premises: head office, RD's pharmacies under construction or being renovated, as well as the distribution centers.

Subcontractor: company hired by the supplier to, on its behalf, manufacture products or provide services (in whole or in part) through a contract signed only with the supplier.

Action Plan: document included in the final monitoring/audit report issued by RD or an external auditor. The action plan contains the corrective measures that shall be implemented within a pre-established deadline.

Corrective measure: measure that shall be taken by the company to eliminate the cause of the problem and avoid recurrence of non conformities.

Non conformity: total or partial non compliance with the terms of this Code of Ethics & Conduct.

Bribery: occurs when any type of reward or advantage is offered or provided to any person; whether commercial or not (and includes the negotiations with RD employees or issuance of operating licenses). Bribery applies to all persons involved, whether those who offer or those who accept such benefit (money, gift, prize, etc.).

Bribery from/of third parties: can occur through representatives, middlepersons or agents.

Outsourcing to a Fourth Party: when the production or provision of services (in whole or in part) is outsourced by a subcontractor to another company (process not allowed by RD). Outsourcing to a fourth party occurs when done exclusively by a third party, and cannot be considered so for a company that is simultaneously a supplier and/or a subcontractor.



Statement of Acceptance and Commitment to the RD Code of Ethics & Conduct

In the capacity of RD supplier, I hereby state that I am aware of and agree with the assumptions contained in the RD Code of Ethics & Conduct, which defines the guidelines that guide RD's partners in the ethical, governance, compliance and socioenvironmental aspects expected by RD to be reflected in the relationship between the parties.

I shall comply with and respect this Code, directly or indirectly ensuring its application in the activities of my business and in the business of my subcontractors (third-party companies hired by me). I am aware that non compliance with this Code may result in penalties against my company and third-party companies.

SUPPLIER DATA



Supplier's corporate name

Supplier's CNPJ
(Taxpayer ID)

Supplier's address

Name and position of the
company's legal representative
(*)

CPF (Taxpayer ID) of
the supplier's legal
representative

Email address of the
supplier's legal
representative

Signature

Place and date

(*) Person appointed by the company to act and perform on its behalf, whether through a power of attorney or as provided for in the company's bylaws, representing it in negotiations during the business relationship with RD, regardless of having direct contact with the negotiation processes and activities.

**People,
Health &
Well-being.**