
	Corporate Policy	Code:	VRH-DSU-POL001
		Version:	001
	Vice President of People, Culture & Sustainability	Target audience:	Audience
		Created on:	Jul 17, 2020
	Environmental and Occupational Health & Safety Policy	Revised on:	May 29, 2021
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1. OBJECTIVE

This policy seeks to establish RD's commitments to complying with the applicable legal requirements, to improving the management of environmental externalities, of climate change, and to a preventive approach to the occupational health and safety aspects throughout the company.

It also offers conditions to a response to climate change balanced with the social and economic needs, besides providing structure and resources to manage OHS (Occupational Health & Safety) risks and opportunities so as to develop a healthy and safe work culture, thus eliminating hazards and reducing risks aimed at prevention of work-related injuries and health problems.

2. REACH


This document has a corporate nature and is applicable to the company's managers, employees and any other stakeholders, and shall be complied with - without exception - by RD's managers and employees, contractors, and by its controlled companies.

3. REFERENCES

- RD Culture Drivers: Beliefs, Purpose and Values
- People Code – Ethics and Conduct in RD
- ABNT NBR ISO 14001:2015 Standard
- ISO 45001:2018 Standard
- National Policy on Climate Change - PNMC
- UN Sustainable Development Goals (SDG)

4. DEFINITIONS

- **Compliance obligations:** Legal requirements that an organization has to comply with and any other requirements that an organization has to or chooses to comply with. For the purposes of this document, compliance obligations are those relevant to the environmental and OHS management system. 'Compliance obligations' include the provisions in collective agreements.
- **Environment:** the surroundings in which an organization operates, including air, water, land, natural resources, flora, fauna, humans and their interrelationships.
- **Environmental and occupational health & safety management system:** part of the management system used to manage environmental and occupational health & safety aspects, fulfill compliance obligations, and address risks and opportunities.
- **Environmental and occupational health & safety policy:** An organization's intentions and directions related to its environmental and occupational health & safety performance, as formally expressed by the senior management.
- **Environmental and OHS (Occupational Health & Safety) Audit:** Systematic, independent and documented process for obtaining objective evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled in light of the references herein.
- **Environmental aspect:** Element of an organization's activities, products or services that may impact, or does impact, the environment.
- **Environmental impact:** Adverse or beneficial modification in the environment which results totally or partially from the environmental aspects of an organization.
- **GHG Protocol (Greenhouse Gas Protocol):** Tool used to understand, quantify and manage greenhouse gas emissions (GHG). It was originally developed in the USA, in 1998, by the World Resources Institute (WRI). It is nowadays the most used method by companies and governments to assemble gas inventories.


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- **Greenhouse gases (GHG):** Gaseous substances that absorb part of the infrared radiation, mainly emitted by the Earth's surface, and hinder its emission into space. This prevents too much heat loss to the space, keeping the Earth warm. The greenhouse effect is a natural phenomenon.
- **Hazard:** source, situation or activity with the potential to cause injury or damage to human health, or a combination of these;
- **Life cycle:** Consecutive and interlinked stages of a product (or service) system, from raw material acquisition or generation (from natural resources) to final disposal.
- **Management system:** set of interrelated or interacting elements of an organization to establish policies and objectives, as well as the processes to achieve those objectives. It can address a single discipline or several disciplines; in such a case it is called an integrated management system.
- **Pollution prevention:** Use of processes, practices, techniques, materials, products, services or energy to avoid, reduce or control (separately or in combination) the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts.
- **Risk:** combination of the likelihood of occurrence of a work-related hazardous event or exposure(s) and the severity of injury and ill health that can be caused by the event or exposures.
- **Stakeholder:** Any individual, group or organization who may affect, be affected by, or perceive themselves to be affected by, a decision or an activity. Examples: Customers, communities, suppliers, regulators, non-governmental organizations, investors and employees.
- **Sustainable development:** 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Note: Sustainable development is about integrating the goals of a high quality of life, health and prosperity with social justice, and maintaining the earth's capacity to support life in all its diversity. Sustainable development can be treated as a way of expressing the broader expectations of society as a whole.' (ABNT NBR ISO 26000).
- **UN Guiding Principles on Business and Human Rights:** structured around parameters like Protect, Respect and Remedy, these principles apply to all States and to all business enterprises, both transnational and others, regardless of their size, sector, location, ownership and structure. The objective is to guide business enterprises to enhance standards and practices with regard to business and human rights so as to achieve tangible results for affected individuals and communities, and thereby also contribute to a socially sustainable globalization.
- **UN Sustainable Development Goals (SDG):** The Sustainable Development Goals (SDG) are a global agenda adopted at the UN Summit on Sustainable Development in September 2015, comprising 17 objectives and 169 goals to be achieved by 2030.

5. GUIDELINES AND COMMITMENTS

RD operates in the pharmaceutical retail sector with the brands Droga Raia and Drogasil, two of the most traditional brands in the Brazilian retail. RD is guided by values based on ethics, efficiency, innovation, trusting relationships and long-term vision, and restates the following commitments to the environment and to the health and safety of our employees and contractors:

- Fulfilling the applicable compliance obligations and the voluntary commitments made regarding the environmental and occupational health & safety aspects throughout the company;
- Providing employees and contractors with safe and healthy working conditions, eliminating hazards and reducing risks, thus preventing work-related injuries and health problems;

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- c. Consulting and encouraging the participation of employees and/or their representatives, and maintaining communication channels with stakeholders about environmental and occupational health & safety management;
- d. Implementing employee awareness-raising / sensitization, training and/or capacity-building programs to encourage the adoption of safe behaviors that respect the environment and the health & safety guidelines;
- e. Establishing systematic process to achieve continuous improvement in the environmental and health & safety performance and in quality, using management models, periodic evaluation of results, innovation and technologies;
- f. Acting to reduce impacts arising from environmental and health & safety aspects through the use of technologies, sustainable practices and continuous prevention actions.
- g. Protecting the environment, seeking to minimize the use of raw materials and inputs in the activities, and encouraging the use of recycled/recyclable materials in purchased and sold products;
- h. Developing mechanisms to set targets to reduce Greenhouse Gas (GHG) emissions, working on emissions offset, promoting and encouraging energy-efficient operations;
- i. Ensuring that climate change risks and opportunities are identified and evaluated, and working on the development of GHG emissions reduction targets and on their offset;
- j. Communicating the environmental and health & safety management policy and commitments to all stakeholders, making sure that environmental and health & safety goals and targets are linked with the business strategy.

A simplified version of this policy highlighting item 5 hereof (Guidelines and Commitments) will be widely used for disclosure in digital or printed version to all employees, suppliers, customers and other stakeholders. Such version, containing RD's letterhead and the CEO's signature, is described in ANNEX 1.

5.1. WAYS OF OPERATING

1. Own resources and with the support - whenever necessary - of specialized companies to ensure accuracy, independence, transparency and use of internationally-accepted methodologies.

6. RESPONSIBILITIES

6.1. BOARD OF DIRECTORS' SUSTAINABILITY COMMITTEE


- a. Supporting the application of the Environmental and Occupational Health & Safety Policy, and suggesting improvements, when necessary. Periodically monitoring the projects in progress, reporting the performance indicators to the Board of Directors.
- b. Suggesting improvements in this document to the Board of Directors.

6.2. BOARD OF DIRECTORS

- a. Approving the Environmental and Occupational Health & Safety Policy, and periodically monitoring the performance of programs with the support of the Board of Directors' Sustainability Committee.

6.3. EXECUTIVE DIRECTORS

- a. Disseminating, guiding, promoting and providing for compliance with this document;
- b. Monitoring the correct use of resources and the development of the Environmental Management (EM) and Occupational Health & Safety (OHS) programs.
- c. Periodically reviewing and defining the necessary resources for the good development of the Environmental and Occupational Health & Safety programs.

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6.4. RD'S MANAGERS AND EMPLOYEES

- a. Learning, following and disseminating the content of this Policy and related rules.

Non-compliance with this Policy shall lead to disciplinary sanctions, according to RD's rules, including employees and the analysis of potential supplier/partner contract termination.

7. CANAL CONVERSA ÉTICA

RD makes available the *Canal Conversa Ética* (anonymous ethics hotline) as a whistleblowing tool to report misconduct and/or wrongdoing that violates RD's policies, the legislation and People Code – Ethics and Conduct in RD.

In the event of any situation that may qualify as the violations described, the employee, supplier, partner, service provider, customer and others may file a report through the following communication channels:

Website: www.conversaetica.com.br
Email: contato@conversaetica.com.br
Telephone: 0800 778 9009

It is a confidential and independent channel, supported by a third-party company that receives the wrongdoing reports, guarantees anonymity and information confidentiality. An employee reporting a wrongdoing shall not be subject to any threat, intimidation or retaliation.

8. SUSTAINABILITY AND HEALTH & SAFETY CHANNEL

The following relationship channels are available for topics related to environmental and occupational health & safety aspects:


Website: www.rd.com.br/
Email: sustentabilidade@rd.com.br
Email: sesmtcorporativo@rd.com.br

9. AUTHORITY

Action / Reason	Person in charge	Approval
Development of the Environmental and Occupational Health & Safety Policy	Sustainability Director	Vice President of People, Culture & Sustainability

10. RECORD

Version	Created/modified on	Approved on	Access	Maintenance and update	Storage
001	Jun 8, 2020	Jul 17, 2020	Audience	Sustainability Director	<i>Conexão RD</i>
002	Mar 29, 2021	May 29, 2021	Audience	Sustainability Director	IR and Workplace

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ANNEX I

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