

MSCI

To assess our progress on ESG issues, we actively monitor our performance on the MSCI and implement specific action plans to comply with market best practices. Check out our initiatives below.

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Environmental & Social

Product carbon footprint

Risk Management

Extent of product carbon footprint assessments

We have carbon emissions assessments on the use of sold product and end-of-life treatment of sold products.

Assessment of energy consumption and/or carbon emissions of suppliers

In 2022, we began using CDP Supply Chain as a means to engage suppliers and encourage the disclosure of their emissions, as well as other topics such as climate risks and governance. In 2023, we worked very closely with our suppliers, actively engaging them in this initiative. Consequently, we achieved a highly satisfactory response rate.

In addition, we have developed an internal climate change questionnaire and have encouraged all of our suppliers to respond in order to enhance our GHG inventory, identify opportunities for joint projects, and take action to reduce emissions.

We also strive to support and engage our Private Label suppliers in the pursuit of a low-carbon economy.

Energy consumption or carbon emissions assessment of transportation and logistics

We evaluate energy consumption and carbon emissions in transport and logistics processes, as described in indicators 302-1, 305-1 and 305-3.

Energy consumption or carbon emissions assessment of distribution and store operations

We evaluate energy consumption and carbon emissions of distribution and store operations, as described in indicators 302-1, 305-1 and 305-3.

Extent of energy consumption or carbon emissions reduction programs in manufacturing operations (including suppliers)

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Extent of energy consumption or carbon emissions reduction programs in transportation and logistics

Since 2021, we have been making progress in the use of electric trucks for B2B deliveries, i.e. the route from Distribution Centers to pharmacies. In addition, part of the fleet has switched to using S10 diesel, a less carbonintensive fuel.

In 2023, we focused on strengthening partnerships with last-mile delivery companies to increase the use of electric motorcycles, bicycles, and tuk-tuks. We also implemented a cargo optimization project for trucks that make deliveries between DCs and pharmacies, maximizing vehicle occupancy by 20% and reducing the number of trucks required for deliveries. Additionally, we continued to reap the benefits of the driver training conducted with Fabet in 2022. The goal was to improve the driving skills of our professionals, aiming for better performance and defensive driving, which resulted in a reduction in diesel consumption.

We also have increased our renewable energy usage from 45% to 72% across our operations. This progress is a result of our efforts to connect more pharmacies to distributed generation plants. Our goal is to ensure that 100% of our energy consumption comes from renewable sources by 2030.

Extent of energy consumption or carbon emissions reduction programs in distribution centers or store operations

We reached 72% of the operation supplied with renewable energy. In addition, we have a target of reaching 100% of the operation by 2030.

Labor management

Performance

External recognition as employer of choice (last three years)

We were recognized by Great Place to Work (GPTW), which acknowledges companies scoring over 70 points in the assessment. We were also highlighted in the Healthcare category by GPTW, ranking 6th nationally.

Exposure

Collective bargaining negotiation expected in next 12 months

Collective bargaining agreements are entered into with unions and cover 100% of professionals, who are represented by the Retail Pharmaceutical Products Trade Union in each state and municipality, totaling 299 unions.

Major Layoffs

We have not recorded any major layoff in the last years. Our number of employees grow year by year.

Practices

Policies to address labor rights in core operations

We follow all the national policies to address labor rights.

Percentage of workforce covered by trade unions/ collective agreements

Collective agreements are discussed with unions and cover 100% of professionals, who are represented by the Retail Pharmaceutical Products Trade Union in each state and municipality, totaling 299 unions.

Estimate Key: Percentage of workforce covered by trade unions/ collective agreements

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represented by the Retail Pharmaceutical Products Trade Union in each state and municipality, totaling 299 unions.

Scope of workforce eligibility for variable performance-based component to pay

All employees at RD Saúde are eligible for variable compensation, which considers the achievement of corporate goals. The objective is to reward individuals for their own performance and that of the Company, as well as to challenge our people to be co-responsible for business results and share successes and risks.

Evidence of Anti-Discrimination/ Diversity and Inclusion policy

Our Diversity and Inclusion Policy is publicly available, check it here.

Evidence of child labor provision in the internal policy

The topic is provided for in the People's Code, which is publicly available at this link.

Evidence of forced labor provision in the internal policy

The topic is provided for in the People's Code, which is publicly available at this link.

Evidence of freedom of association provision in the internal policy

The topic is provided for in the People's Code, which is publicly available at this link.

Restructuring policies and programs

The company has not experienced any major layoffs in the last years.

Support for degree programs or certifications for employees

To fulfill our commitment to supporting the training of 10,000 professionals in undergraduate and/or graduate courses with incentives from RD Saúde, we offer educational grants to eligible professionals who wish to pursue undergraduate and graduate studies at private universities in Brazil.

Since 2021, we have encouraged 2,593 employees to pursue their studies with the support of exclusive scholarships and partnerships for undergraduate and graduate programs.

In addition, in 2024, we launched the first class of the Pharmacy Health undergraduate program for our people, in partnership with Unifecaf and with the support of P15 Educacional. The results of the partnership will be presented in the 2024 Annual Report.

We also have a discount platform, available to all employees, which offers discounts at various colleges and universities for undergraduate and postgraduate courses.

Scope of skills and knowledge development training

We have robust career and leadership development programs. Through these programs, we are committed to training 40 thousand professionals in initiatives that will positively impact their careers and equip them with the skills they need for the future.

- Trilhar Program: a consistently structured program to enable professional development and cultural support, enabling professional growth from the base to the highest levels of the operation;
- Progredir Program: Six months of training for regional managers on leadership topics, soft skills, time and project management. In 2023, 17 managers graduated from the Progredir program and assumed regional manager positions, in addition to 633 new managers and pharmaceutical managers;
- Crescer Program: Focused on the corporate area, senior and average management of all business units (Corporate, DCs and Pharmacy Operations), evaluates the six organizational competencies as a way to drive individual and organizational development.

Product safety & quality

Practices

Extent of certification to a widely accepted product safety/quality standard

RD Brands have a department exclusively dedicated to ensuring the safety and excellence of its products.

Prior to market introduction, the entire portfolio undergoes a safety analysis, in alignment with government guidelines. Furthermore, the details of the labels and information on the packaging are checked and approved, following the regulations established by Anvisa and Inmetro.

These processes ensure not only legal compliance, but our commitment to the quality and safety of our products

Frequency of employee training on product quality

Training is on an ad hoc as-needed basis only.

Scope of employee training on product quality

Only some employees are trained on product quality.

Extent of product testing capacity

Suppliers are subject to internal Quality Management audits. RD Private Labels have a department exclusively dedicated to ensuring the safety and excellence of its products.

Scope of product testing

Prior to market introduction, the entire RD Private Label's portfolio undergoes a safety analysis, in alignment with government guidelines.

Tier 1 – Direct supplier facilities and processes certified by company employees or third-party auditors

Suppliers are subject to internal Quality Management audits, which guarantee compliance

with applicable legislation by regulatory bodies, such as the Brazilian Health Regulatory Agency (Anvisa), the Ministry of Agriculture and Livestock (Mapa) and the National Institute of Metrology , Quality and Technology (Inmetro), as well as ISO, British Retail Consortium (BRC), Good Manufacturing Practices and Hazard Analysis and Critical Control Point (HACCP) certifications.

Tier 3 – Ingredients / raw materials checked for quality on a regular basis

Our quality team is committed to ensuring the use of ingredients that are safe for both consumer health and the environment.

We closely monitor scientific research and regulatory developments to monitor controversial ingredients, which are carefully evaluated and categorized based on their potential risk profile. This monitoring encompasses both the national landscape, through the Brazilian Health Regulatory Agency (ANVISA), and the international scenario, through the U.S. Food and Drug Administration (FDA) and the European Scientific Committee on Consumer Safety (SCCS).

Policy on responsible marketing, advertising and sales

Our Responsible Marketing and Communication Policy is publicly available, check it here.

Privacy & data Security

Practices

Scope of data protection policy

Our Privacy Policy is publicly available, check it here.

Rights provided to consumers regarding the control of their data

RD Saúde's Data Privacy Policy ensures that data subjects have the right to access, rectify, and delete their personal data. Additionally, we have a Data Subject Portal through which requests and inquiries can be made in a simplified manner. You can also check the information about how we deal with personal data on our Sustainability Report – <https://rdsaude.com.br/sustentabilidade/indicadores-e-relatorios/>

Measures to address data breaches

We have some Policies related to the topic, such as "Security Incident Management Policy" and "Security Incident Communication Policy to ANPD and Data Holders". The materials, however, are not public as they contain strategic information from RD Saúde.

Frequency of audits of information security system

Periodic and independent audits are conducted to assess the maturity and effectiveness of our cybersecurity management.

Responsibility for privacy and data security

The Audit Committee of the Board of Directors is responsible for overseeing risk management activities, data management and protection, and cybersecurity.

Evidence of access control and protection of personal or sensitive data

Our current practices involve storing only personal data and/or sensitive personal data for the regular exercise of our rights or for the fulfillment of legal or regulatory obligations, in accordance with the provisions of Article 27 of the Brazilian Consumer Defense Code (CDC), from the date of purchase. The data collected from customers is anonymized and

processed in a grouped manner.

More information can be found at our Sustainability Report (from pages 37 to 40) and also at the Cybersecurity and Data Privacy Policies.

Consent policy for use of consumer data for secondary purposes

As stated in our Privacy Policy RD does not rent, sell, or provide personal data to third parties

Collection, usage and retention of customer information

According to Brazilian law (LGPD), companies are required to limit the retention of personal data as follows: 5 years for data related to payment management or paid hours control; 20 years for medical record data; 3 years for contact information of a potential customer who has not responded to any requests; and 6 months for log data. Our company's data privacy policy explicitly states that we adhere to these legal limits for data retention.

Scope of employee training on privacy and data security

Training on Cybersecurity and Data Protection is offered to employees and contractors

Scope of information security management system certifications

In 2023, RD Saúde received certification in the ISO/IEC 27001:2022 standard for its digital channels (Raia & Drogasil websites) and Uniers benefit channels, as detailed in our sustainability report on page 39. This international standard aims to protect the confidentiality, integrity, and availability of data, ensuring rigorous measures are in place to address cybersecurity threats.

Data protection programs covering suppliers and business partners

Inspections are conducted on a regular basis

Other labor metrics

Practices

Employee equity programs

As part of our performance-based variable compensation and in alignment with our long-term objectives, RD Saúde implements stock-based compensation programs for senior leadership (C-Suite, executive officers, and executive managers).

Employee satisfaction survey frequency

We conduct employee satisfaction surveys annually

Employee engagement survey results

We conduct regular monitoring (weekly) of employee engagement through surveys distributed to all staff members.

Skills and knowledge development training

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Corporate behavior

Policies & Practices

Does the company conduct audit of its anti-corruption policies?

We have an Audit Committee, which is responsible for analyzing the financial statements and supervising risk management activities, internal auditing, compliance, internal controls, data management and cybersecurity, stakeholder relationships and management of the Conversa Ética Channel.

Regular audits of ethical standards

In 2023 we started to carry out regular audits of the Program Ethics and Compliance (every 2 years).

Does the company state that it audits ALL operations?

The complete Compliance and Ethics Program is audited.

Responsibility for ethics issues

Board level committee

Employee training on ethical standards

Em 2023, tivemos 17.089 novas conclusões no curso sobre o Código da Gente na Universidade RD Saúde, voltado para os nossos funcionários. Além disso, 57.216 funcionários(as) (100%) foram comunicados sobre políticas e procedimentos de combate à corrupção.

24 membros dos órgãos de governança (100%) também foram comunicados sobre tais políticas e procedimentos.

Conheça os detalhes sobre os treinamentos oferecidos aos(as) funcionários(as) por categoria funcional no indicador GRI 205-2.

Policy against bribery and corruption

Our Anti-Corruption Policy is publicly available, check it [here](#).

Whistleblower protection

We offer the Ethics Conversation Channel, our Whistleblowing Channel, to the entire society. This channel is available 24 hours a day, seven days a week, and receives complaints about any conduct that is in violation of national laws, our policies, procedures, and values. The channel allows for anonymous reporting and provides you with the ability to track the progress of your report.

Policy against bribery and corruption for suppliers

We have a Supplier Code of Conduct, which contains anti-corruption guidelines. All suppliers must sign a commitment to the content of this code.

Governance metrics

Board of Directors

Our Board of Directors is composed by 11 members, with 4 independents, 2 women and 3 industry specialists.

Executive Pay Disclosure and Say on Pay Policy

The company submits annually to the shareholders for approval the proposal for the total annual compensation of its directors—both board members and C-Level executives. The management's proposal for the general meeting details the composition of the proposed compensation, and the figures can also be accessed through the Reference Form and the RD Saúde investor relations website.

CEO Equity Policy

Part of the CEO's variable compensation is paid in shares issued by the company, in accordance with the Internal Policy and monitored by the People Committee, which is responsible for compensation and the nomination of directors and C-Level Managers.

Poison Pill

The company's Bylaws include provisions that should be invoked to deter tender offers regarded as hostile, with the requirements defined in the Bylaws rather than being subjectively determined by the Board. These provisions do not limit the right of shareholders to take action by written consent and is intended to protect minority shareholders and to guard against sudden changes in control and overall direction of the company's business.

Fair Bid Treatment Provisions

Our Bylaws includes provisions with requirements for how bids should be evaluated, how information is disclosed, and how the board must handle competing offers to ensure that the process is conducted fairly and transparently.

Nomination and Remuneration Committee

Our People Committee is responsible for overseeing and approving the compensation and

nomination of board members and C-Level executives. It is composed of five members, two of whom are independent, including the committee leader, who is not only an independent director but also an industry specialist.

Independent Lead Director

The Vice Chairman of the Board of Directors is an independent member and is responsible for substituting the Chairman in the event of their absence or impediment.

Audit Committee

Our Audit Committee is composed of three independent members, including an independent director who is also an industry specialist, and one expert in corporate accounting.

Related Party Transactions

The company is a family firm and there are related party transactions with the family

Number of Board Meetings:

Our Board of Directors follows an annual thematic calendar with 10 regular meetings, and its advisory committees meet at varying frequencies, ranging from 8 to 12 times per year.

Annual Director Elections

Our Board of Directors operates on a 2-year term to ensure continuity of its work. However, Brazilian corporate legislation allows shareholders to call a meeting at any time to deliberate on the removal of any director, so the term length does not prevent the replacement of a director during their term.

Constituency Provision

In addition to Brazilian legislation requiring both shareholders and managers to make decisions aligned with the company's social function, our bylaws explicitly stipulate that both managers and shareholders must consider the interests of all stakeholders in every decision-making process.

