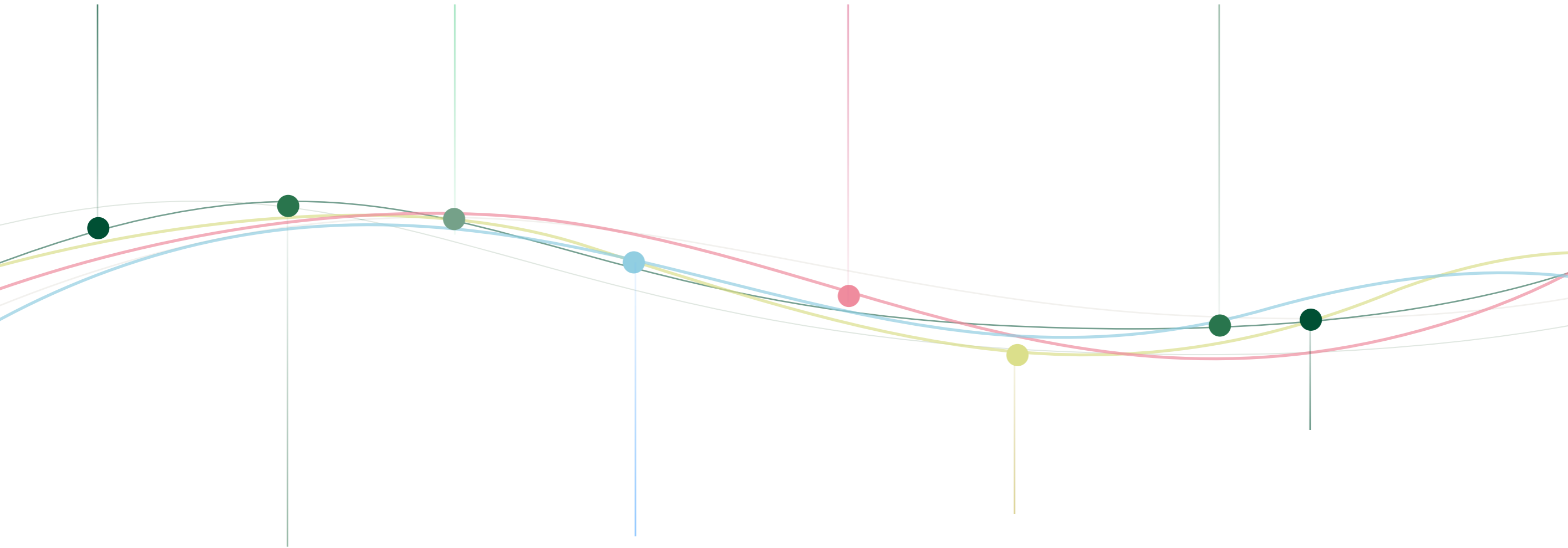


# 2021

## Annual and Sustainability Report



# Summary





# Welcome

in this chapter:

- \_ Message from the Board of Directors
- \_ Message from Management

# Welcome

GRI 102-45, 102-46, 102-50, 102-51, 102-52, 102-53

We present our *2021 Annual and Sustainability Report* to our partners, employees, customers, investors and other stakeholders. In this edition, we provide a summary of our main achievements, advances and initiatives aimed at concretizing the RD 2030 ambition: becoming the group that most contributes to a healthier society in Brazil.

We elaborated the document based on a set of references, standards and commitments, most notably the guidelines of the Global Reporting Initiative (GRI), the Framework of Integrated Reporting and the Principles of Integrated Thinking of the Value Reporting Foundation (VRF), the United Nations Global Compact, the 2030 Agenda, the Sustainable Development Goals (SDGs) and the pillars of our business planning.



On a daily basis we work on further integrating and connecting our 2025 strategy and our sustainability commitments. We are convinced that the success of our businesses and our evolution from a pharmaceutical retailer to an organization oriented to promoting integrative healthcare will occur concomitantly with the production of positive impacts on Brazilian society. Accordingly, this report seeks to offer measurable indicators to demonstrate this maturity process and to communicate how we intend to proceed to our diverse stakeholder groups.





See more about  
our **Commitments**  
on the website

[rd.com.br](https://rd.com.br)

In 2021, we announced Caminhar Juntos (Walking Together), our sustainability platform that comprises 35 commitments in the pillars Healthier People, Healthier Businesses and Healthier Planet. The report structure follows this organization of information, as well as reflecting the material topics identified in the consultation of the different stakeholder groups, with their respective indicators (see *more in 2030 Ambition: Sustainability commitments*).

This report covers the period from January 1st to December 31th, 2021, with data related to the RD head office in São Paulo, its chain of Droga Raia and Drogasil pharmacies, its distribution centers and its subsidiary 4Bio. Exceptions are indicated throughout the text or in footnotes. GRI 102-21

There is a complete version of the publication in PDF format, which fulfills accessibility requirements, as well as a hot site with the main highlights of the year, which may be accessed by computer, tablet and smartphone.

**Any doubts about the content may be addressed to the email:**  
[sustentabilidade@rd.com.br](mailto:sustentabilidade@rd.com.br).

**Enjoy reading it!**

# Message from the board of directors

GRI 102-14, 102-32

With advances and setbacks, 2021 saw a resumption in the midst of the Covid-19 pandemic, in large part thanks to the mass vaccination conducted in Brazil and worldwide. It was possible to start imagining a post-Covid world; however, the impacts on society and the repercussion the transformations will cause on business models will only be known more in-depth in the coming years.

Nevertheless, many trends have already been consolidated as imperatives for the new society we will see. An increasingly digital way of consuming, learning, relating and having fun, the concept of integrative health more and more central to our lives, and greater awareness of the environmental and social challenges of the future are some of the examples that directly impact RD's future.

In this complex context, with major challenges and opportunities, we have built our 2030 Ambition to be the group that most contributes

to a healthier society in Brazil. We defined and disclosed a set of 35 commitments in eight thematic fronts grouped around our 3 pillars of sustainability: Healthier People, Healthier Businesses and Healthier Planet.

The result of profound reflection on the part of the Board of Directors, company managers, specialized partners and of attentive listening to priority stakeholders, we drafted the guidelines and defined the impact targets that make this ambition tangible. These consist of encouraging 50 million Brazilians to be healthier, to economically empower 350,000 people and to make Raia Drogasil a zero landfill and net zero company, that is, to neutralize its net greenhouse gas emissions by 2030.

This commitment horizon has a close fit with the organization's 2025 business strategy of expanding from the activity of pharmaceutical retail to that of a company



**Antonio Carlos Pipponzi**  
Chairman of the Board of Directors



that promotes health and well-being – a more innovative, contemporary and diverse company, capable of capturing greater value and generating more positive impact.

2021 was also the year in which we commemorated the tenth anniversary of the successful merger of Raia and Drogasil, venerable leading brands in Brazil's pharmaceutical retail sector that have delivered robust results and consistently created value for shareholders and society. In these ten years, we have tripled the number of pharmacies, multiplied our revenue by five and our Ebitda by seven. In parallel, we have achieved our highest customer satisfaction rate ever, which reinforces our relentless commitment to training people and to excellence in execution. With almost 50,000 employees, we have firmly maintained our philosophy of hiring exclusively at the base and preparing people internally for positions in the pharmacies. It is our understanding that we play an important role in economic inclusion and in promoting diversity in the country.

The New Pharmacy has never been so necessary, and we maintained our ambitious organic expansion plan by opening 240 pharmacies and reaching 100% of the Brazilian states in 2021. In a conjuncture still heavily impacted by the Covid-19 pandemic, we were able to partner with the public authorities, hosting ambulatory vaccination stations to combat the disease. We also conducted more than 4 million Covid-19 tests, introducing different testing formats, and expanded the scope of our healthcare service portfolio.

We reinforced our digitalization strategy, creating new digital solutions and enhancing our omnichannel journey with many advances in the formats and the quality of our delivery logistics; we significantly reinforced our marketplace, expanding our healthcare and wellness product offerings. We advanced in the construction of a healthcare ecosystem, with the launch of the first version of the Vitat platform; and we captured synergies,

incorporating technology, intellectual capital and knowledge through our RD Ventures investments.

We progressed in governance, increasing our board to 11 members, introducing greater gender, age and sector diversity. We created a governance secretariat and decentralized committee leadership to improve processes, the dynamics of meetings and, consequently, the effectiveness of people's contributions.

We started 2022 with great enthusiasm but also with an enormous sense of responsibility. We have a team of leaders, employees and board members committed to our purpose and our long-term plans, an essential condition to address the challenging economic, social and environmental conjuncture in which we live. Maintaining focus on operational efficiency, rigor in allocating capital while daring to innovate and experiment is an essential challenge to balance growth and financial health.

We have a team of managers, employees and board members committed to our purpose and our long-term plans

We remain mobilized around the Sustainable Development Goals and the United Nations Global Compact, collective agendas that are of interest to everyone. We take this opportunity to thank our employees, managers, customers, communities and institutional partners for this cycle of achievements and learning – and to invite them all to Walking Together with us as we build an ever better company and society.

# Message from management

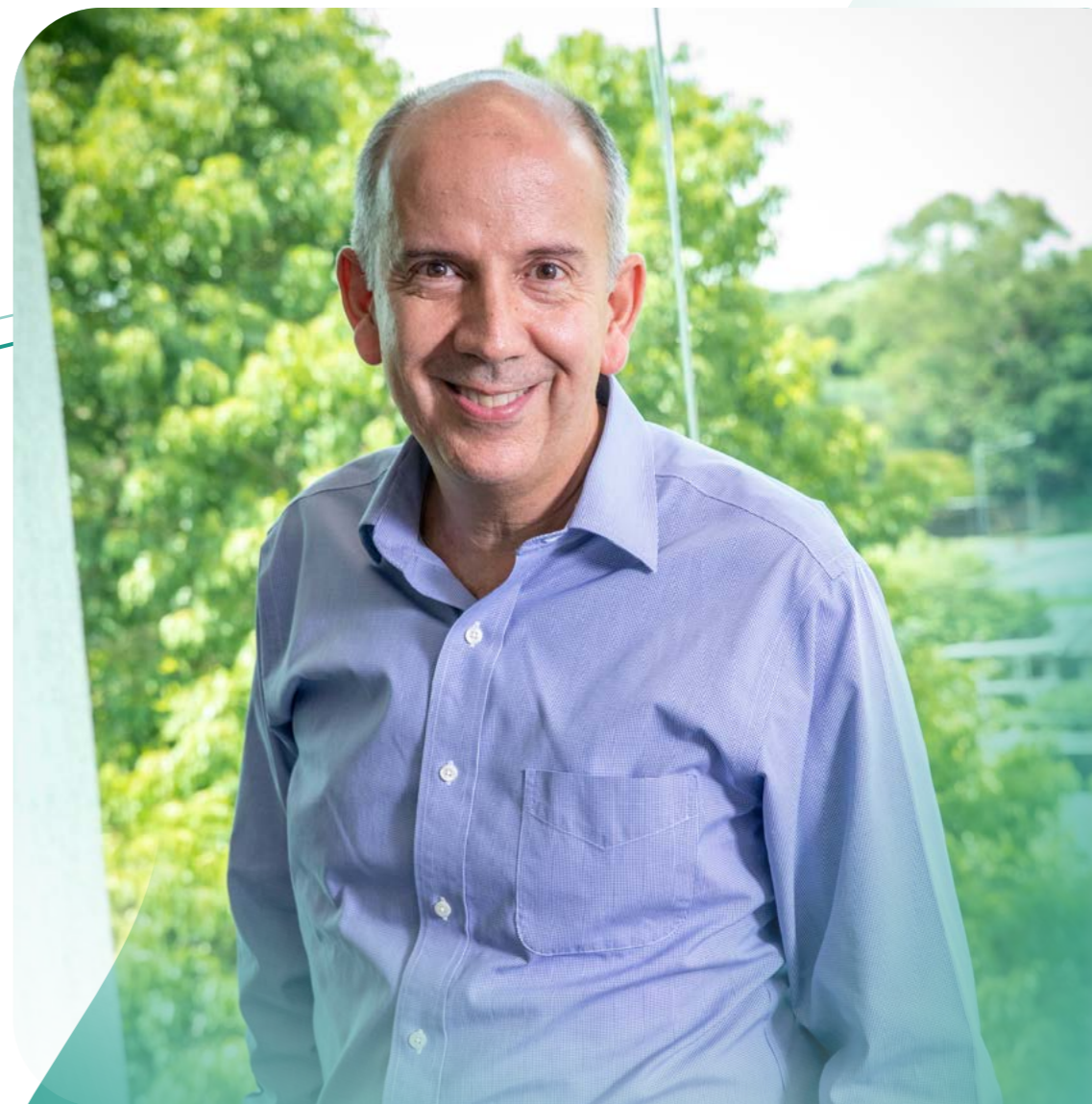
GRI 102-14

With a strategy that increasingly allies the bases of business growth with impact generation indicators, Raia Drogasil had a series of accomplishments to celebrate in 2021.

In the same cycle in which we announced our sustainability commitments, organized on a platform that guides from operational decisions to long-term planning, to the market and society, we delivered economic-financial results that reaffirm the robustness of the business in a challenging environment for the healthcare market.

The Covid-19 pandemic continued to decisively influence and put pressure on healthcare services. More than ever, the strategy we disclosed in 2020 – based on the New Pharmacy, Marketplace and Healthcare Platform pillars – proved to be fundamental for the company to continue to be a benchmark for millions of Brazilians, concretizing our purpose of taking close care of people's health and well-being at each stage in life.

We underwent a second peak of Covid-19 contagion in the first half of 2021, fully aware



**Marcilio Pousada**  
CEO



We ended  
the year with

**R\$ 25.6**  
billion  
in net revenue

**R\$ 1.8**  
billion  
Ebitda

of our responsibility. On the one hand, the hope inspired by the advance in vaccination against the disease enabled us to envisage the future with greater clarity; on the other, the human losses and the care we need to continue to take with our team and our customers.

The New Pharmacy strategy enabled us to reach all the states in the country during the year. We understand pharmacies to be essential healthcare hubs at moments such as these, both in the brick and mortar stores and in the digital channels – which ended 2021 corresponding to 9% of our retail sales. The reliability of the pharmacy channel and its proximity to households are competitive advantages that ensured our performance in the provision of fundamental services for customers.

In the physical network, we extended the pharmaceutical services of applying

injections and tests to 1,500 stores and applied more than 198,000 doses of Covid-19 vaccine in ambulatory stations at the units based on partnerships with local governments. We also maintained the key service of conducting Covid-19 tests in our pharmacies. And we increased the number of stores providing vaccination against diverse diseases from 73 in 2020 to more than 200.

The company's new avenues of growth produced significant results and contribute to generating an integrated offering for customers. In the Marketplace, we effectively gained traction during the year with more than 80,000 SKUs on the RD platform, and developed a tactical plan to have greater control over the logistics chain and managing the business network. The Healthcare Platform, our vision for the future of the sector, gained a face and an identity with the inauguration of the Vitat spaces and the operation of four apps that

connect users with services, programs, and healthcare lines across the entire integrative healthcare spectrum.

Driving customer loyalty is fundamental for the company's future and for its new businesses. We had a 20% increase in our base of loyal customers – and we are sure that this is due to the key role each employee plays, from the pharmacy counter to product distribution. We also invested in service quality and levels to boost the conversion of results in the pharmacies, with innovations in our private label products, the expansion of the service offerings and a focus on customer loyalty assets – an example being Stix, already adopted by 2.5 million customers.

The combination of the three pillars of the 2025 Strategy resulted in gross revenue of R\$ 25.6 billion and Ebitda of R\$ 1.8 billion at the end of 2021, a record for the company. This occurred in conjunction with controlled

## RD business strategy positions it as a company oriented to promoting healthcare and well-being

indebtedness – with a net debt/Ebitda ratio of 0.8x –, even in a year of key investments in areas such as RD Ventures and the expansion of the store network.

These results were combined with the delivery of evidence of our dedication to the Raia Drogasil ESG pillars Healthier People, Healthier Businesses and Healthier Planet. Now with 35 public commitments set forth in the Walking Together movement, these fronts enable us to track the maturity of the company's capacity not only to create but also to share value with its stakeholder groups and to proactively address sector challenges year on year.

Caring for people starts with our employees; during the year there were more than 49,000 consultations in the telemedicine service

offered in partnership with the Einstein hospital. We also had more than 15,000 employees enrolled in the My Best Version Workplace (Workplace do Minha Melhor Versão) group. In the year we extended the emotional health support service to 24 hours a day. We also expanded external engagement beyond our own programs and measures with customers, engaging in actions such as #PraQuemMenstrua (#MenstruationMatters), launched by our private label Needs in partnership with the Unicef Wash initiative – which impacts underprivileged communities in Pará with measures to combat period poverty.

On the Healthier Businesses front, we developed robust governance in the diversity area with agendas on generation, gender,

LGBTI+, disabled persons and race – and discussions which involved everyone on the Executive Board. Our commitment in this area starting at leadership level was recognized by the Women on Board initiative, due to the presence of three women on the company's board of directors. There was also progress in our ESG program for the supplier chain, which in 2021 impacted 100% of our partners considered critical in terms of social and environmental risks.

Advances were also made in the commitments in the pillar Healthier Planet in 2021. We tripled the number of pharmacies supplied with renewable energy and advanced in the distributed generation plant project, reaching more than 60 plants supplying renewable energy to pharmacies

Caring for people starts with our employees

**49,000**  
telemedicine  
consultations

**15,000**  
enrolled  
in My Best  
Version  
Workplace



## Inspired by our sustainability ambition, we will scale up the healthcare businesses capable of impacting the lives of our customers

in 2022. In the logistics area, we initiated tests with electric vans on different routes. We also contracted a specialized consultancy to map climate-related risks and opportunities for our distribution centers.

We maintained our efforts in greenhouse gas emission management and in fostering a circular economy. There are major challenges in this area and the coming years will be dedicated to tests, experiments and innovation measures, characterized by collaboration with suppliers, customers and other partners. Similarly, we have opportunities to advance beyond questions

of gender in diversity. Inspired by Walking Together, we need to scale up the healthcare businesses capable of impacting the lives of our customers well beyond the sale of medication.

For 2022, we expect continued difficulties with inflation and the exchange rate, which will require redoubled capital discipline and dynamic risk management. The political and economic conjuncture in the country remains challenging, as are the uncertainties associated with the Omicron variant and its behavior in the global population in the medium term. However, we recognize that

we are genuinely prepared to deal with adverse situations and to be the healthcare platform of choice for Brazilians when they most need it.

Once again, we would like to thank our minority and controlling shareholders, as well as the company's customers and suppliers for the trust they deposit in us and in our purpose. We would also like to express our heartfelt thanks to the members of the Raia Drogasil team, of whom we are truly proud, for their dedication in providing the best service in such a decisive year for the health of so many Brazilians.



# Who we are

in this chapter:

- \_ Business model
- \_ Governance
- \_ Integrity
- \_ Risk management





# Who we are

GRI 102-1, 102-2, 102-4, 102-5, 102-7

With a history that is emblematic of the growth of pharmaceutical retail in the country, Raia Drogasil S.A. (RD) is a publicly traded corporation constituted one decade ago, based on the merger of Droga Raia and Drogasil, providing integrative healthcare and well-being services and solutions.

Today, we are the leaders in number of pharmacies and revenue in the pharmaceutical retail trade in Brazil. Moreover, we have more stores than any other retail category. In 2021, we reached 100% of Brazilian territory – and impacted one fifth of the Brazilian population with our services in pharmacies (physical and digital networks), in the marketplace and in our healthcare platform.

A reflex of this nationwide presence, we have a diverse and multicultural team of 49,000 employees engaged in consolidating our purpose of *Taking close care of people's health and well-being at each stage in life.*

We are on the Brazilian capital market, with shares traded on the B3 exchange and we participate in the Novo Mercado, the most demanding segment of the exchange. In 2022, we will be on the 17<sup>th</sup> Corporate Sustainability Index (ISE), which attests to our commitment to good social and environmental practices linked with our business vision.

During 2021, a year still marked by the Covid-19 pandemic and its reflexes on business, we managed to progress in our plans to bring about the New Pharmacy, develop the marketplace and design solutions on our healthcare platform. This resulted in positive financial indicators and a solid financial position, with a leverage ratio below 1.0x and cash generation consonant with the moment of the business.



## Belief



People taking care of people

## Purpose



Take close care of people's health and well-being at each stage in life

## Values GRI 102-16



### Efficiency

Getting things done well to deliver outstanding results

### Innovation

Innovating today to be better tomorrow

### Long-term vision

Acting today to create future value for us and for broader society

### Ethics

Doing the right thing, openly and honestly, whatever the situation

### Relations based on trust

Taking a genuine interest in people, building relations based on trust



# Presence and impact

GRI 102-4, 102-6, 102-7, 102-10

In 2021, we concretized one of the main drivers of our expansion plan: we reached 100% of Brazilian territory with the inauguration of pharmacies in all the states in the Northern region.

We remain confident about the attributes and differentials of our Droga Raia and Drogasil brands, with a strategy that drives efforts in accordance with the potential of urban and non-urban markets.

In 2021, we inaugurated 240 pharmacies. In a decade, we expanded from 776 to 2,490 drugstores and are currently present in 485 municipalities. We have allied this expansion with a growing presence on digital platforms to enable RD to reach every Brazilian with its products, services and solutions.

In addition to the drugstore chain, we have distribution centers, strategic units that guarantee supplies for the pharmacies, the delivery of products and special medications and the satisfaction of our customers. At the end of 2021, there were 11 units in the states of São Paulo, Goiás, Minas Gerais, Rio Grande do Sul, Paraná, Pernambuco, Bahia, Rio de Janeiro and Ceará.

Our logistics process involves the receipt of merchandise from the manufacturers at our distribution centers and distribution via a mixed fleet model, comprising the RD fleet and those of our logistics partners. Today, four out of five RD pharmacies are restocked on a daily basis.

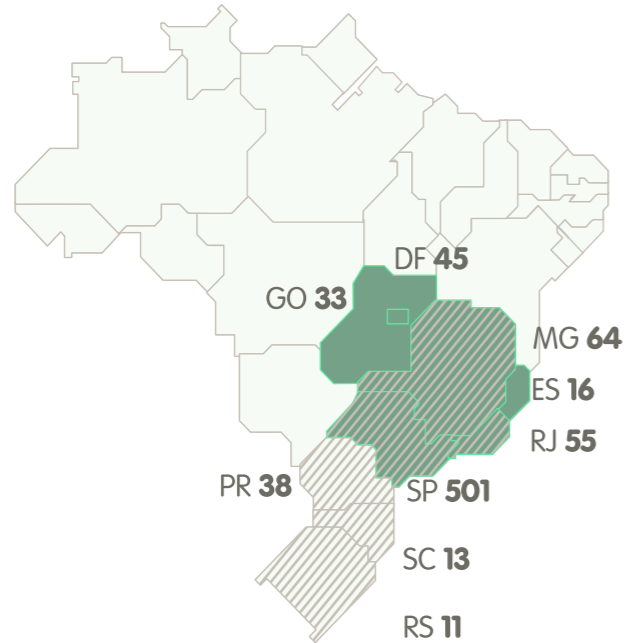




In one decade,  
we grew **from 776**  
to **2,490 pharmacies**

And we are in  
every state in the  
country

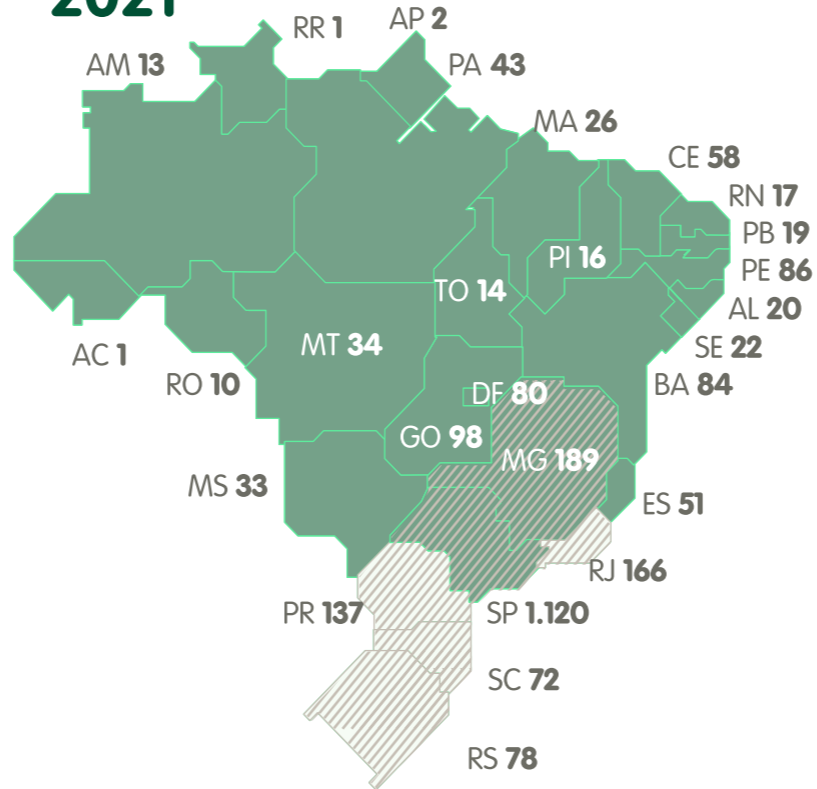
## Geographical Presence



2011



 Raia	407
 Drogasil	369
<b>Total</b>	<b>776</b>

2021



 Raia	1,059
 Drogasil	1,431
<b>Total</b>	<b>2,490</b>

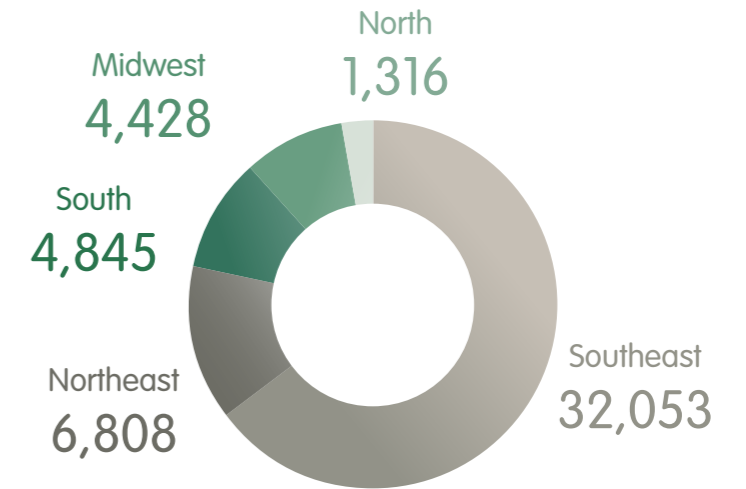
## TOTAL EMPLOYEES

GRI 102-8

RD



## RD EMPLOYEES BY REGION – 2021



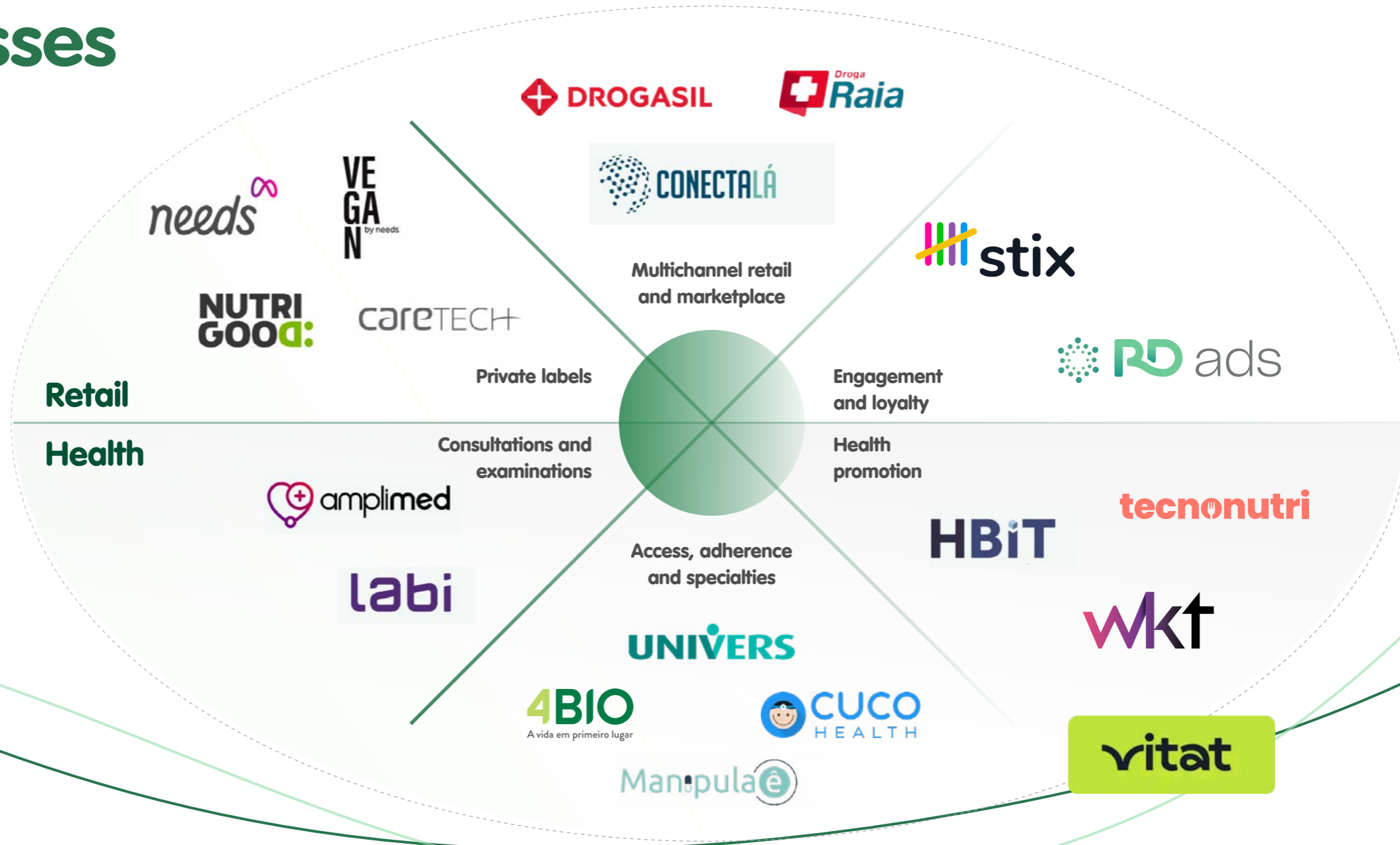


# Our businesses

GRI 102-2

RD is seeking to expand its scope, from a pharmaceutical retailer to a provider of integrative healthcare, driven by the ambition to become the group that most contributes to a healthier society in Brazil by 2030.

With this aim, the company is building an integrative healthcare ecosystem that encompasses companies and brands driven by the same purpose of providing close care of people's health and well-being at each stage in life.



## Retail

The origin of our business and the basis of our connection with customers and society, the pharmaceutical retail trade has been evolving with the integration of new products, brands and services.

### Multichannel retail and marketplace

We are striving to position our pharmacy brands beyond the sale of drugs, delivering effective healthcare, wellness and relationship experiences through our team.

This is the territory in which Droga Raia and Drogasil, both with their origin in the 20<sup>th</sup> century, operate. In 2021, we discontinued the Onofre brand, focused on e-commerce.

Recently, we strengthened our marketplace with a complete

healthcare and wellness product and service offering.

In recent years, we have invested in a multichannel approach for the brands by means of the application, the website, the call centers and the social networks. The digitalization of the retail trade has evolved, advancing our New Pharmacy concept.

In 2021, revenue in the digital channels totaled R\$ 2.1 billion, with a penetration of 9.2% in the fourth quarter.





## Private labels

The connection with our customers also occurs through the offer of private label products in our drugstores. These cover the beauty, well-being, vitamins and supplements, accessories and healthcare segments.

The portfolio currently comprises the brands Needs/Vegan by Needs (beauty, well-being and hygiene); Raia/Drogasil (vitamins and supplements by segment); Nutrigood (functional and healthy products); Triss (beauty accessories); Caretech (prevention and health monitoring); and Le Pop (hygiene and beauty).

We are engaged in the ongoing development and enhancement of our private label suppliers. To work with RD, they share our commitments and concerns and are engaged in the Walking Together pillars (*read more in Healthier Businesses*).



needs



careTECH



NUTRI  
GOOD:



VE  
GA  
N  
by needs

## Engagement and loyalty

**STIX:** Created in partnership with the Grupo Pão de Açúcar, the Droga Raia, Drogasil and Pão de Açúcar brands offer benefit and discount programs based on the accumulation and redemption of points from products and services. At the end of 2021, there were over 2.5 million customers, of whom 48% redeemed points for benefits in 2021.

**RD Ads:** A digital media business that connects our suppliers and future traders using our marketplace with actions to drive visibility and sales.



stix



RD ads

## Healthcare businesses

Our healthcare businesses are a core part of the 2025 strategy; they are focused on positioning RD in markets that diversify healthcare and well-being solutions for customers and patients, with the potential to generate impact and diversify the bases of our results.

### Consultations and examinations

- **AMPLIMED** – a leading healthtech in medical record software as a service (SaaS), that offers a complete solution for managing clinics and medical offices, including electronic records, telemedicine platform, electronic prescriptions, requests for examinations, medical appointments and financial management.
- **LABI EXAMES** – healthtech focused on laboratory examinations, tests, check-ups and vaccinations aimed at making healthcare more digital, convenient and accessible.



labi

### Access, adherence and specialties

- **UNIVERS:** is our platform for managing medication benefit programs for the organizational universe (operators, companies, associations etc.).
- **4BIO:** Founded in 2004 and owned by RD since 2015, 4Bio is a leader in the retail of specialty drugs and high-cost, high-complexity products. The service is for customers who normally require clinical accompaniment with the punctual and effective delivery of specialty products in the areas of oncology, rheumatology, orthopedics, dermatology, fertility and infectious diseases. In 2021, we had a customer



UNIVERS



satisfaction rating (as measured by Net Promoter Score) of 9.9. The 4Bio distribution centers are in São Paulo (SP), Campinas (SP), Palmas (TO) and Recife (PE).

- **MANIPULAÊ:** this is a compounding pharmacy marketplace which provides the best quotes from pharmacies in up to 1 hour. It also provides ERP services for pharmacies (Pharma Rocket).
- **CUCO HEALTH:** a digital start-up that helps patients suffering from chronic ailments to adhere to their treatment regime.



## Health promotion

• **VITAT:** vitat was born with a strong vocation and presence in digital channels through a Health and Well-being portal with over 5,000 contents, including the production of videos/podcasts that jointly impact around 5 million users a month. In the physical channels, Vitat operates in 21 service spaces in Raia and Drogasil pharmacies and should shortly be present throughout the chain. With the expansion of providers for the platform, such as laboratories, doctors' offices and compounding pharmacies, Vitat's presence in the physical stores should grow, significantly increasing the number of contact points with users.



- **TECNONUTRI:** an application that offers weight loss, healthy diet and mass gain programs.
- **WKT:** an application that offers varied, personalized fitness programs.
- **HBiT:** a big data solution to build healthcare data bases for employees in large companies, aimed at reducing employee ill-health through analyses and benchmarks. There are over one million people on the data basis, driving a profitable operation.





## FOCUS ON GROWTH: RD VENTURES

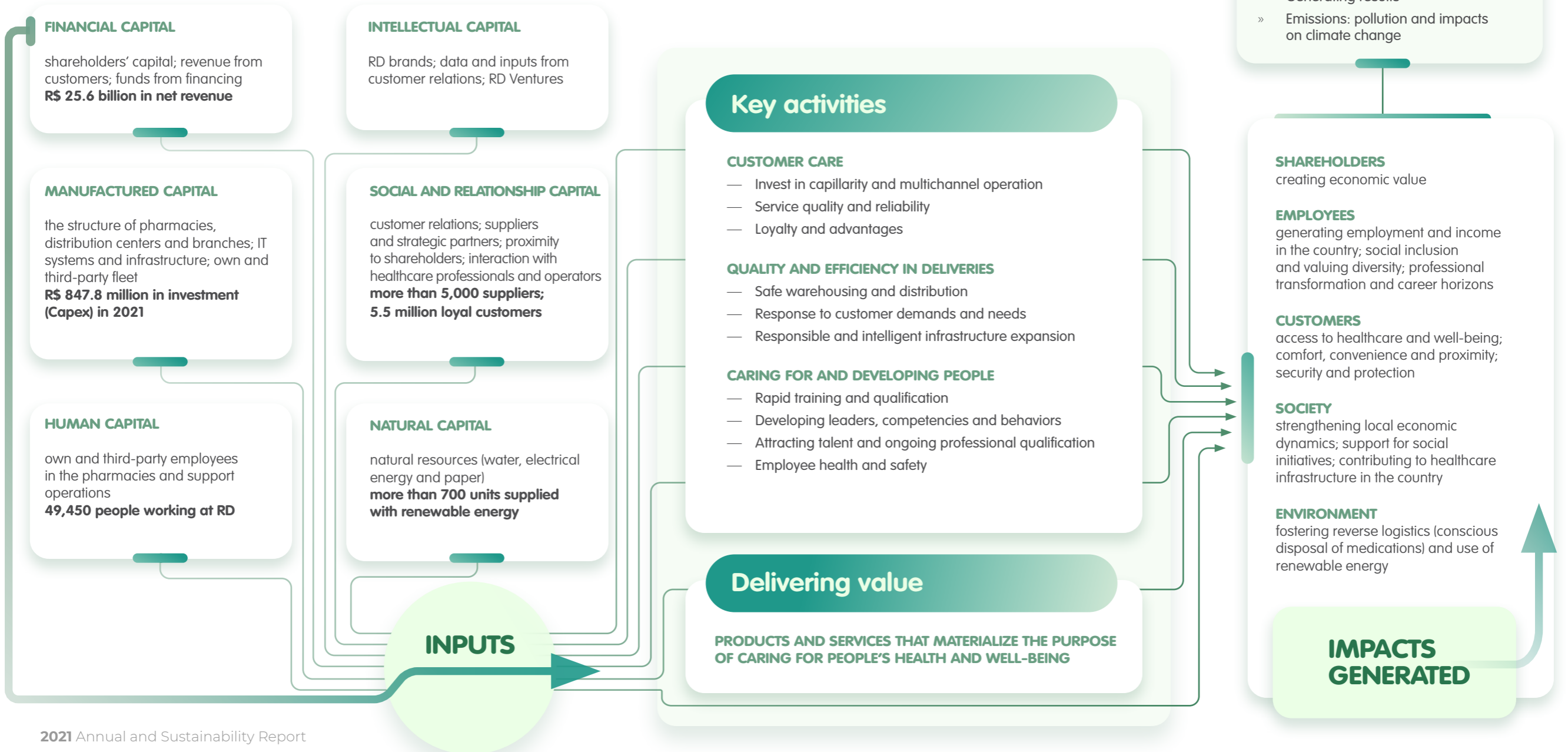
This unit was set up to accelerate business transformation through investments in start-ups and innovative companies with a digital focus. With a flexible investment mandate, the unit undertakes full purchases or the purchase of majority or minority stakes in businesses. The first acquisition, made in 2020, was Manipulaê, a compounding pharmacy marketplace.

In 2021, RD undertook investments in another three start-ups: Amplimed, Labi and Conecta Lã. These will continue as independent companies that will be part of our ecosystem. There are another six innovative businesses (Vitat, Manipulaê, HealthBit, Cuco Health, 4Bio and Stix) that are helping to drive the organization's 2025 Strategy.

GRI 102-10

# Business model

Find out about our value creation process and how we transform capitals and impact society





# Governance

GRI 102-17, 102-18, 102-22, 102-23, 102-24

Since Raia Drogasil S.A. (RD) went public and was listed on the B3 Novo Mercado, we have been intent on ensuring that all decision making is oriented to best corporate governance practices and to the best interests of the company and all its stakeholders.

Our governance model is founded on the pillars of professional management, transparency, equitable relations between stakeholders, care for people, promoting diversity and a commitment to sustainable development.

Decision making and planning for the businesses is based on a structure with three levels of governance: the General



Shareholders' Meeting, the Board of Directors (with its advisory committees) and the Executive Board.

The company is administered by a controlling group, united by a shareholder agreement in force until 2031, which has had practically the same members since 2011. This group

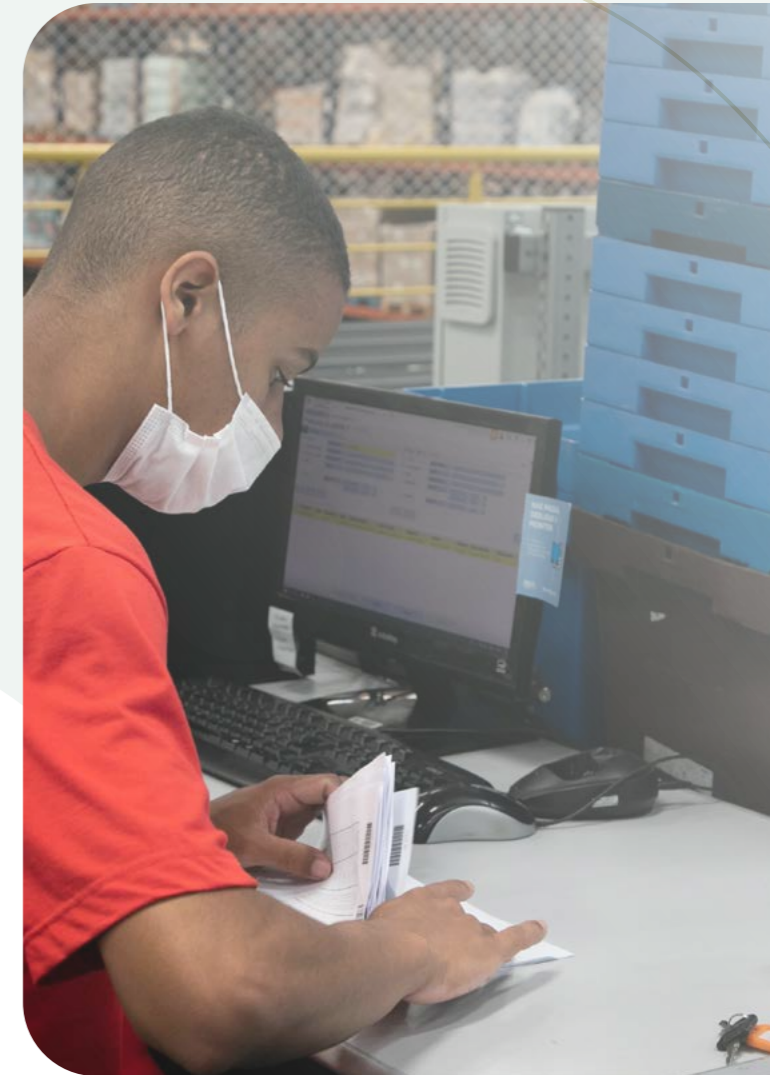
held 28% of the company stock in December 2021, in addition to treasury and another 72% of free float shares. The diversity of our capital and the need to preserve the rights of the minority shareholders are among the priorities that ensure strategic movements coherent with the expectations of those allocating resources in the company.

## General Shareholders' Meeting GRI 102-35

The body through which RD shareholders approve key questions for the company, in accordance with its bylaws and legal requirements.

## Fiscal Council

The council is elected by the shareholders. It functions on a permanent basis and is responsible for examining the company's financial statements, among other attributions.





## Board of Directors

GRI 102-19, 102-20, 102-22, 102-24

The board has 11 members and in line with best practice, five of them are independent. The chairman, Antonio Carlos Pipponzi, has 44 years experience in pharmaceutical retail and does not occupy director level positions or an executive function in RD. The selection criteria for the board members are set forth in the Indication and Nomination of Board of Director Members Policy. Members are required to have relevant experience and qualifications for the business, in addition to a good reputation and ethical conduct. The mission of the Board is to protect and ensure the value of RD assets, provide guidance that enables business sustainability, and uphold the essence and culture of the company and the interests of all its stakeholders (customers, investors, employees, society etc.).

One advance in recent years is the increased participation of women in leadership positions, in line with our commitments to diversity. In 2021, we received Women On Board (WOB) certification, an independent initiative supported by UN Women, as a result of having three women on the Board: Cristiana Almeida Pipponzi, Sylvia de Souza Leão Wanderley and Denise Soares dos Santos.

Furthermore, RD believes that the diverse knowledge and experience of the members of the Board of Directors has the potential to generate value for the company. Currently, the Board comprises professionals with expertise in diverse areas considered essential for the success of the business and the implementation of its strategy.



## Review

GRI 102-28

In 2020/2021, a review of the Board of Directors was undertaken by an independent consultant. The methodology, which included interviews, online questionnaires and the sampled monitoring of meetings, addresses, among other questions, the composition and functioning of the Board, planning, rituals and dynamics, compliance and risks, value generation and performance. The result of the review was considered satisfactory in all the dimensions assessed. The major positive take away from the process was the perception shared by members and executives that the board's greatest strength was in making strategic contributions to value creation. The principal negative take away from the process was perception of the need for greater organization, particularly related to the provision of materials in advance and being more open to listening to everyone. In addition to the board, the advisory committees and their members were reviewed, whether they were on the board or not. Further details on the results are available on the investor relations [website](#).



## Executive Board

The group responsible for executive management and the execution of strategy is elected by the Board of Directors. It comprises from 5 to 11 positions in diverse business areas. The term of office is two years, with re-election permitted. In 2021, there was a Chief Executive Officer (CEO) and vice presidents in key areas for the company's strategy: Finance and Administrative;

Health Businesses; Corporate Planning, IR and M&A; Digital Transformation; Commercial and Marketing; People, Culture and Sustainability; Store and Multichannel Operations and Expansion. This executive board comprises 7 men and 1 woman.

The VPs undergo review processes led by the CEO and accompanied by the People Committee.



# Committees

GRI 102-20, 102-26, 102-29, 102-35, 102-36

The Board of Directors is supported by advisory committees in addressing strategic questions. There were 5 active committees in 2021:



**Audit:** in February of 2022 the RD Board of Directors approved the setting up of the Audit Committee. This is a permanent, non-statutory body with three members, all of whom are independent. Led by Maria Fernanda Teixeira, it consists of Sylvia Leão (independent member) and Pedro Zan (specialist in corporate accounting).

**Health Businesses:** led by the independent board member Marco Bonomi, it analyzes and proposes innovation in the RD business in pursuit of new activity fronts in the healthcare area.

**Strategy:** led by the member Cristiana Pipponzi; it provides support in RD's strategic planning.

**Sustainability:** led by the board member Cristiana Pipponzi. The committee's function is to develop and propose environmental, social and governance (ESG) commitments and actions to the Board of Directors.

**Finance:** its mission is to advise the Board on strategic questions related to the business's financial health.

**People:** headed by the independent board member Sylvia Leão, the body supports the Board in themes related to RD's human capital, including the evaluation, nomination and succession of managers.

# Integrity

GRI 102-16, 102-17, 102-25, 102-27, 103-2, 103-3 | 205, 205-1 | 419

The company's values determine the development of ethical, integral and fair businesses, respecting our customers, partners, shareholders and Brazilian society. Consequently we formulate policies and management guidelines to disseminate a culture of integrity and management of internal controls and processes focused on controlling risks and responding rapidly to any ethical, moral and/or legal violations.

2021 saw important updates in RD management policies. Under the influence of factors such as Brazil's general data protection law, the maturity of our governance in sustainability and the evolution of the business plan, we reviewed three existing policies

(Environment and Occupational Health and Safety; Social Investment; and Data Privacy). Furthermore, we implanted four new policies: Diversity; Stakeholder Engagement: Remote Working; and Environmental, Social and Governance Aspects in Mergers and Acquisitions.

Other company policies also directly address integrity, notably the [People Code](#) – RD's code of ethical conduct, which governs the behaviors and attitudes of everyone who acts on behalf of the organization and in its internal and external relations. Moreover, during 2021 we developed our [Supplier Code of Conduct](#) (only available in Portuguese), which comes into force in the first quarter of 2022.



**100% of the company's operations assessed for corruption-related risks**

with the involvement of senior management in the analysis of indicators from channels such as Ethical Conversation



The function of the Compliance Ambassadors Program is to divulge the RD culture and guidelines for ethics and compliance to the company areas and units. **At the end of the year, there were 32 ambassadors in place**

Regarding anti-corruption, one of the most important areas in our integrity agenda, we have the Integrity Program to disseminate our culture, our commitments and our policies, in line with Brazil's anti-corruption law.

Corruption-related risks are monitored in internal processes, with controls overseen by the Risk Management area. The results of its analyses are disclosed every two months to the Corporate Risk Committee, with the involvement of the board. The risk map related to corruption is updated annually.

Today, we have five controls to mitigate the risk of corruption. Three of them are already in force with opportunities for improvements, one has been implanted and the other is yet to be implemented. 100% of our high risk operations are evaluated for corruption-related risks, with the involvement of senior management in the analyses of indicators from channels such as Ethical Conversation.

Regarding awareness and engagement processes, in 2021 we provided training for all employees on an internal platform. This addresses factors such as anti-corruption,

### ANTI-CORRUPTION TRAINING – 2021<sup>1</sup>

GRI 205-2

Categories	Employees	Trained
<b>Administrative<sup>1</sup></b>	number	319
	%	19.62
<b>Specialist</b>	number	44
	%	10.58
<b>Executive management</b>	number	30
	%	51.72
<b>Middle management</b>	number	178
	%	26.45
<b>Operational management</b>	number	884
	%	33.28
<b>Operational</b>	number	27,327
	%	62.08

1. There are no data on training by region. In 2021, the governance bodies did not receive anti-corruption training.

anti-fraud, relations with public authorities, conflicts of interest, as well as the People Code. For executives, the training was applied online by an external consultancy. All compliance policies are available via internal communication channels, while the RD University provides courses on anti-corruption, fraud and the People Code.

As part of the measures to disseminate these policies, we created the Compliance

Ambassadors Program, the purpose of which is to divulge the RD culture and guidelines for ethics and compliance to the company areas and units. At the end of the year, there were 32 ambassadors in place.

The company's Compliance area organizes campaigns, awareness measures and projects for specific dates, such as International Anti-Corruption Day.



## Assessment of **compliance at our suppliers**

We have a supplier governance area that undertakes ESG assessments at RD partners, encompassing aspects of sustainability and governance, including anti-corruption. All RD suppliers must submit to the company's People Code and its Anti-Corruption, Anti-Fraud and Relations with Public Authorities policies. In 2021:

**3,833**  
suppliers affirmed  
acceptance of policies

**2,594**  
partners affirmed  
acceptance of our  
People Code and our  
policies

See more in  
the chapter  
**Supplier  
management**



## Communication and reports

GRI 102-17, 102-33, 102-34, 103-2, 103-3 | 205, 103-2, 103-3 | 406, 205-3

The model for managing, recording and responding to reports and complaints is another focus of attention. The company has its Ethical Conversation, a channel for receiving reports from employees, third-parties, suppliers, customers and society in general on any potential breaches of ethics and compliance, as well as on incidents involving psychological and sexual harassment, racism, homophobia, transphobia and other forms of prejudice. All cases are examined by management, which investigates and handles them with a guarantee of confidentiality and the proper management of data and information.

An advance in this area in the last two years was the creation of the Ethical Affairs Commission (CAE in the Portuguese acronym), reporting directly to the Ethics Committee and the Finance and Risk Committee, which advises the Board of Directors. With seven directors from different areas, this commission debates and decides on the investigation of sensitive cases, indicating solutions and the way they should be handled depending on the nature and seriousness of each.

## All corruption-related complaints are subject to painstaking independent investigation

The Ethical Conversation Channel receives reports that may be sensitive in nature, depending on how critical they are, such as cases of harassment, discrimination, corruption, among others.

In 2021, six complaints related to corruption were received. Only one was deemed substantiated. This involved a supplier, who was subsequently substituted. In 2021, there were no lawsuits involving corruption or fraud.

Another key topic is discrimination. As a company we are open to diversity, plurality and transparent relations. Accordingly, we make every effort to combat any kind of discrimination (read about our diversity measures on pages 75 to 83).



In 2021, we received 179 reports of psychological harassment. Of these, 57 were deemed substantiated requiring action on the part of the company, such as the dismissal of the parties responsible and warnings in less serious cases.

Moreover, during the year we received 65 reports of sexual harassment. After investigation, 34 were considered to be

substantiated, resulting in the dismissal of the offending parties. For the victims in these situations, RD offers psychological support through the Employee Service Center.

In 2021, there were 69 reports of discrimination. After investigation, the 14 cases deemed substantiated required action on the part of the company, such as dismissal and warnings in the less serious cases.

### Ethical Conversation

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

**0800 778 9009**

[contato@conversaetica.com.br](mailto:contato@conversaetica.com.br)

Check out the **Ethical Conversation** data in the [Attachment](#)

# Risk management

GRI 102-11, 102-14, 102-15, 102-29, 102-30

Risk management is crucial for the success of businesses of RD's size and complexity. Through our governance structure, in particular the Finance and Risk and Sustainability committees, we pay close attention to factors that may affect the business's value creation, reputation and longevity.

Risk mapping is divided into three major categories – operational, strategic and compliance –, with structures, controls and processes to mitigate risks in the value chain. The advisory committees' recommendations to the Board of Directors, as well as the close attention of executive managers, ensure that we are ready to address situations that could affect the business.

Environmental, social and governance factors are transversal and cover risks in the

three categories. In recent years, we have progressed in the ESG agenda, integrating it into the analysis of scenarios, trends and factors that could affect the company positively or negatively. In 2021, we developed a project to analyze and weight the more than 20 risks faced by the company, developing a "heat map" of the most critical issues.

The analysis of the criticality of RD risks takes into account both the likelihood of occurrence of the risk and its potential impact on the business. In general, the incidence of strategic risks in the heat map enables us to check critical elements for the execution of the company's business plan, encompassing both human capital



management and aspects of digital transformation, expansion and the development of healthcare service platforms.

There follows a description of the key categories – and how we manage and cultivate opportunities through them. Page 115 of the Attachment also presents the Map of RD's Externalities in different processes, areas and activities.



**OPERATIONAL RISKS** – involve questions such as unavailability of assets, information leaks, dependence on suppliers, unwarranted brand exposure, logistics accidents and problems related to private label product compliance (quality, labor, environmental and integrity practices)

**How we mitigate them** – we have regulatory controls and management standards applicable to the company; we reinforce our cyber security and data management controls; we monitor the supplier chain and we ensure an image of integrity for our businesses and brands.

**Our opportunity** – to achieve operational efficiency and excellence and improve value chain management.

**STRATEGIC RISKS** – diverse factors covered in this category encompass projects and critical indicators for the execution of our 2025 strategy and our sustainability commitments, examples being sanitary and public health crises such as the Covid-19 pandemic and the risk of not honoring the ESG commitments assumed by the company. Strategic risks also include the unavailability of human resources and talent for key positions in the company.

**How we mitigate them** – we work on executing RD's 2025 Strategy and sustainability commitments in order to drive a strong connection between the business plan, the ESG agenda, global sustainability agendas and our governance. Among the areas in focus in the ESG agenda and the business vision, worthy of note are people development, the promotion of integrative health and the management of environmental impacts.

**Our opportunity** – to position RD in the forefront of companies in its sector in terms of integration of strategic thinking related to business and sustainability.

**COMPLIANCE RISKS** – range from factors such as transparency in communicating with the market and stakeholder groups to breaches of regulatory requirements, labor regulations and corruption on the part of employees or third-parties.

**How we mitigate them** – we maintain our integrity program and structured processes to investigate reports, involving senior management by means of the Ethical Affairs Commission.

**Our opportunity** – to reinforce our culture and our conduct among the diverse stakeholder groups and develop valuable partnerships with suppliers.

# Information security and data protection

GRI 103-2, 103-3 | 418, 418-1



Given the nature of the business, we work with a base of over 42 million active customers. We are responsible for protecting the personal information we use in the routines of our pharmacies and digital channels.

The way we manage privacy, personal data protection and information security has matured in recent years, remaining abreast of the growing public debate on the use of customer data by companies.

We initiated our project to comply with Brazil's General Personal Data Protection Law (LGPD) as early as 2018. Since then, we have implemented technical and organizational measures to align RD with the new requirements. These include:

- contracting specialized consultancies to develop and continually improve the company's compliance project;

- hiring qualified individuals to help develop a personal data protection culture;
- nomination of a Data Protection Officer (DPO);
- updating of internal and external policies, including the Privacy Policy, to ensure compatibility with the data protection law;

- creation of a Privacy Portal for customers, employees, partners and service providers;
- adaptation of customer, partner and supplier contracts to ensure compliance; and
- assessment of privacy and personal data protection-related risks at our suppliers.

Furthermore, we organize periodic meetings of the Privacy Committee, with the participation of senior company management. To reinforce information security control levels, the company has implemented the following policies:

- Access Management Policy;
- Information Classification Policy;
- Security Incident Management Policy; and
- Policy for the Communication of Security Incidents to the National Data Protection Authority and the Data Owners.



We also conduct periodic audits on our information systems to ensure the implementation of the controls necessary to manage risks and threats; conducting periodic tests to identify potential vulnerabilities; implementation and enhancements to the security, technical and organizational measures necessary to guarantee the protection of the personal data we handle, such as cryptography, pseudonymization and anonymization of data; organization of periodic Information Security Committee meetings with senior management participation; and the Personal Data Retention and Disposal Policy.

Moreover, we comply with diverse information security standards, such as CIS Controls, PCI/DSS, ISO/IEC 27001 and ISO/IEC 27005. We are also in the process of updating our Business Continuity Management System and our Crisis Management process with a view to obtaining ISO 27001 certification in the near future.

Risk management is also focused on protecting our technological infrastructure and our systems for handling cyber attacks and invasions. Since 2020, we have had a strategic plan oriented to cybernetic security,



setting forth the main factors, governance and ways of controlling and reducing exposure to risks.

In 2021, there were 64 lawsuits related to personal data protection practices in the company, of which 35 have already been finalized. We were also questioned by bodies such as the consumer protection organizations Procon and Senacon, the state Public Prosecution Department and the National Data Protection Authority. Lastly, there were 220 reports to the company's Data Protection Officer (DPO). Among all these contacts, there was just one isolated case of the unauthorized alteration of personal data. The error was corrected and the customer was duly informed. There were no security violations or leaks of personal data.

Other reports received involved factors such as the collection or exclusion of data, discount policies, biometrics, use of tax payer registration number and the rectification of data. Again there were no cases of violation of privacy and/or the unauthorized disclosure of personal data.

We make every effort to protect the privacy and ensure the protection of the personal data of our customers, employees and partners, in line with the ethics and transparency that govern our activities.

We conduct regular training courses with our employees and have a structured awareness program aimed at disseminating knowledge about personal data protection and information security standards, reinforcing our privacy culture. In 2021, 18,203 employees were trained in this matter.



# What we believe

in this chapter:

- \_ 2025 strategy: business vision
- \_ 2030 ambition: sustainability commitments
- \_ Our performance





# What we believe

At RD, we have developed bonds of trust and partnership with customers, suppliers and the community, with strong brands recognized in the pharmaceutical retail segment, through which we promote health, well-being and access to qualified services



For our future, the path established in the company's 2030 Ambition and 2025 Strategy is clear: we have the potential to expand our impacts in defense of a healthier life for all Brazilians, while we diversify the base of our businesses, cultivate talents and enhance ESG controls in the value chain.

In the last four years, intensive efforts on the part of our Sustainability Committee, Board of Directors and executives have resulted in the development of strategic drivers and commitments that reinforce the integration of RD's growth plan and global agendas in the environmental, social and governance field.

In this respect, 2021 was a watershed: we launched our Sustainability Commitments which concretize our ambition, and we continue to expand our channels, services and activities in integrative healthcare, in line with our 2025 strategy and its New Pharmacy, Marketplace and Healthcare Platform pillars.

# Integrating the future of the business **with** the challenges of **mankind**

It is our understanding that RD products and services can contribute towards a more circular, regenerative economy oriented to health and well-being

BUSINESS **GROWTH**

GROWTH IN **IMPACT**





# 2025 Strategy: business vision

The way in which we project the future of RaiaDrogasil's businesses arose from an in-depth reflection on the part of the Board of Directors and the company's main executives, based on the premise of taking the company beyond the pharmaceutical retail trade

Based on RD's reputation built up over the more than the 200-year combined history of Drogasil and Droga Raia, we want to expand services, channels, businesses and relations to make the transition from a company that sells drugs to one that promotes healthier habits and lifestyles in an integrative conception of healthcare.

Reviewed annually by senior management and translated into targets that range from the drugstore counter to corporate decisions, the 2025 Strategy is based on RD's purpose of expanding its activities in three major pillars:

## New Pharmacy



## Healthcare Product Marketplace



## Healthcare Platform



The concretization of these three pillars will transform us from a pharmaceutical retailer to a company providing integrative healthcare, with businesses that include brick and mortar drugstores and digital channels to sell and commercialize products and the integrated offer of health monitoring services, the adoption of healthier lifestyles and connection with healthcare professional and diagnostic services, among others.

Take close care of people's health and well-being at each stage in life

- **Healthier People:** Employees, Customers, Communities
- **Healthier Businesses:** Diversity, Education, Shared Value
- **Healthier Planet:** Emissions, Energy, Waste



**Pharmaceutical Retail**



**New Pharmacy**



**Healthcare Product Marketplace**



**Healthcare Platform**



**Integral Healthcare**

**HOW WE ARE WORKING ON CONCRETIZING OUR STRATEGY**

**FOCUS ON PEOPLE**

talent, career and leadership development

**CUSTOMER AT THE CENTER OF THE BUSINESS**

service quality and excellence and investments that benefit the customer

**1P AND 3P LOGISTICS**

excellence in distribution, supply and diligence

**TECHNOLOGY, DATA AND AGILE ORGANIZATION**

capacity to adapt businesses and processes to handle information and take timely decisions

**INNOVATIVE DIGITAL CULTURE**

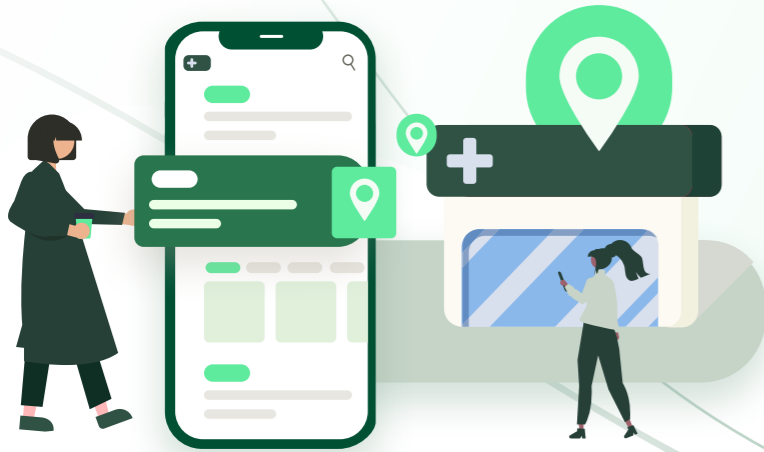
create a professional environment open to bold decision making and a multichannel and multimedia vision

**RD VENTURES**

fostering the start-up ecosystem, which feeds the business with technological solutions and processes to accelerate growth

2030 sustainability ambition: to become the group that most contributes to a **healthier society** in Brazil





## New pharmacy: capillarity, multichannel presence and healthcare hubs

In the New Pharmacy pillar, we continue to focus on delivering a specialized experience through Drogasil and Droga Raia and on encouraging our customers to access the website and the app, with a vision that integrates the omnichannel experience with a presence in the municipalities and communities



Our retail ended 2021 with 8.7% of sales made through digital channels, with half of them via our apps

*See more in*  
[Caring for our customers](#)

In parallel, we have resignified the role of the pharmacy through the offer of an ever larger number of pharmaceutical services, including rapid tests, the application of vaccinations and services for chronic patients.

We continue to believe that we create bonds and build customer loyalty through the pharmacy experience. We continued to expand the number of units, achieving our target of inaugurating 240 new pharmacies, reaching every state in the country.

## 2021 HIGHLIGHTS

**240**  
new pharmacies

Presence in every state, with

**2,490** Raia and Drogasil  
brand pharmacies

**1,500** drugstores with  
pharmaceutical service  
(application of injections and  
Covid-19 tests)

**88.5%** customer  
satisfaction in the  
pharmacies

**15.9** million downloads  
of apps since 2019

**R\$ 2.1** billion  
in revenue from digital  
sales

more than **198,000**  
**Covid-19 vaccinations** applied  
in ambulatory stations,  
through partnerships with  
local governments in 13  
municipalities

more than **4** million **Covid-19**  
**tests** administered since the  
beginning of the pandemic

more than **208** vaccination  
stations in our pharmacies,  
in 22 states

more than **67,000** influenza  
vaccinations applied in 2021

**5.5** million loyal customers,  
who correspond  
to **58% of the** company's revenue and  
**85% of sales** in the digital channels



## Marketplace: building a business network

In one year, we leveraged our marketplace operation, a business environment that connects healthcare, hygiene, well-being and beauty products from third-party sellers with our platform. This enabled us to increase the product assortment available and progress in our goal of being present at every moment in our customer's healthcare journey.

Today, we have more than 80,000 active items, with over 300 sellers in our channels.

We expanded our portfolio, with the commercialization of different products – including perfumery, orthopedic products,



health monitoring products, natural and functional therapies, genetic tests, and physical exercise equipment and accessories.

Our marketplace is now maturing. In 2021, we applied a simplified model, with online sale and delivery by our partners. We have now initiated a supplier governance process in the registration of sellers, taking

compliance into account (*see more in Integrity*).

In the next stage, we will significantly increase the entry of new sellers and will actively engage in the delivery process, as well as consolidating click & collect models that integrate the physical pharmacy with the digital marketplace.

**329** sellers  
commercializing products  
on our platform

More than

**80,000** SKUs  
on offer



## Healthcare Platform: integration of services and products

What we call the healthcare platform is the point at which we concretize the 2025 Strategy. This involves the integration of the products and services from our pharmacies with the product and service marketplace, offering customers the opportunity to improve their health and their habits, to access specialized services (consultations, orientation, diagnoses) and to monitor dietary, physical exercise, sleep and well-being routines and indicators.

From 2020 on, we assumed the challenge of setting up an internal team and seeking viable external models for this front. In 2021, we created Vitat, a brand that consolidates the healthcare platform – the result of the integration of the RD Healthcare teams and the start-up tech.fit, which we acquired in the first quarter of the year.





Vitat operates through a platform and applications that together total more than 25 million single users. Its social media channels include podcasts and videocasts, a content portal and 21 physical spaces inaugurated during the year. Its business model encompasses:

- Product marketplace
- Service marketplace (laboratories, rapid laboratory tests, vaccinations, bioimpedance and pharmaceutical services)
- Four specialties in telehealth (general practice, nutrition, physical education and psychology)
- Wellness programs and care product lines
- Content portal, including the podcast **De Bem Com Você**



## 2021 highlights

**25 million**  
single accesses  
to the digital channels

more than  
**2 million**

single users  
of the apps and

more than  
**120,000**  
views  
of the podcast  
**De Bem Com Você**

# 2030 Ambition Sustainability commitments

GRI 102-26, 102-29

In May 2021, we launched a pragmatic plan to achieve our ambition:

By 2030, we want to be the group that most contributes to a healthier society in Brazil

The construction of this ambition and our commitments for 2030 was the result of a wide-ranging reflection process, led by our board members, the Sustainability Committee and the Executive Board. Some stakeholders participated in validating the targets.

This involved the development of 35 commitments on eight thematic fronts grouped in the three pillars that have guided our ESG actions for years – Healthier People, Healthier Businesses and Healthier Planet. Essentially, we want to achieve large scale general goals, which will involve the development of impact initiatives and projects. Check them out:

In this report, we have initiated a periodic reporting cycle of the advances in these commitments. To consult them, just check out the first pages in the chapters on the three pillars

**Encourage 50 million people to be healthier**

**Include and empower 350,000 people economically**

**Be a net zero and zero landfill company**



To realize this ambition, we have metrics and indicators that show how we will measure our progress in the 35 commitments – and from 2023 we will assume the commitment to reviewing them based on what we learn.

We call this plan Caminhar Juntos (Walking Together). After all, we know that its construction will be a gradual process and will require the joint dedication of our teams, our suppliers and our customers for us to achieve our goals.



## EXTERNAL VISION

GRI 102-12



We face the challenge of establishing agendas and measures that dialog with key external commitments. Our references in this respect are the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs), which are part of our Walking Together pillars. Regarding the Global Compact, we are members of the Brazil Network.

In relation to the SDGs, we have progressed in establishing targets

and commitments directly connected with those set forth in the 2030 Agenda, taking into account the ambitions of the national goals, as well as the priority SDGs in the context of the business, its nature and its impacts.

We also have dozens of commitments and/or formal adhesions to third sector and organized civil society programs.

**Check them out by clicking here.**



## Focus on our stakeholders: materiality

GRI 102-21, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47

We are aligned with guidelines such as Integrated Reporting (<IR>), the Global Reporting Initiative (GRI) Standards and the AA1000 Standards for the definition of the most critical sustainability topics for the business. After all, listening to our stakeholder groups clarifies our vision of the company's impacts and enables us to capture trends, transformations, risks and opportunities to drive the maturity of our agenda.

Our materiality process is undertaken every two years, with the last version occurring in 2020. The process identified seven topics based on a wide-ranging consultation process that



mobilized 607 people – including executives and board members, RD employees, suppliers, specialists and partners – as well as sector studies and scenario analyses.

The main stakeholder groups are indicated in our Stakeholder Engagement Policy, created in 2021. This recognizes that our activities and

operations have short, medium and long-term impacts on different groups and establishes guidelines for periodic consultation and dialogue, as well as the responsibilities for managing these listening processes. The policy is available on the RD investor relations website: [ri.rd.com.br](https://ri.rd.com.br).



## SEE THE COMPANY'S MATERIAL TOPICS: GRI 103-1

RD strategy	Material topic	Why the topic is material	Location/area of impact	Boundaries	Related SDGs	Associated GRI indicators
<b>HEALTHIER people</b>	Employee health and safety	Caring for people is RD's business; therefore, mitigating safety risks and promoting health among employees is key to the delivery of its purpose and the operation of the business	Inside the organization	None	SDG 3 (3.4 and 3.8) SDG 8 (8.5)	<b>403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9; 403-10</b>
	Healthy community	Encouraging healthy habits and monitoring health are topics that should go beyond commercial relations, guiding RD's activities in local communities	Outside the organization	Impacts occur only in the communities where there are social projects	SDG 3 (3.4 and 3.8)	<b>413-1; 416-1; 416-2 418-1</b>
<b>HEALTHIER businesses</b>	Promoting diversity and inclusion	RD sees this challenge not only as a way of guaranteeing opportunities for a broader and more diverse segment of society, but also as a tool for developing its team internally in a healthy, innovative environment	Inside and outside the organization	None	SDG 8 (8.5) SDG 10 (10.2)	<b>405-1; 405-2 406-1</b>
	People management	For RD, employee health and well-being is fundamental, ensuring we go beyond the pursuit of operational efficiency. We promote a more inclusive, healthier organizational culture that is prepared to face global challenges.	Inside and outside the organization	Not applicable	SDG 8 (8.5) SDG 10 (10.2)	<b>401-1; 401-2; 401-3 404-1; 404-2; 404-3</b>
	Products and services	It is RD's understanding that product and service quality and excellence must be accompanied by a concern for sustainability throughout its value chain	Inside and outside the organization	None	SDG 11 (11.5) SDG 12 (12.5 and 12.6)	<b>308-1; 308-2 414-1; 414-2</b>
	Ethics integrity and transparency	Ethics and integrity at RD permeate not only its relations with its stakeholders but also transparency in the information reported and disclosed, generating trust and leveraging the business	Inside and outside the organization	Not applicable	SDG 12 (12.6)	<b>201-1; 205-1; 205-2; 205-3; 419-1</b>
<b>HEALTHIER planet</b>	Waste management and reverse logistics	Managing waste, one of RD's main environmental impacts, is aimed not only at reducing the company's own environmental footprint, but also at fostering a circular economy, with a close focus on the company's private labels	Inside and outside the organization	None	SDG 7 (7.2) SDG 11 (11.6) SDG 12 (12.5)	<b>301-1; 301-2; 302-1; 302-4 303-1; 303-2; 303-5 305-1; 305-2; 305-3; 305-4; 305-5</b>



# Our performance

GRI 102-45, 102-7, 103-2, 103-3 | 201, 201-1

RD is committed to delivering consistent, robust results to its shareholders and the market. The conjuncture in 2021 was challenging, driving us to pay careful attention to our financial health and ensuring the robustness of key indicators, such as cash generation, sales, Ebitda margin and leverage ratio



In 2021, RD extended its digital presence, **expanded the chain to all the states in Brazil** and boosted its service offering

In terms of operations, we ended 2021 operating in 485 municipalities and inaugurating 240 pharmacies; 49 were closed. From the 2,490 pharmacies in operation in December, 30% were still in the process of maturing, meaning they were between their first and third year in operation. GRI 102-10

In the physical units, we maintained our focus on the quality of customer service, while

accelerating the company's digital agenda. In terms of market share, we continue to be the outright leader in pharmaceutical retail, with a share of 14.1%.

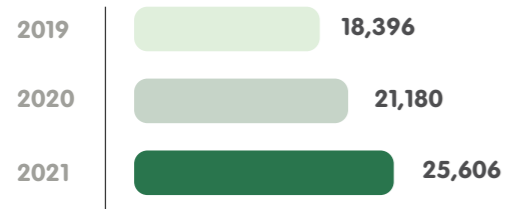
In line with the 2025 Strategy, during the year we invested heavily in technology, digital transformation and the expansion of our pharmacy chain in the country. Consolidated

capex reached R\$ 847.8 million, 26.57% higher than the previous year.

There follows a summary of our indicators for the year, These are presented in line with Brazilian accounting and financial principles and have the same scope as our Financial Statements. To see our updated results, access the [Investor Relations website](#).

## 2021 IN ONE PAGE GRI 102-7, 201-1

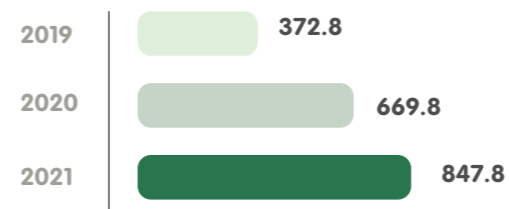
### GROSS REVENUE (in R\$ millions)



### EBITDA MARGIN (%)



### CAPEX (in R\$ millions)

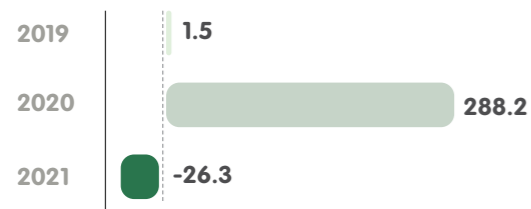


### TOTAL VALUE ADDED\* (R\$ billion)



\*Adjusted for effective expenditures on rents and excludes effects of APV

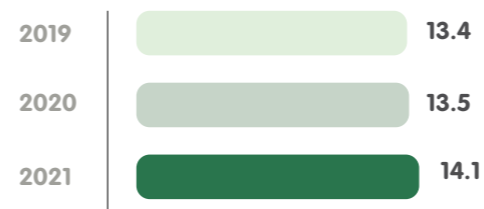
### FREE CASH FLOW (in R\$ millions)



### NET INCOME (in R\$ millions)



### MARKET SHARE (consolidated Brazil - %)



### ADJUSTED EBITDA (in R\$ millions)



### INDEBTEDNESS (net debt/Ebitda)

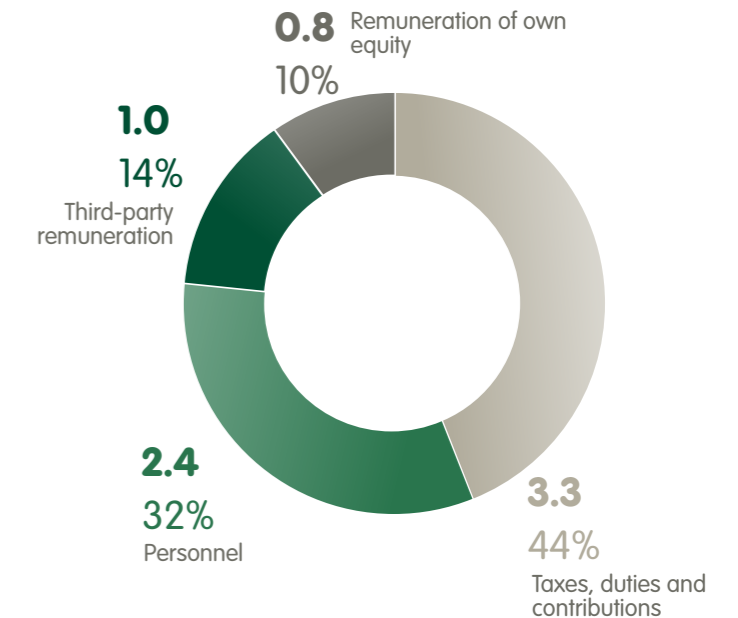


### SHARE PRICE

(in R\$/share on December 30 of each year)



### VALUE ADDED PER STAKEHOLDER\* (R\$ billion, % total of year)



\*Cost of goods sold: 16,920,835  
Salaries and social charges: 109,273

Further details about our economic-financial performance are available on the [Investor Relations website](#)



# Healthier people

in this chapter:

- \_ Health of our people
- \_ Caring for our customers
- \_ Integrative community health





## HEALTHIER PEOPLE

Our purpose encourages us to use the business to drive positive transformation in habits, lifestyles and behaviors

Our focus on complete physical, emotional, social, spiritual and environmental well-being is translated into an expanded portfolio increasingly oriented to promoting integrative health.

We seek to exercise the vocation of the business caring for our team, renewing



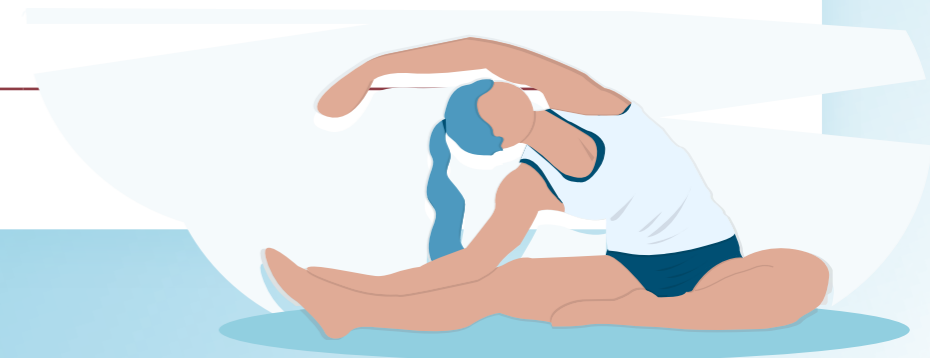
We included  
**31.3% of employees**  
 with chronic diseases in  
**healthcare programs**

our vision of our customers and taking a conception of integrative health to our surrounding communities. Among our 2030 sustainability commitments, 13 are related to this pillar. The goals and indicators are detailed on the coming pages. See a dashboard of our initial actions on each front.

## STATUS AND RESULTS: HEALTHIER PEOPLE

### OUR AMBITION: 50 MILLION HEALTHIER PEOPLE

Care for employees' health	Reduce the risk factors for employees monitored by the RD healthy habit promotion program by 50%	Have a work environment perceived as healthy by at least 80% of our employees	Significantly reduce sick leave	Offer 100% of the employees mapped as having chronic diseases the opportunity to participate in healthcare programs	Offer nutritional guidance to 100% of our employees
	<b>Status 2021:</b> We reduced risk factors of employees monitored by 23.5%	<b>Status 2021:</b> We will monitor this indicator from 2022	<b>Status 2021:</b> We monitored absenteeism and turnover promoting integrative healthcare measures, thus reducing sick leave. Moreover, we introduced the Emotional Health Journey to provide support, diagnoses, services and monitoring for employees in crisis and/or diagnosed with emotional health disorders. This program has a team that coordinates care and support 24 hours a day, 7 days a week	<b>Status 2021:</b> We included 31.3% of employees with chronic diseases in healthcare programs	<b>Status 2021:</b> We provided nutritional guidance for all employees through our healthy habits program and the use of the Tecnonutri app
Promote healthy habits among RD customers	Improve the health parameters of customers connected to the healthcare platform	Reach 100% of the customers covered by stores with healthcare coach pharmacists	Reach 100% of customers covered by pharma and/or health hub services	Expand the customer base with DNA Vida Saudável (Healthy Life DNA)	Monitor and/or eliminate components considered controversial in 100% of private label cosmetic products
	<b>Status 2021:</b> 2.7 million customers connected with the healthcare platform and 300,000 enrolled in healthy habit promotion programs	<b>Status 2021:</b> We are enhancing the concept of healthcare coach pharmacists and will start monitoring this indicator in 2022	<b>Status 2021:</b> 164,000 customers covered by pharma and/or health hub services	<b>Status 2021:</b> We reached 1.8 million customers with DNA Vida Saudável	<b>Status 2021:</b> We conducted an internal review of our products and identified 272 priority SKUs; we have already done tests with new formulations that will be launched in 2022
Promote integrative healthcare in the communities	Reach 3 million socially underprivileged people with integrative health measures	Have 20% of RD employees engaged in volunteer work	Invest 1% of the company's net income in integrative healthcare promotion projects		
	<b>Status 2021:</b> In 2021, we focused our efforts on building a Theory of Change for our social investments. In 2022, we will elaborate a monitoring structure with indicators that will permit us to track this target	<b>Status 2021:</b> Participation of 10.4% of our employees in volunteer work	<b>Status 2021:</b> In 2021, we invested R\$ 11.3 million in integrative healthcare promotion projects, of which around R\$ 5 million was for the movement Movimento Unidos pela Vacina, supporting 98 municipalities in Brazil. The total amount invested in 2021 corresponds to 2.3% of the controlling shareholder's book net profit (using as a reference the net profit of the previous year, 2020)		



# Health of our people

The commitment to becoming a healthcare platform for people at each stage of life also encompasses caring for RD employees. In 2021, we consolidated a number of initiatives, with broad engagement of the work force.

Linked with the care more for our employees program, an integrative health initiative maintained by RD up to 2021, adhesion to the Minha Melhor Versão (My Best Version) program was so significant that all the measures in this area were concentrated on it, such as valuing a healthier environment and encouraging self-care.



The My Best Version group on our internal social network has more than 15,000 members – who share their experience and the results they have achieved by changing habits

Employee participation in the survey, which drafted a health profile indicating their needs and issues, was significant. This enabled us to get to know our people better and to make more effective decisions related to promoting integrative health. Respecting information

privacy guidelines, people answered questions about all the dimensions of integrative health. This permitted us to conclude the profile of our work force, which comprises a predominantly young audience, with many opportunities to reinforce health care.

My Best Version increases the generation of knowledge about the benefits of changing some behaviors and offers tools that help in this process, respecting each person's individuality and decisions about their own lifestyle.



### My Best Version program

In the first year of the program,  
**23.5%**  
 of the population  
 had reduced  
 risk factors



The reduction of risk factors, the inclusion of people who already have chronic diseases in healthcare programs and the reduction of employees on sick leave because of emotional ill-health were defined as priority metrics. In the first year of the program, 23.5% of the eligible population had reduced risk factors.

In the habit change program, we promoted modules related to physical activity, eating habits, sleep and the mind. For each of these areas, we have associated measures such as incentives for working out, nutritional orientation and practicing meditation, among others.

In the emotional health area, we provided employees with a platform that may be accessed at any time via telephone, chat or WhatsApp. We reinforced our healthcare team with a psychologist who has clinical experience and provided content on socio-emotional education.

With support from HealthBit, a start-up specialized in population health data management acquired by RD, we expanded the monitoring of data as a foundation for planning actions. Information management is a strategic factor, considering the 49,450 employees distributed throughout all the states in Brazil.



### INTEGRATIVE HEALTHCARE

We address health using a broad approach, covering the following dimensions

- Physical
- Emotional
- Spiritual
- Social
- Environmental



### CRIS CUIDA (CRIS CARES)

**Cris is our virtual assistant specialized in emotional health.** She provides tips on prevention and recommends practical tools offered by our partners to improve employees' well-being. She may also refer users to the **24-hour** support services we offer.



### TELEMEDICINE

The telemedicine service is offered to all employees nationwide; family members may also use it at special rates. The consultations are focused on primary care, provided by family doctors, nutritionists, care coordinators and psychologists.

### HEALTHCARE SERVICE

GRI 403-3

- Telemedicine offered to all employees
- Employee Service Center: social assistants who support leaders in crisis situations involving employees
- First aid clinic





### Change in habits

In a partnership with Marcio Atalla, we offer live transmissions, activations in internal channels and events throughout the year to promote the engagement of employees, such as two editions of the RD Run and Walk. In these, the number of kilometers that employees cover are transformed into donations for socioenvironmental organizations.

2,715 employees took part in the first race in June, covering jointly 15,441 kilometers. This engagement resulted in a donation of 4,000 tree seedlings for the Instituto Ipê.

These were planted in the São Paulo district of Nazaré Paulista. While planting the trees, RD volunteer employees also learned about reforestation and the reclamation of water springs. The total distance covered in the second race in December was 9,519 kilometers, generating a donation of R\$ 19,000 for the children's and adolescents' cancer support group Graacc.

We use gamification to keep employees motivated in their health routines. They win points that can be used in the pharmacy healthcare programs when they share their experiences with colleagues.

### CULTURE AND ENGAGEMENT

We reaffirm and strengthen our purpose and business based on our teams' perceptions of the RD work place and relations. In 2021, we initiated a diagnostic and mapping exercise of our culture, with support from a specialized consultancy. We undertook an engagement survey, with more than 32,000 respondents (73% of the employees), over double the volume of the previous edition of the study in 2019. The rating was 3.96, on a scale from 1 to 5. The result shows we have a good level of employee engagement and that we have potential to improve performance.

### COVID-19

#### GRI 403-3

We remained mobilized to ensure effective actions to address the pandemic. We established health protocols with support from infectious disease specialists and tracked the evolution of cases on a daily basis, providing employees with medical assistance and emotional support. We did more than 5,000 tests to detect cases among employees in 2021.







## Occupational health and safety

GRI 103-2, 103-3 | 403, 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-9

Health and safety is integrated into our management systems. It is based on legal requirements, regulatory standards and internal policy in a system that covers 100% of our employees. All the workers are represented by members elected to the company's internal accident prevention commission, Cipa (Comissão Interna de Prevenção de Acidentes do Trabalho).

We have a structured process for identifying and mapping risks and hazards based on procedures such as a list of occupational hazards and risks (in the distribution centers certified under the Integrated Management System), an accident risk prevention program, daily inspections and a

monthly checklist. In 2021, we certified the headquarters and the distribution centers in Embu das Artes and Guarulhos.

We implant controls over all the risks by means of written warnings and action plans. These are classified based on the critical analysis of risk factors. Today the main hazards mapped include falls from the same level (sprains, fractures, slipping) and the risk of accidents with machinery (fork lifts and shelving) in the logistics area, road accidents in commuting and falls in general.

Indicators are monitored and in the event of an incident, after it has been communicated it is investigated and

Accidents	Typical*/commuting**	2020	2021
	typical	322	326
Accidents with no major consequences (leave of less than 15 days)	Rate (typical)	2.80	2.55
	commuting	132	129
	Rate (commuting)	1.15	1.30
Accidents with major consequences (leave of over 15 days)	typical	37	14
	Rate (typical)	0.32	0.10
	commuting	46	45
	Rate (commuting)	0.40	0.33
Total incidents:	Typical accidents	340	
	Commuting accidents	174	

\*Typical accident: this occurs at work or on company business, during working hours.

\*\*Commuting accident: this occurs on the commute between the employee's home and work or between work and home.

the cause is analyzed to minimize recurrences. Any complaints or reports may be made through channels such as Ethical Conversation and safety reports.

## Collective Bargaining Agreements

GRI 102-41

In Brazil, 100% of the workers employed under the CLT regime belong to the unions for their category. Given the capillarity of our operation nationwide, we maintain relations with over 260 unions in the country. Collective bargaining negotiations take place on an annual basis to review clauses in the collective bargaining agreements, benefits and other labor matters.

# Caring for our customers

GRI 102-43, 102-44

Our pharmacies are taking on an increasingly significant role in the health of our customers with the adoption of new pharmaceutical services, the use of digital resources to enhance the buying experience, the contribution to combating the pandemic and the installation of hubs to promote health. In addition to these factors, humanized and specialized service helps to establish relations based on trust.

We want our pharmacists to become references in the provision of service and



to establish bonds with the neighborhood in which they work. This care translates into the monitoring of chronic patients or ones in a serious condition. In 2021 alone, our pharmacists made over 100,000 telephone calls to customers after serving them.

Through the RD University, we have extended the qualification of our pharmacists so that they may act as

health coaches, becoming references in service provision in the neighborhood and encouraging healthy habits among their customers.

Our focus on integrative healthcare translates into an expanded portfolio of products and services. We have over 300 Sua Saúde (Your Health) spaces and 21 Vitat spaces (further information on

In 2021 alone  
our pharmacists  
made over  
**100,000**  
calls to customers  
after serving them





page 64) in our pharmacies, that offer diverse healthcare services. We also provide programs and smartphone applications to encourage and facilitate the adoption of healthier habits in terms of nutrition, sleep and physical activity, among others. Our portfolio, previously focused on drugs, care and perfumery, has today expanded options in line with people's integrative health journey, with beauty products, healthy eating habits and genetic tests, among others.

## New pharmacy: services offered

### Basic services

- Checking blood sugar and blood pressure
- Bioimpedance
- Piercing
- Application of injections
- Application of F5 Libre Sensor
- Oximetry
- Glucose hemoglobin
- Lipid profile
- Application of special medicines
- Bandages and dressings (triage and burns)

### Advanced services

- Application of vaccines
- Rapid laboratory tests (Covid-19, dengue, Influenza A and B, TSH, pregnancy, Zika and yellow fever, among others)



Consumers have embarked on our proposal. The DNA Vida Saudável customer segment, a group of consumers attracted by our product portfolio and services associated with healthfulness, well-being and sustainability, represents 5% of our customer base, but accounted for 28% of revenue in 2021. This performance demonstrates that a portion of consumers already recognize RD as a benchmark in health promotion, as well as showing the potential for boosting this segment's share in our customer base.



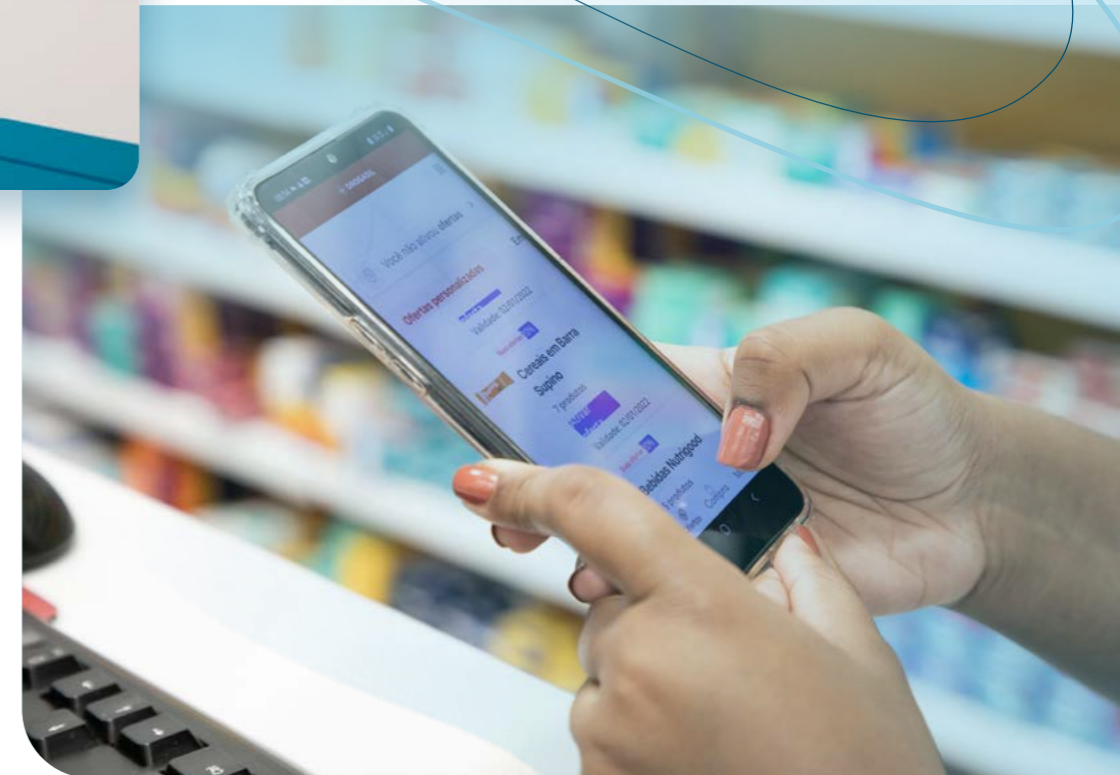


## Multichannel presence and convenience

Our multichannel presence is already a reality, offering customers the most complete solution for access to and delivery of the products they need. Around 8.7% of sales were made through digital channels in the year, and 89% of the digital orders

were filled by the pharmacies in a rapid and economically efficient manner, including 49% of the Click & Collect orders.

We also offer neighborhood delivery, an initiative whereby Droga Raia and Drogasil customers purchase from the pharmacy of their choice via WhatsApp, and receive their order rapidly and safely. This is yet another option to increase convenience and safety during the pandemic.





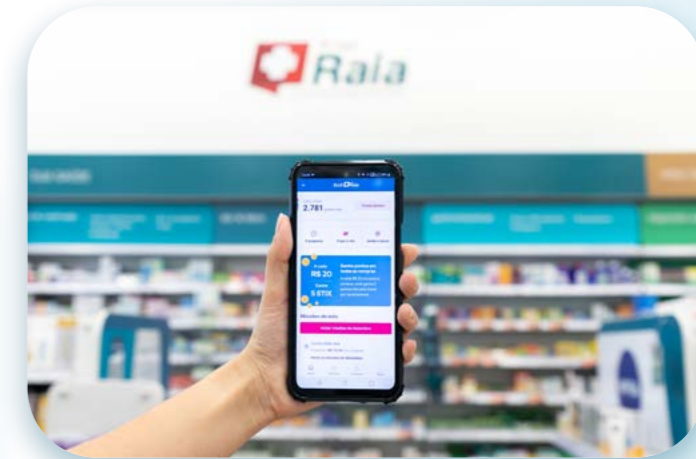
Consumers attracted by our well-being portfolio represent 5% of our customer base but accounted for 28% of our revenue in 2021

In our marketplace operation, projected to expand the offer of healthcare and well-being products for customers, we have a portfolio of 80,000 SKUs from 329 sellers in areas ranging from orthopedic and perfumery products to genetic tests. This portfolio offered by partners may be accessed via the Droga Raia and Drogasil websites and applications.

The digitalization of our relations with customers is leveraged by our pharmacies, by the use of the application and by services such as Stix and personalized offerings. These resources help us to better understand the customer journey in order to meet their needs and add value, influencing the promotion of health and healthier behaviors.

## Application

The digitalization of customer relations is essential for our long-term strategy. The customers who use our digital channels are more loyal and more engaged and spend, on average, from 20% to 25% more compared with what they spent previously. Furthermore, the apps permit connection with the three pillars of our strategy: the New Pharmacy, the Marketplace and the Healthcare Platform.



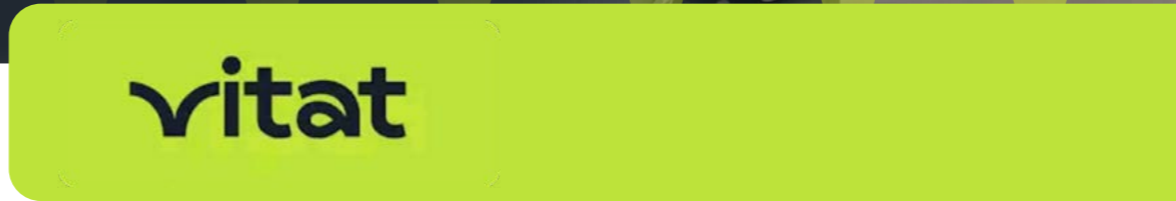
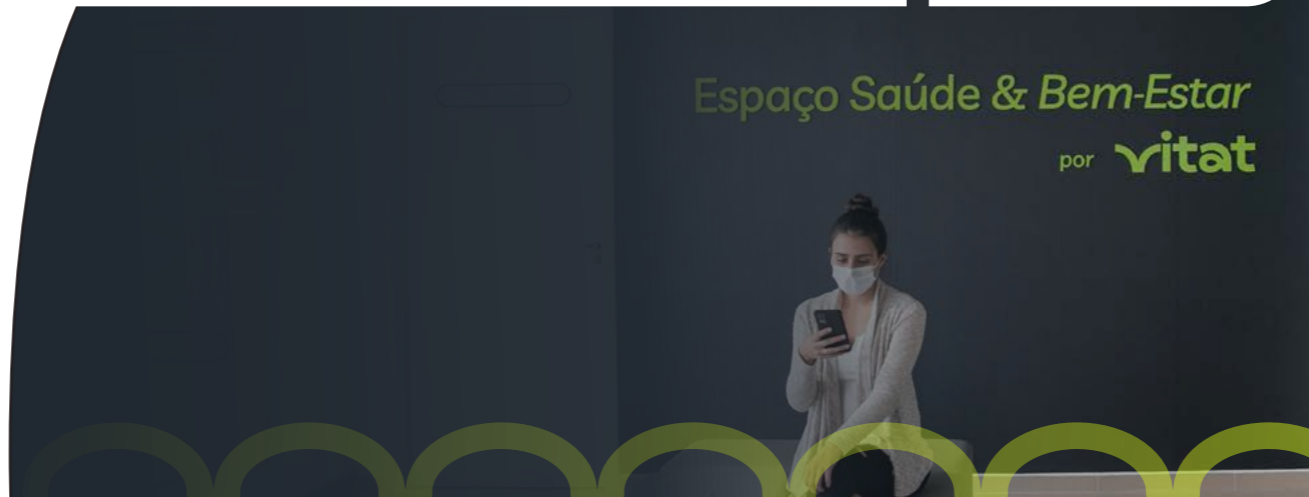
**15.9 million downloads since 2019**

**Droga Raia and Drogasil Apps: two biggest in the pharma segment\***

**The Raia and Drogasil websites are among the Top 10 in e-commerce in Brazil\*\***

*\*Similar Web. \*\*Conversion Report.*



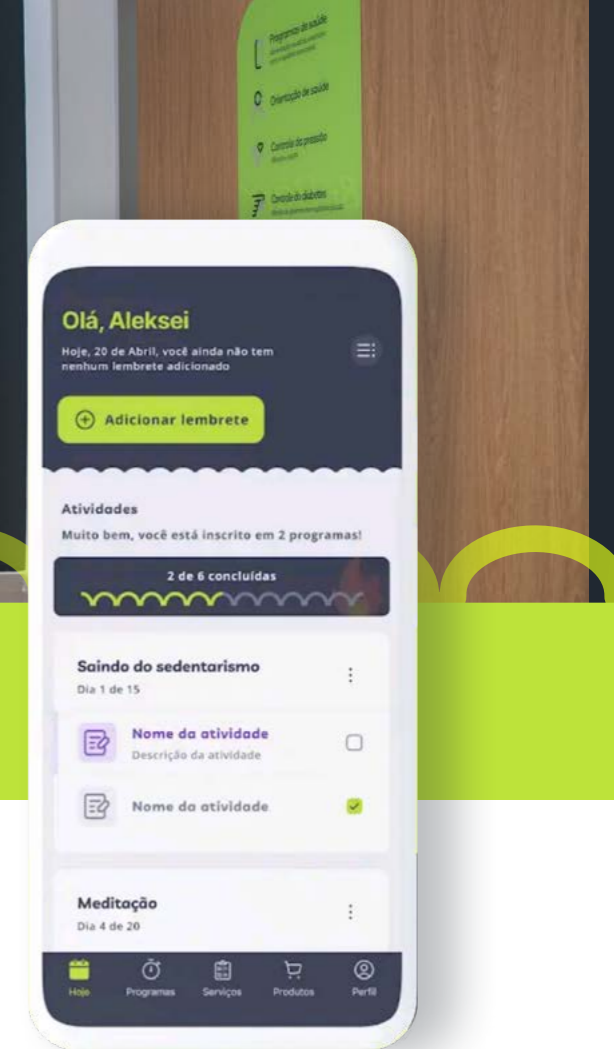


Launched in 2021, the Vitat health and well-being platform is the first step towards concretizing our presence in health promotion. The service integrates the physical and digital networks and connects people, services and products, leveraging care and transforming healthcare into a daily experience.

The platform offers services in the diverse dimensions of integrative healthcare, combining an application with products, online services and our physical stores, as well as content promoting health and well-being.

There are more than 150 free programs linked with Vitat. On the website, specifically, it is possible to participate in more than 40 programs focused on healthy eating habits, exercises, sleep, emotional health and health promotion. There are plans for medical teleorientation, nutritional, psychological and physical education services.

21 Vitat spaces were installed in pharmacies in São Paulo, Rio de Janeiro, Minas Gerais and Ceará in 2021. They offer rapid tests, monitoring of clinical parameters and guidance from pharmacists.



For 2022, we intend to evolve in the healthcare ecosystem services and products, offering subscription programs through Vitat, and to expand the healthcare hubs in pharmacies.







## Private labels expand healthy product portfolio

GRI 102-11, 103-2, 103-3 | 416, 416-1

Through out private labels, we have also concretized our commitments to sustainability, with ever more diversified product lines and products that value healthy eating, safe formulations and advances in eco-efficient packaging.

The Nutrigood line was reformulated with new food options that favor natural ingredients that are flavorful, healthy and convenient for people's busy daily routines. The reformulations and new products were developed in accordance with the principles



of the 2014 Food Guide for the Brazilian Population issued by the Ministry of Health.

With Needs, we made use of our share in the sanitary pad segment to issue alerts about period poverty and support the expansion of access to hygiene practices in partnership with the United Nations Children's Fund #MenstruationMatters movement (*see more in Community*).

Among our commitments for 2030, we intend to remove controversial ingredients

from the formulations of our private label cosmetics products, either because of concerns about environmental impacts or about public health. Since 2020, we have conducted studies to find alternatives for the use of parabens, triclosan and formaldehyde, ingredients widely used in cosmetics, to prevent contamination by microorganisms. Even adopting the purposes and concentrations approved by the national sanitary authority Anvisa (Agência Nacional de Vigilância Sanitária), we want to eliminate use of these substances to ensure alignment with best market practices in view of our concern for the environment and for human health. The analyses are conducted in partnership with our formulation suppliers.

To define the ingredients to be monitored, the quality team continually evaluates lists of controversial ingredients published by Anvisa and international bodies such as the FDA, SCCS, in addition to scientific literature.

\*FDA - United States Food and Drug Administration

\*\*SCCS - Scientific Committee on Consumer Safety



At present, we classify, monitor and control the use of the following controversial ingredients in our perfumery (cosmetics) products:

Ingredients banned for new developments and in process of exclusion from the product portfolio:

- **TRICLOSAN**
- **PARABENS**
- **FORMALDEHYDE**

Controlled ingredients (we permanently monitor scientific studies on their safety and limit their use to specific product categories):

- **SULFATES**
- **SILICONS**
- **ETHYL ALCOHOL**

From the total of 272 cosmetics SKUs active and on sale in 2021, 142 contain one or some of the six controversial ingredients listed. Of these, 87 SKUs are on our priority list for reformulation because they contain some of the ingredients we want to eliminate.

For 2022, we plan to reformulate and/or relaunch at least 43% of them.

To address any doubts, suggestions or queries related to the ingredients monitored we have an exclusive customer service channel for RD Brand products:

\_ [sacrdmarcas@rd.com.br](mailto:sacrdmarcas@rd.com.br)  
\_ **Call center: 3004-8005**

## Social Impact

through access to healthcare and well-being

GRI 102-21, 102-31

It is our understanding that healthcare is a universal human right. Our goal is to contribute to integrative healthcare for everyone, regardless of social class. Based on this, we believe that business and impact should go hand in hand, as an integrated strategy.

With this purpose, in 2021 we created a new area in the Healthcare Businesses pillar – the Social Impact Businesses management area. In partnership with Yunus Social Business and other specialized partners, we are undertaking an innovation and impact journey to create a social business that expands our customer base and activities, as well as contributing to strengthening prevention and promoting healthcare in underprivileged communities.

We began this journey with a dive into the healthcare impact ecosystem and Brazil's SUS (Sistema Único de Saúde) public healthcare system. We also took a closer look at the target public and the low-income population in Brazil, with in-depth research into four selected peripheral communities. So far, we have identified 147 types of secondary data; we interviewed 73 healthcare specialists and leaders of start-ups in the ecosystem, 4,863 community members and 397 public healthcare specialists (SUS); and we conducted 10 focus groups with communities and healthcare specialists, involving the participation of 176 people.

For 2022, the intention is to conclude this creation stage and implement a pilot in partnership with some of the communities already involved in the creation process with us.

# Integrative community healthcare

GRI 103-2, 103-3 | 413

It is our purpose to take close care of people's health and well-being at each stage in life. This guides our social investment initiatives, with a focus on integrative healthcare in the communities in which we operate.

## DONATIONS USING RD FUNDS

Our investment comprises donations funded by RD, customer donations and tax incentives.

Faced with the challenges of yet another year of pandemic in Brazil, RD maintained its efforts to support society in combating Covid-19. In April 2021, we engaged with Unidos pela



In 2021, more than  
**R\$ 36 million**  
was invested  
in integrative  
healthcare  
promotion projects

Vacina, a civil society movement involving organizations, companies, associations and NGOs to support small municipalities not having suitable structures for mass vaccination. RD's support benefited 98 municipalities throughout the year, at a total cost of almost R\$ 5 million. The average investment per municipality was R\$ 50,800.

Another key measure we took in combating Covid-19 was the provision of R\$ 2 million to the Instituto Butantan towards the construction of its new vaccine plant.

Still within the context of the pandemic, through Sitawi Finance for Good, we made a donation of R\$ 1 million to the Salvando Vidas (Saving Lives) project, created by the development bank BNDES (Banco Nacional do Desenvolvimento) in partnership with the charity hospital association Confederação das Santas Casas de Misericórdia, Hospitais e Entidades Filantrópicas to combat Covid-19. The money was for the purchase of PPE for the Santa Casa hospitals and other philanthropic hospitals nationwide.



## more than 100 projects in 70 municipalities impacted by matchfunding actions with Benfeitoria



In another donation initiative, we created the Doa project, an online platform for the donation of hygiene products unsuitable for sale because they were close to their expiry data or damaged but still usable. We are in the testing phase with some NGOs and distribution centers.

### CUSTOMER DONATIONS

In addition to social investments undertaken in the context of the pandemic, we provided financial support for social initiatives focused on positively impacting people's physical, emotional, spiritual, environmental or social health.

We also sought to engage our customers in the donation culture through the Troco Solidário (Donate your change) program and the sale of social products in our pharmacies. Donate your Change is an initiative of the Droga Raia and Drogasil pharmacies in which customers are invited to donate the change from their cash purchases to social projects. Part of these funds go to the AACD. The rest of the funds were distributed in an innovative manner in 2021, as we sought to expand the reach of these investments, especially to social organizations in smaller cities.

To achieve this goal, RD joined the Benfeitoria platform in a matchfunding initiative to finance social projects in one or more integrative healthcare areas. The initiative benefited more than 100 projects in around 70 municipalities.

## Governance of **private social investment**

In 2021, we reviewed the company's Social Investment and Contributions Policy ([access here](#), only available in Portuguese) and created a Private Social Investment Committee to develop a more strategic vision for this agenda.

With a view to building a more strategic vision for the social investment agenda, we created the Private Social Investment (ISP in the Portuguese acronym) Advisory Committee. This is responsible for advising the social investment area in its strategic planning in order to boost its positive impact on society; support the social investment area in implementing its plans and in achieving its desired results; and provide references and contacts that can maximize the social impact of the initiatives. The committee comprises people from RD (such as shareholders, executives and employees) and external guest stakeholders

## Year of growth for the magazines

**48%**  
increase  
in the amount raised

**R\$ 6.3**  
million  
raised

**19**  
institutions  
benefited



The magazines *Sorria* and *Todos* are social products sold in our pharmacies aimed at supporting projects in the healthcare area. The full amount raised by the magazines, excluding production costs and taxes, goes to social organizations selected by calls for proposals.

In 2021, the funds raised by the two publications increased by 48%, totaling R\$ 6 million, which went to 19 institutions. This significant result is made possible by the engagement

of our employees, who support the commercialization of the magazines and help to raise customer awareness. The publications are an initiative by the publisher Editora MOL in partnership with RD. The purpose is to disseminate positive information, inspiring stories and examples of accomplishments. In addition to the periodic publications, in 2021 the publisher launched books with the same editorial proposal, which helped leverage social fund raising in 2021.

### TOTAL INVESTMENTS IN SOCIAL ACTIONS (R\$)

<b>Donations from own funds</b>	<b>11,377,305</b>
Unidos pela Vacina Movement	4,979,666
<b>Social initiatives focused on integrative healthcare</b>	<b>3,397,639</b>
Vaccine plant - Instituto Butantan	2,000,000
Salvando Vidas Fund (BNDES)	1,000,000
<b>Customer donations</b>	<b>12,567,529</b>
<i>Sorria</i> and <i>Todos</i> Magazines	6,262,312
Donate your Change	6,305,217
<b>Tax incentives</b>	<b>8,500,000</b>
<b>TOTAL</b>	<b>32,444,834</b>

needs 

unicef 



## Campaign for menstrual health

To expand access to information and draw attention to the problem of period poverty that affects many children and adolescents, we joined Unicef – the United Nations Children’s Fund – to promote access to integrative hygiene care.

Sanitary pads can still be considered expensive for many families – women who menstruate can spend up to R\$ 6,000 on such pads in a lifetime, and 25% of the cost goes to taxes. Moreover, menstrual health goes beyond access to sanitary pads, involving access to mains water, basic sanitation and information.

The #PraQuemMenstrua (#MenstruationMatters) movement was launched by RD through its Needs private label, in partnership with the Unicef Wash initiative. It works with underprivileged communities in Pará, one of the regions most affected by the problem, according to a report released by the United Nations Population Fund (UNFPA) and the United Nations Organization (UNO).

The measure supports schools in the region, enabling them to ensure an appropriate environment in which children and adolescents may have access to bathrooms, water, basic sanitation and personal hygiene products. We donated R\$ 100,000 to Unicef. Additionally, part of the profit from each sanitary pad sold goes to the initiative. We also distributed a Menstruation Guide providing information on the menstrual cycle and the care involved, inviting our customers to participate in the initiative.

### Campaign results

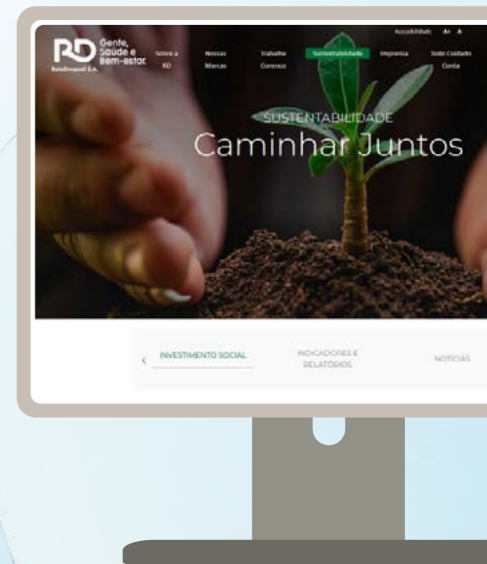
**R\$ 100,000** for Unicef, and another **R\$ 43,800** donated via Needs sales

**30,000** packs of sanitary pads donated

Focus on supporting schools and children in the most vulnerable communities impacted by the pandemic in Pará (PA).

In 2022, we will deliver 16 hand washing facilities, as well as a course on menstrual health to 150 adolescents from vulnerable traditional and riverside communities, community agents, teachers and local partners.

See all the projects supported by RD on our website:



[rd.com.br/en/sustainability/social-investment/](https://rd.com.br/en/sustainability/social-investment/)



## Volunteer work program

Our volunteer work program encourages and helps our employees to engage in volunteer work. We organized the RD Volunteer Challenge, which led to the execution of volunteer projects close to the pharmacies by 900 employees, with a prize of R\$ 10,000 for the NGOs receiving the best assessments. The company donated around R\$ 280,000 to 28 NGOs. In 2021, we reached our short-term target, which was to engage 10% of our work force in the program. At the end of the year, a total of 4,878 employee volunteers were engaged in the program, corresponding to 10.37% of our active employee base.



## Raising the awareness of our drivers

Since 2020 we have been signatories to Na Mão Certa (On the Right Side), a program that supports measures to protect children and adolescents and to combat sexual exploitation on Brazilian highways. The initiative is organized by WCF/Childhood Brasil. In the RD University we developed an e-learning program to drive awareness among transportation and logistics workers, with the participation of 8,383 people.  
GRI 102-12, 413-1



## Access to medication

GRI 103-2, 103-3 | 203, 203-2

The capillarity of the RD network helps to generate a significant impact on the availability of medications, facilitating access to these products that are indispensable for people's quality of life.

The number of pharmacies registered in the federal government's Farmácia Popular program was 905 units. This initiative is a government public policy to improve access to medication for patients with

chronic diseases such as high blood pressure, rhinitis, Parkinson's and osteoporosis, as well as contraceptives and others. The products are free for the public meeting the program's requirements.

In 2021, more than 2.1 million customers were served at our pharmacies within this program, with the distribution of over 29 million medicines. The economic benefit for these patients was R\$ 232 million.

# Healthier businesses

in this chapter:

- \_ Grow with diversity, inclusion and equality
- \_ Development and careers
- \_ Supplier management



## HEALTHIER BUSINESSES

We total almost 50,000 employees and have a network of thousands of suppliers, distributed throughout different regions and business sectors

We have an engaged team with a proactive mindset, apart from which, we work constantly on training our personnel and enhancing our internal indicators, in particular those related to diversity and inclusion. Businesses that have the size, capillarity and importance of RD in society and in surrounding areas, have great potential to promote equality and social transformation, as well as social and economic development for their partners and their production chain.

To address an increasingly modern and dynamic environment, we designed a new governance model to manage our people. The People, Culture and Sustainability



area has evolved with the establishment of expertise centers, prepared to provide consulting services and support for managers in implanting company strategy. Accordingly, we have culture and communication, health and well-being, jobs and remuneration and sustainability areas, as well as an agility nucleus. The latter is a structure that evolved from the technology area to promote a change in mindset throughout the company, supporting the development of agile methodologies, the formation of squads and the consolidation of digital transformation in the different RD areas.

Our platform of sustainability commitments challenges us to ensure traction and drive scale in the positive impact RD produces for its employees and partners. We present the twelve goals and their initial results in 2021 in the coming pages.

Around 40% of the executive team was hired in the last three years, which has helped us to introduce new competencies into the company. We have also developed a talent pipeline to ensure the execution of strategy while becoming the employer of choice for new careers and fostering intrapreneurship.



## STATUS AND RESULTS: HEALTHIER BUSINESSES

### OUR AMBITION: INCLUDE AND EMPOWER 350,000 PEOPLE ECONOMICALLY

<b>Include and empower employees by promoting diversity</b>	Achieve gender equality in all functional categories in the head office, in the pharmacies and in the distribution centers	Have at least 50% black people in leadership positions	Have 6% disabled persons in the work force in all the operations with a reduction in staff turnover	Double the share of people aged over 50 in RD, compared with 2020	Achieve an environment free from discrimination (against the disabled, LGBTI+, black people, the elderly [over 60 years] and women) in the pharmacies, head office and distribution centers
	<b>Status 2021:</b> <ul style="list-style-type: none"> <li>26.3% women in executive positions (VPs and directors)</li> <li>42.1% women in middle management (regional managers, executive managers, managers and coordinators)</li> <li>68.5% women in operational management positions (pharmacy managers)</li> </ul>	<b>Status 2021:</b> In 2021 we concluded the first demographic and perceptions census at RD, a project that enabled us to identify and detail the profile of our employees. We identified that 55% declared that they were black or mixed race. In 2022, we will undertake race-based re-registration of the work force and define actions aimed at leveraging the representativeness of black people in management positions	<b>Status 2021:</b> We ended the year with 1,961 disabled employees. During almost the whole year, employees with intellectual impairment remained on leave due to the pandemic. We also faced many challenges in hiring new people, as well as in retaining talent. As a result of this situation, in 2021 we contracted a consultant in diversity and inclusion and maintained close dialogue with managers and teams, as well as focusing on the development of inclusive communication practices accessible to all	<b>Status 2021:</b> Representativeness of persons aged over 50 grew by 26% compared with 2020	<b>Status 2021:</b> RD Diagnostic Census: 77% of employees perceive the RD environment as being diverse and inclusive. Our target is to reach 90% of employees with a positive perception of RD in terms of diversity and inclusion
<b>Expand employee opportunities for personal development</b>	Drive the education of 7,000 professionals with RD incentives	Achieve the mark of 40,000 employees taking professional growth courses	Provide 10,000 opportunities for increased income every year		
	<b>Status 2021:</b> 752 employees received education incentives in the form of grants or partnership agreements	<b>Status 2021:</b> 3,200 employees took professional growth courses via the RD University	<b>Status 2021:</b> 14,381 employees were either promoted or received merit awards		
<b>Promote empowerment and diversity among suppliers</b>	Reach 100% of regular small suppliers trained in business management and sustainability	Offer training in business management and sustainability for 100% of active small sellers	Achieve 100% of suppliers of critical categories assessed for ESG criteria	Achieve 100% of suppliers of critical categories with diversity targets or indicators	
	<b>Status 2021:</b> We are still in the process of developing this commitment	<b>Status 2021:</b> We are still in the process of developing this commitment	<b>Status 2021:</b> We achieved 100% of suppliers of critical categories assessed for ESG criteria	<b>Status 2021:</b> We are still in the process of developing this commitment	

# Grow with diversity, inclusion and equality

GRI 103-2, 103-3 | 405

The More Diverse RD platform is aimed at promoting a more diverse and inclusive environment, given that this is a value for our brand and a strategic asset for our vision of integrative healthcare.

In 2021, we developed an Education Journey in Diversity and Inclusion for RD executive managers. Going beyond theoretical knowledge, the program promoted awareness as a basis for the creation of a more diverse and inclusive environment. Faced with the challenge of expanding and, consequently,

executing strategy and accelerating the company's evolution, we initiated a mentoring program for executives, which included talks with specialized speakers from the market.

In gender, we have the challenge of achieving equality in all functional categories by 2030, including executive leaders and reaching 50% participation of black people in management, as well as increasing the representativeness of persons aged over 50 and disabled persons in our operations. Actions for other minority groups, such as LGBTI+,



are also a company-wide component of the diversity agenda.

We realized that to take the next step it would be necessary to structure the governance of diversity and inclusion at RD, defining roles and responsibilities; consequently executives were made sponsors for the generation, gender, LGBTI+, disabled persons and race/ethnic origin agendas. Specialists in D&I promoted talks with key leaders, expanding the repertoire and awareness of the challenges involved in promoting a diverse and inclusive environment.



2021 was the year in which we implanted our **Diversity and Inclusion Policy** ([available here](#))



2021 was also the year in which we implanted our Diversity and Inclusion Policy (available [here](#)), as well as undertaking the first RD demographic and perceptions census, a project which provided us with more in-depth knowledge of our employee profile.

The pandemic affected the progress in some of the agendas, a case in point being disabled persons. Although we are a reference in the inclusion of people with intellectual impairment, in the pharmacies and distribution centers we were forced to maintain these employees on paid leave for a large part of the year. This was necessary because our safety protocols needed to guarantee everyone's health in combating Covid-19.

In parallel, hiring new employees in this group was also affected. In October 2021, understanding the needs of this audience and the fact that sociability is a relevant factor for the emotional health of these employees, we developed a project to reinsert them in the work place with specific health and safety protocols, an important step towards ensuring their well-being. To ensure the success of this Bonds Project, we defined key stages for the



return to work and the reinsertion of these employees in their activities. These included assessment by tutors and a psycho-social assessment conducted in partnership with Zenklub. [GRI 102-35](#)

In parallel, we reinforced recruitment and selection processes for the disabled and created an exclusive page for disabled persons on the recruitment website [vagas.com.br](#).

Additionally, we are stepping up our selection efforts focused on diversity. Currently we have 30,000 black employees

(61%), as well as 72 indigenous (0.07%) and 28 refugee (0.06%) employees.

In conjunction with the business network for social inclusion Reis (Rede Empresarial de Inclusão Social), we supported the production of the Inclusive and Accessible Guide to Communication, as well as other measures to boost the employability of the disabled.

Learn more about the guide and download it [here](#) (only available in Portuguese)



**The company has focused investment on the recruitment and selection of minority groups in recent years**

## More Diverse RD: Be who you are here

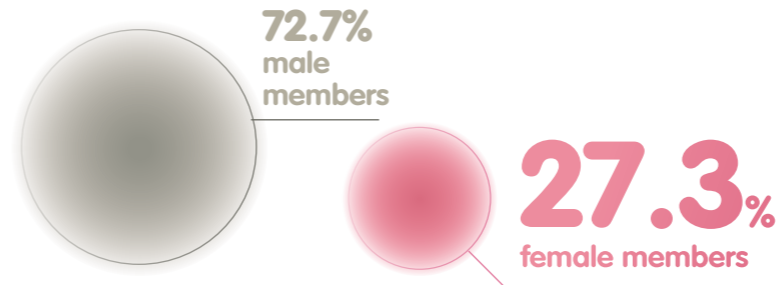
**13%** of the employees who responded to our census declared that they belong to **LGBTI+ groups**

**2%** declared that they were **trans**

**1%** of respondents declared they were **pansexual**

**86%** of the company's employees declared that they can **be who they are at RD and build relations based on trust**

## BOARD OF DIRECTORS



## GENDER PARTICIPATION IN LEADERSHIP POSITIONS:

**Executive management**  
VPs and directors

**26.3%** women

**Middle management**  
managers, regional and executive managers and coordinators

**42.1%** women

**Operational management**  
consisting mainly of pharmacy managers

**68.5%** women



## Training in diversity and inclusion for all employees

In the RD University we have a seven-module training program to develop the team. This addresses subjects such as unconscious bias, the inclusion of people with intellectual impairment, people with Down syndrome and with autism, among other subjects.

Also worthy of note is our course on Brazilian sign language, Libras, with 21,000 employees having completed 28,000 hours of training.

## The Inclusive Recruiter Journey

To ensure our people attraction processes are aligned with our positioning and strategic goals, we implemented the Inclusive Recruiter Journey for the Recruitment and Selection teams. In addition to underscoring important points

in the company's Diversity and Inclusion policy, cases of success and good practices in more inclusive and plural selection processes are presented. This team has had more than 40 hours of training to date.

## Parenthood Journey



We increased the range of benefits offered to our employees with the extension of parental leave, including homosexual couples. This benefit is also extensive to adoptive parents. In these cases, it varies from 15 to 60 days, depending on the age of the child or adolescent. Mothers-to-be and guardians also gained access to exclusive content developed in partnership with the organization Filhos no Currículo on our learning platform. Today mothers and adoptive mothers receive a hygiene kit for their children during

12 months, in a partnership with [@needsbaby](https://www.instagram.com/needsbaby), our private label of early childhood products.

Parenthood was also a subject of reflection for employees with content and courses that addressed matters related to caring for babies, roles and responsibilities, among other questions. Leaders also received training in this area. The initiative has had a significant positive impact on the lives of families and their relation to work, impacting more than 10,000 employees.

GRI 102-13

## Gender actions

**Mentoring**  
for women

### Live transmission with inspiring women:

for example, Daniela Grelin from the Avon Institute and Mônica de Sousa, from the Instituto Maurício de Sousa



### Women on Board:

in 2021, we received recognition from this independent initiative due to the female participation in our governance (we have three female board members)

## Donation of R\$ 100,000

to fund for combating violence against women and girls, led by the Avon Institute

Parenthood **journey**

## LGBTI+ actions



### Adhesion to Fórum de Empresas e Direitos LGBTI+



## Actions related to race/ethnic origin and minority groups

Adhesion to the **MOVER** movement, to ensure an active role in combating racism, including questions such as support for generating **leadership positions for black people**



More than **50** openings publicized in employability forums for trainee IT developers, aimed **exclusively at black and mixed race candidates**

**I want to be Dev** exclusively for black and mixed race people

**Hiring of refugees** of diverse nationalities in the distribution centers.  
**Origin: Bolivia, Angola, Cameroons, Congo, Haiti and Venezuela**

Hiring of **37** indigenous apprentices for Drogasil pharmacies in every region of Brazil

**Union with inclusive movements**  
so we can learn about and support  
the transformation of society:

GRI 102-12



Universidade **RD**  
transformando por meio do aprendizado

## Development and careers

GRI 102-35, 103-2, 103-3 | 401, 103-2, 103-3 | 404, 404-2

We are proud to be a company that has always invested in the professional growth of our people. In 2021, more than 14,000 employees were promoted or received merit awards in their functions. In addition to promoting the individual's development, it is our understanding that by valuing their performance and promoting their career growth, we are also impacting society positively. Through the RD University, we continue to provide learning and development for all our employees and their families. In 2021, the company promoted more than 4.3 million hours of training in the most diverse formats.

The organization's learning culture is evolving from year to year, in line with RD's strategic goals and in response to the challenges presented by the present conjuncture. In the last year, we increased investment in training focused on preparing leaders to act in line with the new needs in the work environment. This requires greater collaboration, with more flexible structures, agile methods, the use of data in managing people and the promotion of purpose and enchantment in the leaders' teams.

In 2021, more than 2,400 pharmacy, distribution center and corporate managers participated in





**88 hours**  
was the average training  
load for employees in 2021

(further details on this indicator in the [Attachment](#))

training programs in areas such as leadership and managing people, feedback, emotional intelligence, digital mentality and agility.

Each action is structured to leverage development, with a constant focus on relevance and impact. One highlight was a new course for all company directors in partnership with the ISE Business School. This involved five modules given over a period of two months with an approach based on case studies, covering subjects such as leadership, digital mindset, innovation, lean thinking, ambidexterity and agility. The program had a course load of more than 40 hours. It generated

countless discussions, interaction among the participants and powerful insights.

The goal of developing leaders and teams in a dynamic and complex context is complemented by our historic commitment to the career development of our employees, starting with the sales assistant in the pharmacy who can become a pharmacy manager within five years. Today, 100% of the pharmacy management team has been trained via this model. Elements of this work include the Trail Program, aimed at professional inclusion opportunities for young people with no experience, and the Progress Program,

for training regional managers. In 2021, we completed the training of 480 new managers and 13 new regional managers, who assumed management of our pharmacies nationwide.

We manage competencies by means of the Crescer (Grow) program, aimed at aligning individual goals with those of the organization and reinforcing the role of each person in achieving business results. Performance reviews are conducted via a specific platform which generates an Individual Development Plan (PDI in the Portuguese acronym), monitored by managers during the course of the year.

Regarding assistance in career transition, the company has a specific outplacement program for corporate managers and directors whose work contract has been rescinded. We also provide made to measure programs for executives – directors and managers. Similarly the company offers a mentoring program which was extended to management level in 2021. **GRI 404-2**



## Training pharmacists

We ensured the continuity and expanded training for pharmacists in the application of vaccines, the provision of new pharmaceutical services and the application of rapid tests, particularly for Covid-19. A total of 4,500 pharmacists were trained in 2021, supporting the implementation of the RD New Pharmacy strategy and guaranteeing the provision of services to customers during the pandemic.

## Digital agile academy

In line with company strategy, we set up the Digital Agile Academy to provide a series of courses in areas such as agile methods, data science, IT developers, design and product.

We launched career trails for digital-related positions, with structured learning plans for DEVs, QAs, POs, Agilists, Designers, Engineers and Data scientists. Also worthy of note was the continuation of the internal training

program for developers, Quero Ser DEV (I Want to Be a Developer), resulting in the preparation of 147 new Devs and QAs. Also there were specific groups oriented to diversity criteria (exclusive group for black people). These programs were also open to employees who had already worked in other company areas, such as the pharmacies and distribution centers, and who changed career with support from the program.

## Training in integrative healthcare and sustainability

We also created learning trails in the sustainability and healthcare areas. In this respect, the course menu covers the concept of integrative healthcare, with specific modules for each pillar (*see the pillars on page 57*). New courses in the online trail available to all the employees address the company's sustainability, waste and conscious disposal commitments. The year also saw the launch of the Game Mission Earth 2132, which promotes in-depth reflection on sustainability topics, based on the Sustainable Development Goals (SDGs). In 2021, 17,897 employees undertook a total of 26,191 hours of training in sustainability-related topics

For the second year, the web series "Papo Aberto de Sustentabilidade" (Chat about Sustainability) involved the participation

of leaders and employees in conversations about the highlights of the annual sustainability report and the 2030 commitments. Its interactive format enabled the company to recognize, clarify, celebrate and make the advances on diverse fronts tangible. At the end of 2021, the series had over 6,000 spectators and is still available in the Knowledge Library.

In Education for Diversity, we advanced with the creation of new distance learning courses for all the employees and an agenda of workshops on diversity. We also launched a specific program for senior management and a training program to develop inclusive recruiters.

More details about these courses are available on pages 76 and 79.





### Number of study grants **doubled**

We formed partnerships with teaching institutions and doubled the number of study grants for undergraduate and graduate courses, ending the year with 752 employees benefiting. More than 90% of these were for undergraduate courses, the priority being the Pharmacy area. Employees from all the regions of the country benefited. We also formed new educational partnerships with the Grupo Kroton and Unyleya. These are valid nationwide and provide exclusive discounts for employees who take campus or online undergraduate and graduate courses.



### Other highlights

**more than 2,000 enrollments** in subjects that are part of graduate programs, the product of Uol EdTech in partnership with PUCRS, including “The art of leading and inspiring”, “Creativity and Value Generation” and “Health and quality of life”. The participants receive a certificate. Moreover, the course may be used as a credit if they want to complete the full graduate program at PUC.

**more than 2,400** pharmacy, distribution center and corporate managers participated in training initiatives in areas such as leadership and managing people, feedback, emotional intelligence, digital mindset and agility.

**more than 8,000 single users** accessed the Family Portal, which has more than 500 diversified online contents available free of charge for employees’ families. The contents include career and work, languages, health, society, schooling and fun.





In 2021, 100% of the suppliers mapped in categories considered critical participated in the sustainability self-assessment process

# Supplier management

GRI 102-9, 103-2, 103-3 | 205, 103-2, 103-3 | 308, 308-1, 308-2 | 414

The learning curve in managing the supply chain over the last three years is reflected in new practices under implantation and in the targets established. It is our understanding that we need to evolve given growing complexity due to accelerated growth and the strategy of making RD a healthcare hub, which involves the incorporation of new product and service categories.

The company has relations with around 5,213 suppliers, of which 2,245 are direct (merchandise sold in the pharmacies), 131 for RD Brands and 2,837 others (supply of supporting services and materials such as transportation, civil construction, consultancy etc). The supplier profile is diverse, ranging from large companies that already have a structured ESG agenda to smaller suppliers, with whom we have the opportunity to support and influence the adoption of good practices.

## NUMBER OF SUPPLIERS

Private labels	131
Direct suppliers	2,245
Indirect suppliers	2,837
<b>Total</b>	<b>5,213</b>

## ESG agenda in the supplier chain

In 2021, we reinforced our commitment to developing positive relations in the supply chain with the creation of a company positioning and the ongoing maturity of the Supplier Chain ESG Program, which includes aspects of sustainability when assessing potential partners.

We implanted a system aimed at governance and monitoring of ESG aspects in the chain to ensure greater accuracy and transparency in the entire process. The sustainability workshops for civil construction (works) were a highlight in 2021 (*see more on page 100*).

In 2020, we concluded the mapping of the most critical categories related to socioenvironmental risks and opportunities and the first self-assessment cycle. We arrived at 10 priority categories, that include private label suppliers, distributors, cash in transit, cleaning, security, clothing, personnel transportation, building maintenance, logistics and civil construction providers. This scope involves 382 suppliers,

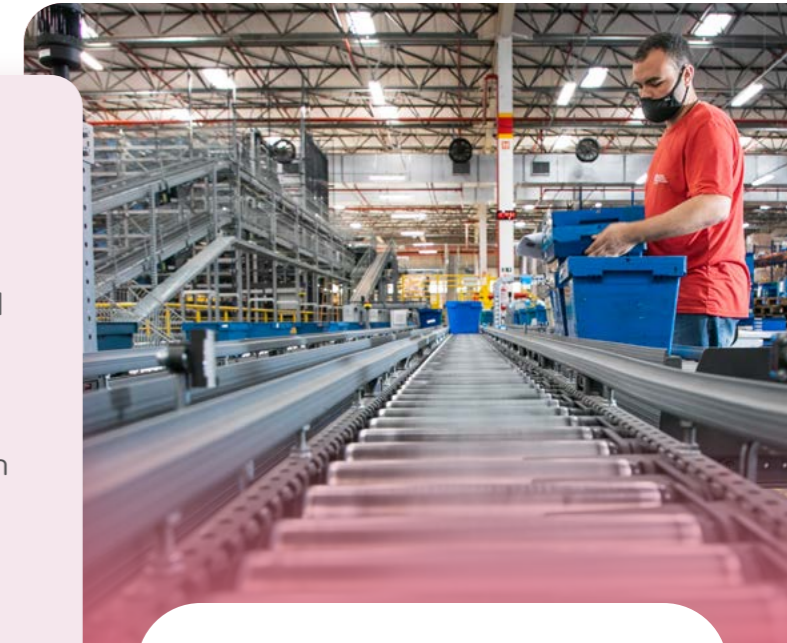
that is, around 7% of our suppliers are part of this group. In 2021, we achieved 100% self-assessment of the suppliers in these critical categories.

They responded to a self-assessment exercise to indicate their maturity in relation to 15 topics, such as environmental management and conscious use of natural resources, greenhouse gas emissions, waste generation, human rights, including child labor, forced labor and sexual exploitation, occupational health and safety, labor practices, remuneration and others. To audit the responses, we undertook on-site visits in a pilot for 20 suppliers in 2021, expanding the audit plan which began in 2020, when seven RD Brands suppliers had participated in the process. All of these suppliers received the result of the assessment, which indicated strengths and areas for improvement. In 2022, a new round of audits will verify evolutions. In parallel, we will step up the number of audits.

In the Supplier Chain ESG Program, launched in 2020, we created a working group with representatives from the procurement, supplier governance, sustainability and legal areas, to develop ESG criteria to be applied in contracting suppliers.

We opened our training platform up to our suppliers, providing them with access to courses on the code of conduct, compliance, sustainability, diversity, parenthood and Brazilian sign language, Libras. In this first year, 93 suppliers enrolled in these training programs. At the beginning of 2022, we released an exclusive code of conduct for the supply chain, providing greater clarity about aspects that should guide relations between RD and its commercial partners.

Moreover, we initiated planning for the sellers aimed at developing an ESG agenda for this group of commercial partners.



## Workshops

In addition to the sustainability workshops for civil construction suppliers (works) (see page 100), we organized a workshop for suppliers of critical categories in December 2021. A total of 191 participated, representing over 50% of the category. For 2022, we are going to maintain this format to reinforce the engagement of the supply chain in ESG.



## RD Brands: compliance and product quality

GRI 102-11, 103-2, 103-3 | 416, 416-1

We have monitored suppliers of our private label products in a series of criteria since 2020. In 2021, they all underwent assessments. We also created a roadmap for monitoring these partners. Previously focused mainly on product quality and safety, monitoring now incorporates ESG elements.

There is a qualification process for a supplier to be approved for the manufacture of RD private label products. Similarly, those classified among critical categories undergo

a more complete approval process (see more in the ESG Agenda box in supplier chain on page 85).

Within this process, all the company's partners assume the commitment to not test our products or their respective raw materials on animals. This includes not contracting or outsourcing this type of test to laboratories. Whenever tests of effectiveness or clinical tests are necessary, these tests are done "in vitro" or "in vivo". The latter case involves

testing on volunteer human beings. Both RD and its suppliers use laboratories accredited by the sanitary authority Anvisa to conduct such tests.

We assess the health and safety impacts of 100% of the RD Brand products in the cosmetics, foods and snacks, food supplement and OTC categories. All new product developments and launches are projected to comply with the company's sustainability targets and criteria related





## Formalized hybrid work

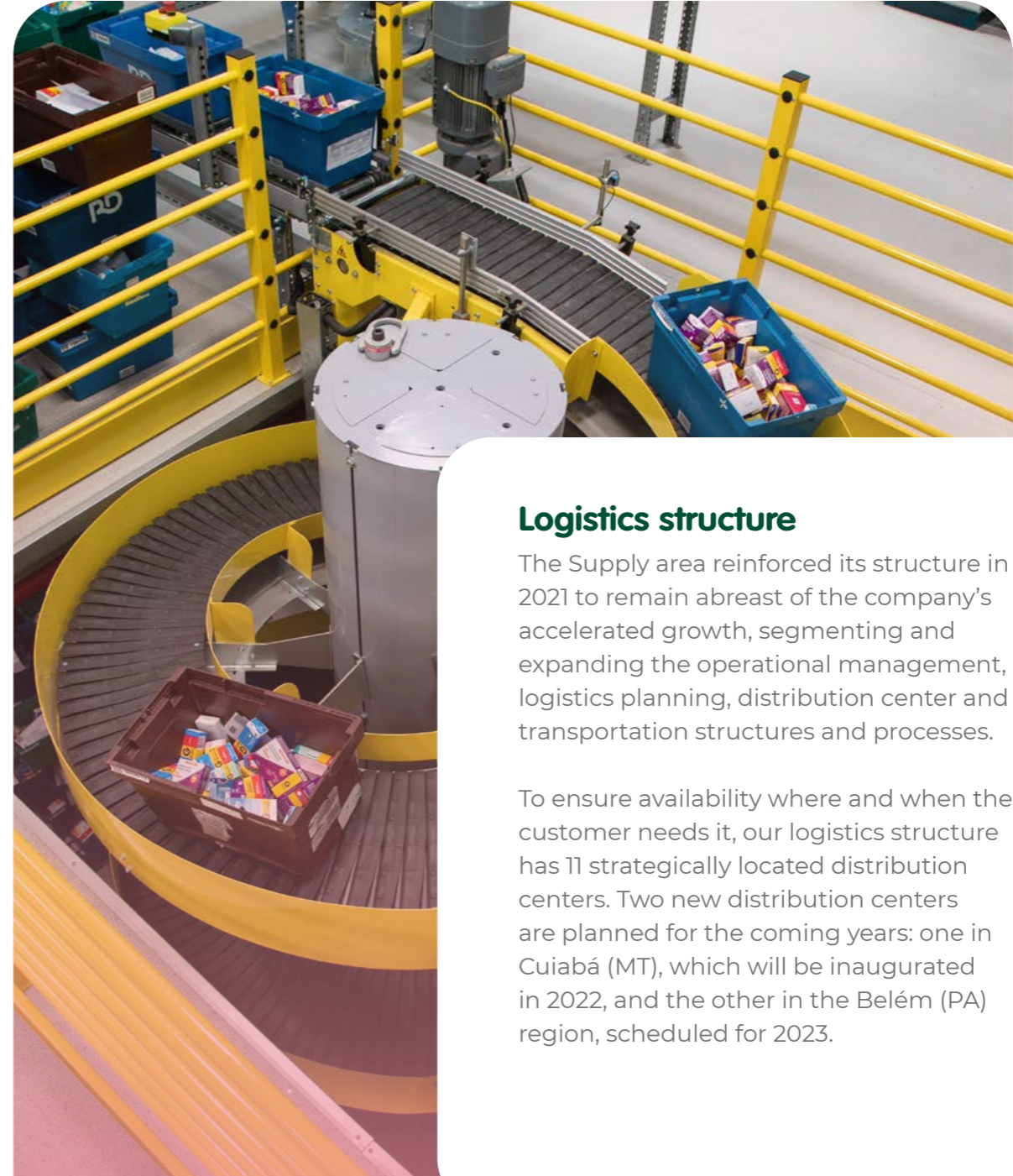
In 2021 we formulated a policy that systematizes and governs **remote working** and establishes a model for the hybrid work format.

to the control of controversial ingredients and nutritional quality, in line with the Ministry of Health Food Guide. Whenever possible, packaging is 100% recyclable and eco-efficient (*further information* in Caring for our customers).

All products are submitted to quality tests (consumable products) in laboratories accredited by Anvisa, for the approval of labeling, compliance with legal, registration and/or notification requirements

of the corresponding regulatory authorities (such as Anvisa and the Ministry of Agriculture, Livestock and Supply). For the healthy snack brand Nutrigood, the company has a partnership with a renowned nutritionist. Our products do not contain chemical additives, preservatives, flavor enhancers, transgenic foods, trans fats or any other controversial ingredient.

In 2021, there were no cases of non-compliance in product safety. **GRI 416-2**



## Logistics structure

The Supply area reinforced its structure in 2021 to remain abreast of the company's accelerated growth, segmenting and expanding the operational management, logistics planning, distribution center and transportation structures and processes.

To ensure availability where and when the customer needs it, our logistics structure has 11 strategically located distribution centers. Two new distribution centers are planned for the coming years: one in Cuiabá (MT), which will be inaugurated in 2022, and the other in the Belém (PA) region, scheduled for 2023.



This network ensures stocks are maintained close to the pharmacies, enabling results such as 89% of orders delivered within 48 hours. Furthermore, the network permits gains in logistics efficiency, reducing the average distance between the distribution centers and the pharmacies and, consequently, diminishing greenhouse gas (GHG) emissions.

The company's logistics structure is also prepared to generate value for our partners as the marketplace and the number of sellers grow.

## Our 11 distribution centers:

- **São Paulo** (Embu, Guarulhos and Ribeirão Preto)
- **Goiás** (Aparecida de Goiânia)
- **Minas Gerais** (Contagem)
- **Paraná** (São José dos Pinhais)
- **Pernambuco** (Jaboatão dos Guararapes)
- **Bahia** (Salvador)
- **Rio de Janeiro** (Duque de Caxias)
- **Ceará** (Maracanaú) and
- **Rio Grande do Sul** (Gravataí).

### Two new distribution centers scheduled:

- 2022: Cuiabá (MT)
- 2023: greater Belém (PA)



## NEW MODELS

We are increasingly investing in ensuring the practical, convenient and efficient circulation of products from the pharmacies to the customers. With coverage by 100% of the RD network, the Click & Collect model, for example, corresponded to 49% of digital sales in 2021, while neighborhood deliveries accounted for 11% of the total. This demonstrates the power of the capillarity and convenience of the drugstores, which today service 91% of class A consumers

in the country within a radius of 1.5 kilometers. During the year, 86% of the digital orders were delivered by the pharmacies, which further underscores the importance and the value of our network of 2,500 brick and mortar stores in the company's omnichannel proposal.

**75% of customers**  
receive their orders in  
**up to 4 hours**



# Healthier planet

in this chapter:

- \_ Fostering the circular economy
- \_ Energy, emissions and climate





## HEALTHIER PLANET

Contributing to a healthier society and caring for the planet. This is why we strive to enhance management, mitigating the impacts of our activities with a focus on those causing the greatest impact: waste and climate change

Our commitments in the planet pillar include reducing and mitigating our greenhouse gas (GHG) emissions and waste generation and disposal, reinforcing how we reconcile growth, risk management and impacts, transforming our processes and driving the education and qualification of the value chain.



For this reason we are investing in changes in technology, pursuing innovative alternatives to reduce our impacts in product distribution, evolving in managing the use and conservation of natural resources, among

other measures. The company's environmental agenda requires the engagement of the entire team, our suppliers and the healthcare sector as a whole, the ecosystem in which we operate and seek to influence.

## STATUS AND COMMITMENTS: HEALTHIER PLANET

\*We made a projection of the percentage reduction in emissions based on the Science Based Target Initiative (SBTI) tool, estimating a 42% reduction by 2030.

### OUR AMBITION: NET ZERO AND ZERO LANDFILL

Contribute to global carbon neutrality	Reduce absolute GHG emissions (scopes 1 and 2) to a level below 1.5° C, with 2020* as base year	Reduce relative GHG/m <sup>2</sup> emissions (scopes 1 and 2) to a level below 1.5° C, with 2020 as base year	Reach 115% of GHG emissions (scopes 1, 2 and 3) offset by 2030	Reach 90% of company-owned units supplied with renewable energy	Ensure 30% of suppliers of critical categories have GHG emission reduction and offsetting measures
	<b>Status 2021:</b> In 2021, the company had a 12% reduction in scope 1 emissions due to lower use of generators in our distribution centers. Scope 2 emissions increased by 94% because of the increase in the Brazilian energy matrix emissions factor. We are progressing in the migration to other electrical energy consumption markets, such as the free market and distributed generation, which is part of our decarbonization action plan	<b>Status 2021:</b> In 2021, we emitted 82 kg of CO <sub>2</sub> e per m <sup>2</sup> (taking into account the pharmacies, the distribution centers and the head office). This represents an increase of 12.6% compared with the previous year. However, we understand that this increase is a reflex of the Brazilian energy matrix emission factor. We are progressing in the migration to renewable electrical energy, which is part of our decarbonization action plan	<b>Status 2021:</b> We offset 70% of our 2020 emissions through the purchase of carbon credits	<b>Status 2021:</b> 31% of company-owned units were supplied with renewable energy in 2021	<b>Status 2021:</b> We are still in the process of developing this commitment
Leverage the circular economy in the RD value chain	Have 40% of private label products with eco-efficient packaging	Eliminate the use of landfills in the operations (head office, pharmacies and distribution centers)	Reach 100% coverage in the collection of medical waste by 2025, with an increase in the volume collected	Reach 100% of the pharmacies with solutions for the reduced consumption of tertiary packaging implanted (in the pharmacies and in home deliveries)	Lead a circular economy project with sector involvement
	<b>Status 2021:</b> We conducted an assessment of the post-consumer waste from our private label brands, identifying that 2% of our portfolio has packaging considered eco-efficient, in accordance with the parameters we created for this target. We are designing a roadmap to achieve 40% by 2030	<b>Status 2021:</b> We adapted our waste disposal processes in the distribution centers, including a selective collection program for the centers in Embu, Guarulhos and the headquarters (to be expanded to the other distribution centers in 2022). We formed a partnership with a specialized company for composting waste from the head office canteen	<b>Status 2021:</b> We reached 94% coverage in the collection of medical waste and ended 2021 with 137 tons collected, over double the figure for the previous year	<b>Status 2021:</b> We are still in the process of developing this commitment	<b>Status 2021:</b> We are still in the process of developing this commitment. Our goal is to start acting jointly with the sector from 2024





# Emissions, energy and climate

GRI 103-2, 103-3 | 201, 103-2, 103-3 | 305, 201-2

Accelerating the evolution to a low carbon economy is one of the main challenges not only for our business, but for society as a whole

The pursuit of clean energy alternatives, as well as energy efficiency and solutions for areas such as the distribution of products and services which are essential in promoting integrative healthcare led us to establish targets for these areas.

In 2021, we contracted a specialized consultancy to map the main climate risks associated with the 11 distribution

centers. The work involved an in-depth environmental diagnosis of factors such as water consumption, energy consumption, greenhouse gas (GHG) emissions and waste generation. This also involved a historical survey of extreme climatic events that have affected our operations and a benchmarking exercise with the main global players in the pharmaceutical retail sector.

The historical survey showed that the occurrence of climatic events such as high rainfall, strong winds and heat waves have affected our operations in the past. And the main climatic risks mapped in this study were an increase in operational costs and emerging regulatory requirements.



We have worked on boosting efficiency in logistics and the use of renewable energy in our operations (pharmacies, office and distribution centers)

These data will contribute to the development of more effective impact prevention and mitigation measures.

In product distribution, our strategy is aimed at bringing the products closer to the



pharmacies to guarantee supplies for our customers, while reducing the average mileage covered between the distribution centers and the stores.

On the other hand, the growth in online sales represents an additional challenge for logistics management, considering the environmental impact of deliveries. We have invested in research and technology, such as electric vehicles and tests with deliveries by electric bicycles in pursuit of the best alternatives to progress in the

last mile of deliveries. Measures such as using our pharmacies as collection hubs for online customer orders are also being expanded. Another positive highlight has been neighborhood deliveries on foot, which involve no pollutant emissions. The challenge we face is to measure our volume of scope 3 emissions, so that we can plan reduction measures. To better understand the impacts and opportunities we have in this area, we will enhance the collection of scope 3 data in the company's carbon inventory.

## Electric vans and trucks and advances in routes

In 2021, we conducted a test with an electric van to assess the vehicle's behavior and to verify its autonomy in the operation.

The technology is still expensive, especially considering the characteristics of RD distribution, in which the entire truck fleet consists of trucks with refrigerated cargo compartments. However, every effort is being made to incorporate the technology efficiently in view of its proven environmental benefits. For 2022 we plan to incorporate 10 electric trucks into the company's own fleet and another 10 into the third-party fleet. RD owns almost 60% of the fleet it uses. The trucks are modern and use S10 diesel fuel, which has a lower emissions factor than conventional

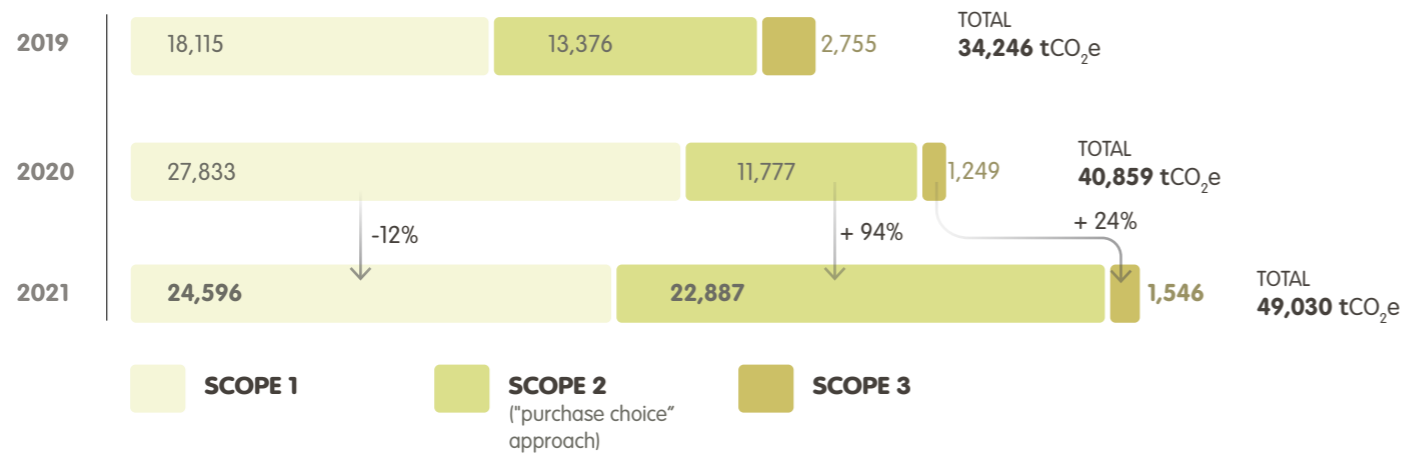


diesel. The company is employing new software to enhance logistics planning, with algorithms that track movements and suggest improvements to the routes followed. We have also invested in innovation and in partnerships with start-ups to assist in logistics management.



# Emissions

in t CO<sub>2</sub>e



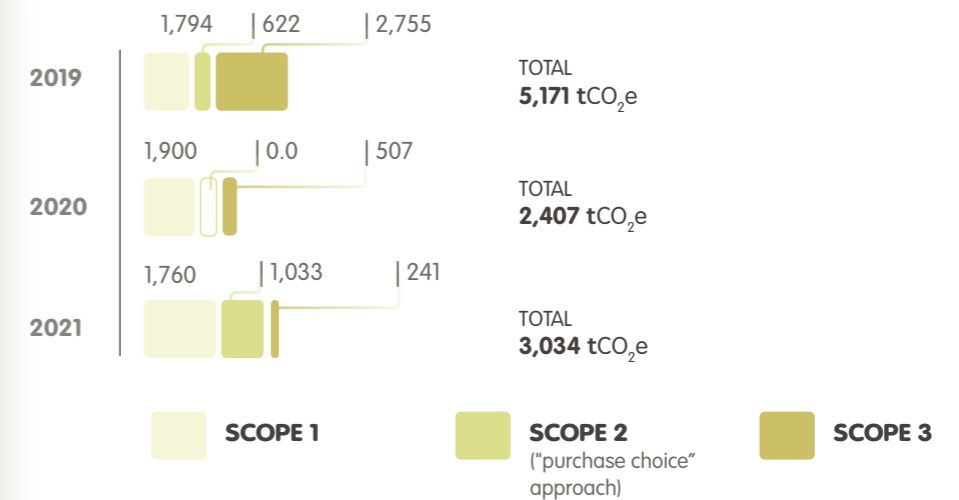
\*In 2021, RD started tracking renewable energy purchases and using emissions reporting by choice of purchase.

## 2021 emissions in metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)

GHG (t)	Scope 1	Scope 2 ("location" approach)	Scope 2 ("purchase choice" approach)	Scope 3	TOTAL
Total CO <sub>2</sub> eq	24,593	27,853	22,887	1,546	49,030

Justification for increase in emissions: For 2021 the conversion factor for electrical energy from the national grid was much higher than in 2020 (mainly due to greater use of thermal electric plants). This greatly increased CO<sub>2</sub>eq emissions even though we consumed a similar amount of energy in MWh (see page 96)

## Biogenic



## 2021 biogenic CO<sub>2</sub> emissions

GHG (t)	Scope 1	Scope 2 ("location" approach)	Scope 2 ("purchase choice" approach)	Scope 3
Biogenic CO <sub>2</sub> emissions (t)	1,760	-	1,033	240

## Electric bicycles in pilot in Uberlândia



In Uberlândia (MG), we undertook a pilot initiative to make deliveries by electric bicycle in partnership with Delinti, a local start-up. With an application developed for deliveries in the region, the initiative's differential is the use of electric micromobility with delivery staff engaged in the initiative using vehicles supplied by the start-up.

In five months of tests, all the 20 RD pharmacies in Uberlândia were engaged in the initiative. The goal is to assess alternatives that meet customer needs, that are economically viable and are aligned with our commitment

to reduce carbon emissions. From March to August 2021, there were more than 2,500 deliveries, 32% of which within one hour of the order and 68% in up to two hours.

In addition to the reduced greenhouse gas (GHG) emission impact, this type of transportation offers benefits such as reduction in road traffic, lower operational costs, generation of jobs and moderate physical activity, among others. Furthermore, 40% of the deliveries undertaken in the five months were done by women, reinforcing our commitment to gender equality and the generation of opportunities for women.



### Offsetting emissions

As supporters of Brazil's [Compromisso com o Clima](#) (Climate Commitment) platform, we acquire carbon credits to offset our emissions through this initiative, investing in projects dedicated to generating social and environmental benefits. Our most recent acquisition was in 2021, when we acquired credits to offset 70% of the company's 2020 greenhouse gas (GHG) emissions, equivalent to 30,310 tons of CO<sub>2</sub>e.

#### **MARACÁ CERAMIC PROJECT** (Sustainable Carbon) **6,062 tCO<sub>2</sub>e**

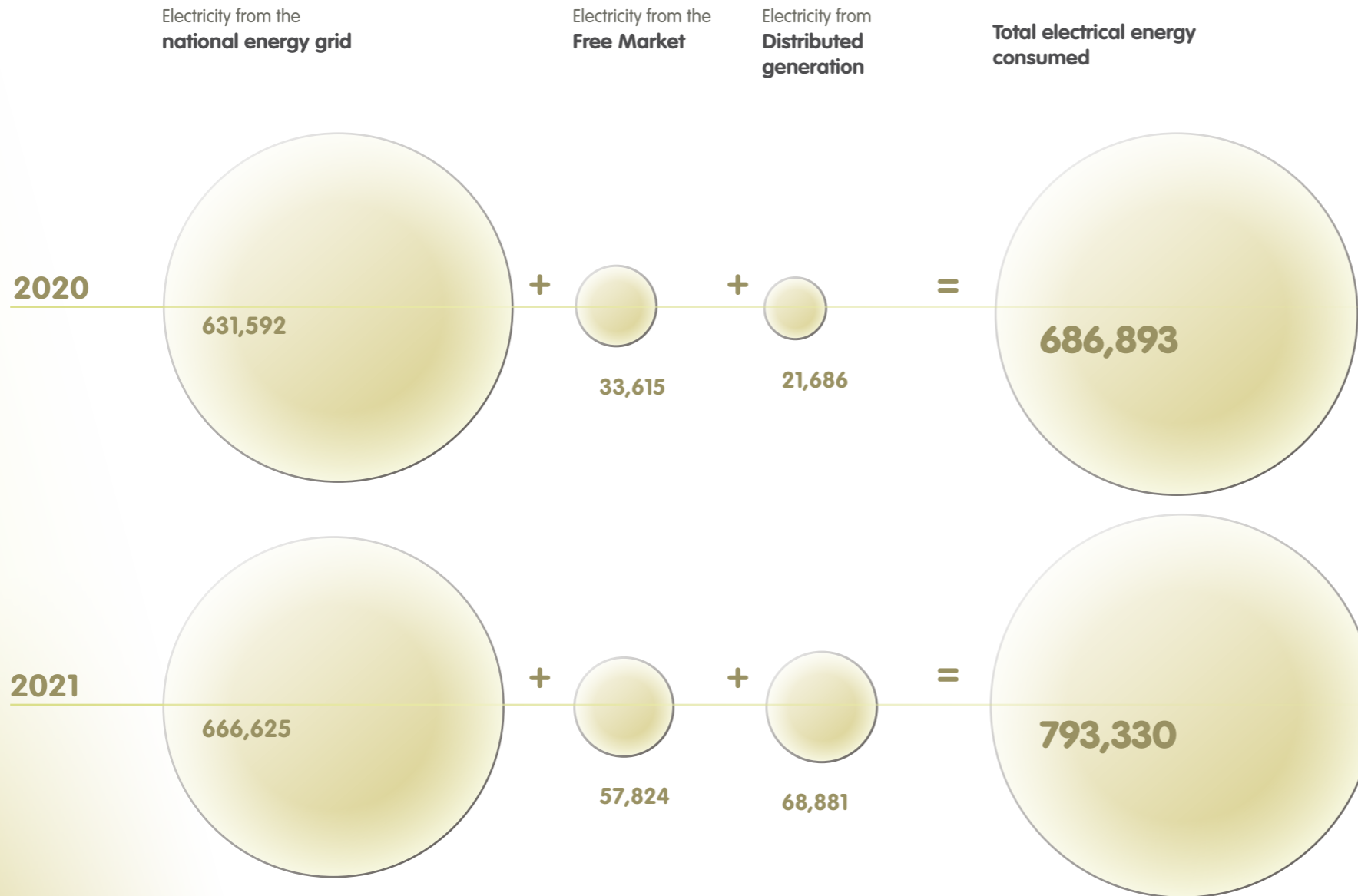
This is an initiative that substitutes the use of non-renewable native timber with biomass in the ceramic manufacturing process. This reduces the pressure for deforestation in the Cerrado region, where the initiative is located. The process was enhanced to fuel the furnaces with timber leftovers and sawdust.

#### **LAGES METHANE EMISSION REDUCTION PROJECT** (Engie) **24,248 tCO<sub>2</sub>e**

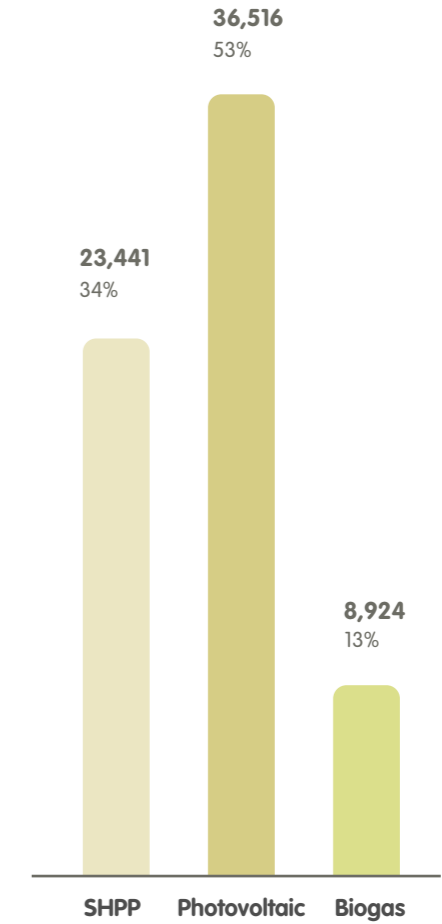
This initiative in the municipality of Lages (SC) makes use of residues from the region's timber and forestry industry to generate electricity. The program transforms methane gas into a source of energy, fostering local production chains that use renewable fuel. [GRI 305-5](#)



## Energy consumption in GJ by source



## Opening of source of distributed generation in GJ (2021)



In 2021, we tripled the number of pharmacies supplied by renewable electricity sources such as biomass, small hydroelectric power plants (SHPPs) and photovoltaic panels, totaling **767 pharmacies**



## Energy efficiency

GRI 103-2, 103-3 | 302

RD has an Energy Efficiency Committee, comprising the CEO, directors and managers, with the mission of discussing new solutions to reduce consumption in company operations and the pharmacy network. Energy efficiency is also one of the commitments that impacts the annual bonus of company executives.

The RD head office building uses 100% renewable energy from the free market, as do seven of the distribution centers. The remaining distribution centers are currently analyzing consumption requirements with a view to adopting this model in the coming years.

In 2021, we tripled the number of pharmacies supplied by renewable electricity sources such as biomass, small hydroelectric power plants (SHPPs) and photovoltaic panels, totaling 767 units, representing 31% of the network. Moreover, 100% of the units employ LED technology for lighting (target reached

in 2021). We continue to advance in the substitution of air conditioning units with inverter models, which reduce electricity consumption by around 15%.

The company maintains its distributed energy generation project. The pandemic and negotiations with the utility companies affected the schedule that had been planned, and it is projected that more units will come into operation in 2022. This will involve the expansion from the 23 plants currently generating energy to 60 plants supplying renewable energy to our pharmacies at the end of the project.

Since the beginning of the energy efficiency project in 2017, RD has had cost reductions of around R\$ 60 million, consolidating the effects of reduced consumption due to the adoption of new, more efficient technologies and cost reductions from the new types of energy generation and purchase (distributed generation and the free energy market).



## INTEGRATED MANAGEMENT

The company has evolved in the adoption of integrated environmental, occupational health and safety practices, seeking to follow international standards and drive excellent performance. We defined parameters for the consumption of natural resources, waste management, occupational health and safety, among other aspects, with an integrated management system (IMS). In 2021, we obtained ISO 14001 and ISO 45001 certification for the head office and for the company's two largest distribution centers: Guarulhos (SP) and Embu das Artes (SP). The other operations are being prepared for certification in 2022.

These standards result in gains in efficiency, safety for our personnel, an improved work environment and greater environmental care.



# Fostering the circular economy

GRI 103-2, 103-3 | 306, 306-1, 306-2



Given the nature of our business, waste generation is an important element in our environmental agenda.

In the distribution centers, the major volume of waste consists of plastic and cardboard, which is currently sent for recycling. In the pharmacies, there was an increase in the volume of healthcare waste caused by the pandemic, in function of Covid-19 testing and the application of vaccinations. RD has had a medication reverse logistics program, Conscious Disposal, which has been in place for over ten years (details on page 102).

Another key source is civil construction waste generated by the remodeling of pharmacies and opening of new ones.

To address these aspects, in 2019 the company created its Integrated Solid Waste Management program, which resulted in the adoption of processes and monitoring indicators which are tracked on a monthly basis.

In 2021, we generated 7,461.3 tons of waste in our operations, a 13% increase in volume compared with the previous year. The increase was due mainly to improvements implemented in the control of these data in the distribution centers.

In the distribution centers, the adoption of the integrated management system (IMS), which combines good environmental, health and safety practices, has driven greater efficiency in waste disposal management. We have selective collection in the head office building in São Paulo (SP), supported by specialized companies that provide certified disposal, and we train our cleaning teams in this process. We are expanding selective collection to 100% of the distribution centers, training the employees and the cleaning teams. In the pharmacies, we have created specific controls for the collection of Covid-19 test residues, ensuring the safety of the procedure.

We focus on reverse logistics, managing disposal, selective collection and reduced use of plastic bags



The management of waste generated in civil construction works was the focus of investments in training of suppliers, in line with standards and best practices



There is a Standards Committee that oversees civil construction works in the pharmacies. It periodically reviews the materials approved for infrastructure, taking into account costs, the environmental impact of materials and the volumes of waste generated. The group constantly pursues innovation and research into new, lower impact construction models and materials. With a network of more than 2,000 pharmacies nationwide and the opening of more than 200 new units a year, contracting service providers in this area is one of the company Engineering area's main focuses. The pulverization of this work throughout more than 485 municipalities in the country generates the additional challenge of ensuring not only

quality standards but also care with environmental impact.

To boost civil construction supplier engagement in good environmental practices, in 2021 we organized three workshops to address civil construction waste management, focused on encouraging the recycling of waste whenever possible, as well as the correct disposal of waste material that cannot be reused. In addition to training and preparing suppliers in this area, the company implanted a new standard of operational and documentary requirements for the waste generated in civil construction works, in alignment with the best practices and national standards established by the Ministry of the Environment.

The purpose was to enable greater control and monitoring of indicators by RD regarding construction waste generation in its civil works. During the year, we also concluded the first works with the complete reuse of all recyclable waste, with support from specialized partners. We managed to reincorporate these materials into the production chain through cooperatives. This not only ensured reuse of the materials but also generated income and positive social impact for the communities involved. The project will be scaled up in the coming years.



### REDUCTION IN THE USE OF PLASTIC BAGS

When they pay for their products at the check-out counter, every customer hears the same question from the assistant: do you need a bag? This simple question has provoked reflection on the part of the consumers, ensuring many of them realize the impact of their decision and decide not to take a bag for small purchases.

The pilot initiative, which began in 2020 in the pharmacies in Campinas (SP), enabled a 24% reduction

in the use of plastic bags in these units. Due to the success of the measure, we initiated the expansion of the project to all our pharmacies in 2021. To do this, we reinforced the engagement of regional managers in the initiative in the monthly planning meetings. We also provided a training module on actions that help reduce the consumption of single use plastics in the stores in the RD University, which is available to all company employees.

# Eco-efficient packaging

GRI 103- 2, 103- 3 | 301, 301-2

In our private label brands, we want to increase the options of packaging considered to be eco-efficient. 100% of the packaging from the Vegan by Needs line is made from recyclable material. The tubes, for example, are made of plastic from renewable sources, a polyethylene based on sugarcane ethanol, and the bottles are made of oxo-biodegradable materials that take ten years to decompose completely, compared with around 450 years for ordinary plastic.

The brand also communicates the importance of correct disposal and recycling.

Our challenge is to expand the use of these materials to our other private label products and progress in promoting the recycling and reinsertion of the packaging in the production process. Today, 82% of the packs are made from inputs that can be recycled, including plastic, paper, glass and aluminum.



100% of the Vegan by Needs packs are made from recyclable material

Some cosmetic categories use multilayer plastic packs, with different types of plastic to guarantee the protection and safety of the product. We are working with our suppliers on the development of packaging that fulfills these needs but is still 100% recyclable.

In 2021, we undertook a study to boost our knowledge of infrastructure for recycling the main materials. It is our intention to evolve in our participation in the circular economy and foster the reuse and reinsertion of materials in the production cycle, expanding the life cycle of these inputs. The project, conducted

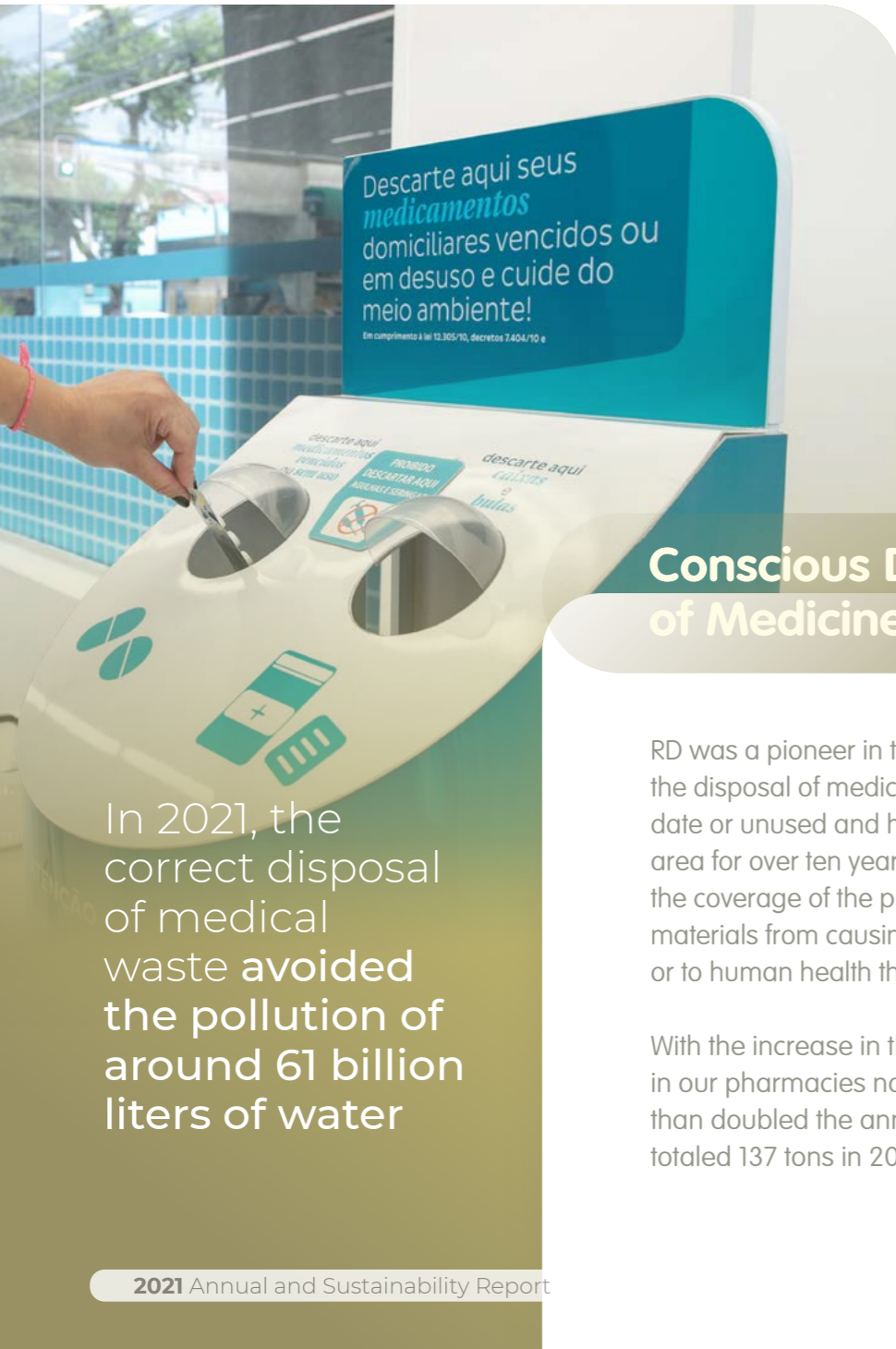
in partnership with a consultancy, assessed the post-consumer waste from the company's private label packs and examined reduction in the use of packs, substitution of materials and improvements in the circularity of packs. The study enabled RD to identify some opportunities for improvement, such as the elimination of unnecessary components and the reduction in the grammage of some packs.

For 2022, we have the target of reclaiming 100% of the packaging waste generated by private label products, in partnership with solid waste management programs such as eureciclo and Reciclar pelo Brasil.

## Internal training

Two new courses in the RD University are aimed at increasing employee knowledge about waste management and expanding their repertoire. The first, available for all employees, addresses the question of waste in more general terms, providing information about the different classes and types of disposal. The second presents the Conscious Disposal program and the way in which our pharmacy employees should advise customers about the correct disposal of medicines.





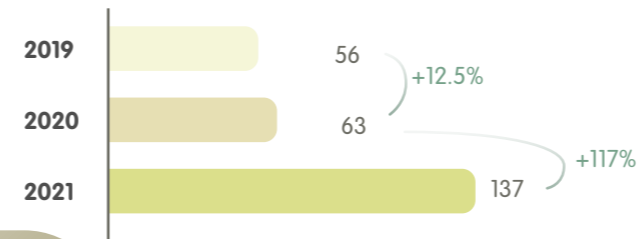
## Conscious Disposal of Medicines

In 2021, the correct disposal of medical waste **avoided the pollution of around 61 billion liters of water**

RD was a pioneer in the adoption of a program for the disposal of medicines that are past their due date or unused and has been a benchmark in this area for over ten years. Every year, we increase the coverage of the program, preventing these materials from causing harm to the environment or to human health through incorrect disposal.

With the increase in the number of collection bins in our pharmacies nationwide, we have more than doubled the annual volume received, which totaled 137 tons in 2021.

### Medicines past their due date or unused (T)



We invest in training the pharmacy employees, as well as advising customers about the disposal of medical waste. Moreover, we have built areas for the correct storage of this material in the distribution centers.

In accordance with decree 10.388, dated June 2020, the trucks that deliver products to the pharmacies return to the distribution centers with the discarded medicines. This measure optimizes transportation and avoids the greenhouse gas emissions that would result from additional transportation just to collect these products.

### Pharmacies with collection bins



In partnership with the medication manufacturers, this waste is disposed of correctly by specialized companies that collect it from the distribution centers in accordance with an established schedule.

In 2022, the company will focus on increasing communication and the engagement of the pharmacies in raising consumer awareness about this service.

# Indicators in the RD pillars

See a summary of our performance in the company pillars

## PEOPLE

2019 2020 2021

### EMPLOYEE HEALTH

Number of employees	40,054	43,631	49,450
Employees covered by union agreements (%)	100	100	100
Employees engaged in the My Best Version program*	-	22,300	15,000
Reduction in risk factors of employees monitored by the healthy habits program (%)*	-	-	23.5
Employees with chronic illnesses participating in health programs (%)*	-	-	31.3

### CUSTOMER HEALTH

Number of active customers (millions)	36	39	42
Healthy Life DNA customers (millions)	-	1.8	1.8
Customers connected with the healthcare platform (millions)	-	-	2.7
Customer service satisfaction rate (%)	83.8	88.1	88.5

### COMMUNITY HEALTH

Hours of volunteer work	5,394	9,647	9,527
Employees engaged in volunteer work (%)	6.9	9.0	10.4
RD direct donations to integrative healthcare projects (in R\$)**	691,610	25,929,936	11,377,305

\* Programs begun in 2020 and 2021.

\*\* 2020 and 2021 were atypical for RD direct donations because of the Covid-19 pandemic.

## BUSINESSES

2019 2020 2021

### DIVERSITY AND INCLUSION

% of women in executive positions	18.6	18.4	26.3
% of women in middle management	45.5	45.8	42.0
% of women in operational management positions	66.3	67.7	68.5

### VALUE CHAIN

Total number of suppliers	6,187	5,354	5,213
Number of suppliers of critical categories	175	201	382
Suppliers assessed for social and environmental criteria (%)	-	66%	100%

### EDUCATION AND CAREER

Average number of hours of employee training	36.3	103.9	88.2
Total number of people receiving performance reviews	7,210	6,108	12,228
Employees who received educational incentives*	-	382	752
Employees who were promoted or received merit awards*	-	11,266	14,385

\*We started tracking these indicators in 2020.

## PLANET

2019 2020 2021

### CLIMATE

Greenhouse gas emissions (tCO <sub>2</sub> eq)	34,246	40,859	49,030
Consumption of renewable electrical energy (%)	88.1%	88.6%	85.0%

\*This percentage will be offset in 2022 through the purchase of carbon credits.

### WASTE MANAGEMENT\*

Conscious disposal of medicines (t)	56	63	137
Pharmacies with conscious disposal of medicines program (%)	27%	79%	83%
Total waste generated (t)	5,022	6,569	7,577
Waste diverted from disposal (t)	3,817	4,290	4,619
% of waste recycled	76%	65%	61%
Percentage of waste disposed of in landfill (t)**	5%	8%	14%

### WATER MANAGEMENT

Water consumption (m <sup>3</sup> )	336,616	389,793	393,349
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\*The waste indicators refer only to the distribution centers and the head office.

\*\*The increase in the percentage of waste disposed of in landfills was due to expanded collection of information and improvements in weighing processes in our distribution centers.



# GRI content index

GRI 102-55

## GENERAL DISCLOSURES

GRI Standard	Disclosure	Page/URL	Omission	SDGs
<b>GRI 101: Foundation 2016</b>				
GRI 101 contains no disclosures				
<b>GRI 102: General disclosures</b>				
<b>Organizational profile</b>				
	102-1 Name of organization	13		
	102-2 Activities, brands, products and services	13, 17		
<b>GRI 102: General disclosures 2016</b>	102-3 Location of organization's head office	Raia Drogasil Av. Corifeu de Azevedo Marques, 3.097 Butantã, São Paulo, SP CEP: 05339-900  4Bio Rua Pedroso Alvarenga, 58 - Itaim Bibi, São Paulo (SP) CEP: 04531-000		
	102-4 Location of operations	13, 15		
	102-5 Ownership and legal form	13		
	102-6 Markets served	15		

## GENERAL DISCLOSURES

GRI Standard	Disclosure	Page/URL	Omission	SDGs
<b>GRI 102: General disclosures 2016</b>	102-7 Scale of the organization	15, 51		
	102-8 Information on employees and other workers	16, 117		8, 10
	102-9 Supply chain	84, 85		
	102-10 Significant changes to the organization and its supply chain	21, 50		
	102-11 Precautionary principle or approach	86, 87		
	102-12 External initiatives	71		
	102-13 Membership of associations	79		
<b>Strategy</b>				
<b>GRI 102: General disclosures 2016</b>	102-14 Statement from senior decision maker	6, 7, 8, 9, 10, 11		
	102-15 Key impacts, risks and opportunities	32, 33		
<b>Ethics and integrity</b>				
<b>GRI 102: General disclosures 2016</b>	102-16 Values, principles, standards and norms of behavior	14, 28		16
	102-17 Mechanisms for advice and concerns about ethics	30, 31		16
<b>Governance</b>				
<b>GRI 102: General disclosures 2016</b>	102-18 Governance structure	23, 24, 25, 26		
	102-19 Delegating authority	25		
	102-20 Executive-level responsibility for economic, environmental, and social topics	25, 26, 27		
	102-21 Consulting stakeholders on economic, environmental and social topics	5, 66		16



## GENERAL DISCLOSURES

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 102: General disclosures 2016	102-22 Composition of the highest governance body and its committees	23, 25, 123		5, 16
	102-23 Chair of the highest governance body	Not applicable because the chair of the highest governance body is not an executive director.		16
	102-24 Nominating and selecting the highest governance body	25		5, 16
	102-25 Conflicts of interest	28, 29		16
	102-26 Role of highest governance body in setting purpose, values and strategy	27		
	102-27 Collective knowledge of highest governance body	28, 29		
	102-28 Evaluating the highest governance body's performance	26		
	102-29 Identifying and managing economic, environmental and social impacts	27, 32		16
	102-30 Effectiveness of risk management processes	32, 33		
	102-31 Review of economic, environmental and social topics	66		
	102-32 Highest governance body's role in sustainability reporting	6, 7		
	102-33 Communicating critical concerns	30, 31		
	102-34 Nature and total number of critical concerns	30, 31		
	102-35 Remuneration policies	24, 27, 76, 80		
	102-36 Processes for determining remuneration	27		
	102-37 Stakeholders' involvement in remuneration	An employee commission is established annually to define the profit share program; unions are invited to participate.		16
	102-38 Annual total compensation ratio	119		
	102-39 Percentage increase in annual total compensation ratio	119		

## GENERAL DISCLOSURES

GRI Standard	Disclosure	Page/URL	Omission	SDGs
<b>Stakeholder engagement</b>				
<b>GRI 102: General disclosures 2016</b>	102-40 List of stakeholder groups	48, 49, 115, 116		
	102-41 Collective bargaining agreements	59		8
	102-42 Identifying and selecting stakeholders	48		
	102-43 Approach to stakeholder engagement	48, 49		
	102-44 Key topics and concerns raised	48, 49		
<b>Reporting practice</b>				
<b>GRI 102: General disclosures 2016</b>	102-45 Entities included in the consolidated financial statements	50		
	102-46 Defining report content and topic boundaries	48		
	102-47 List of material topics	48, 49		
	102-48 Restatements of information	111, 118, 124, 125		
	102-49 Changes in reporting	There were no significant changes in the list of material topics and topic boundaries compared with previous reports.		
	102-50 Reporting period	January 1 to December 31, 2021.		
	102-51 Date of most recent report	The previous report for 2020 was published in 2021.		
	102-52 Reporting cycle	Annual		
<b>GRI 102: General disclosures 2016</b>	102-53 Contact point for questions regarding the report	sustentabilidade@rd.com.br		
	102-54 Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the "Core" option of the GRI Standards.		
	102-55 GRI content index	104		
	102-56 External assurance	129		



## MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	SDGs
<b>Economic performance</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	50		
	103-3 Evaluation of management approach	50		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	51		8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	92, 93		13
<b>Indirect economic impacts</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	71		
	103-3 Evaluation of management approach	71		
	203-2 Significant indirect economic impacts	71		1, 3, 8
<b>Anti-corruption</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	28, 29, 30, 31, 84		
	103-3 Evaluation of management approach	28, 29, 30, 31, 84		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	28		16
	205-2 Communication and training in anti-corruption policies and procedures	29		16
	205-3 Confirmed incidents of corruption and actions taken	30, 31		16
<b>Materials</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	101, 102		
	103-3 Evaluation of management approach	101, 102		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	126		8, 12
	301-2 Recycled input materials used	101		8, 12

## MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	SDGs
<b>Energy</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	97, 98		
	103-3 Evaluation of management approach	97, 98		
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	126		7, 8, 12, 13
	302-4 Reduction of energy consumption	126		7, 8, 12, 13
<b>Water and Effluents</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	The water used by the company is purchased from third-parties (water and sanitation utilities); it is used only for human consumption and personal hygiene purposes in all our units (head office, distribution centers and pharmacies). In 2021, we continued the process of collecting and mapping data on water consumption and initiatives to mitigate any problems with wastage in the pharmacies, with periodic leak detection measures by the maintenance teams and the rational use of water in the periods prior to the cleaning of the water tanks in the pharmacies.		
	103-3 Evaluation of management approach			
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	In the head office, which is our main source of water consumption, we undertook a major overhaul, substituting hydraulic equipment with more efficient models, such as dual flush discharges and self-closing taps. This generated a reduction in consumption of 18.4%. For 2022, the water tank in the head office will be overhauled to improve efficiency and reduce leaks in the system as a whole.		6, 12
	303-2 Management of water discharge-related impacts			6
	303-5 Water consumption	127		6
<b>Emissions</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	92, 93, 94		
	103-3 Evaluation of management approach	92, 93, 94		
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	128		3, 12, 13, 14, 15
	305-2 Energy Indirect (Scope 2) GHG emissions	128		3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	128		3, 12, 13, 14, 15
	305-5 Reduction of GHG emissions	95		13, 14, 15

## MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	SDGs
<b>Waste</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	99, 100		
	103-3 Evaluation of management approach	99, 100		
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	99, 100		
	306-2 Management of significant waste-related impacts	99, 100		
	306-3 Waste generated	127		
	306-5 Waste directed to disposal	127		
<b>Supplier environmental assessment</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	84, 85		
	103-3 Evaluation of management approach	84, 85		
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	125		
	308-2 Negative environmental impacts in the supply chain and actions taken	125		
<b>Employment</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	80, 81, 82, 83		
	103-3 Evaluation of management approach	80, 81, 82, 83		
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	120, 121		5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	122		3, 5, 8
	401-3 Parental leave	122		5, 8



## MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	SDGs	
<b>Occupational health and safety</b>					
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49			
	103-2 Management approach and its components	59			
	103-3 Evaluation of management approach	59			
<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	59		8	
	403-2 Hazard identification, risk assessment and incident investigation	59		8	
	403-3 Occupational health services	59		8	
	403-4 Worker participation, consultation, and communication on occupational health and safety.	59		8, 16	
	403-5 Worker training on occupational health and safety	59		8	
	403-6 Promotion of worker health	59		3	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	59		8	
	403-8 Workers covered by an occupational health and safety management system	4,313 employees (8.8% of the total) allocated in the buildings in which RD has ISO 45011 certification: the Embu das Artes and Guarulhos distribution centers and the head office.		Information about third-parties is not available.	8
	403-9 Work-related injuries	59		3, 8, 16	
	403-10 Work-related ill health	In 2021, there were no fatalities due to work-related ill health. The number of recordable cases of occupational ill health was 141, with the following ICD classifications: F (mental or behavioral disorder), M (Diseases of the musculoskeletal system and connective tissue) and S (contusions, sprains). The decrease in the number of recordable cases of occupational ill health compared with 2020 (1,683) is due to the fact that we ceased to consider Covid as occupational ill health. It was previously categorized under ICD J (respiratory disorders). But it is not related to work in function of general transmission in the population. GRI 102-48 In 2021, there was an increase in work-related musculoskeletal ill health (ICD M and S).			

## MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	SDGs
<b>Training and education</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	80, 81, 82, 83		
	103-3 Evaluation of management approach	80, 81, 82, 83		
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	124		4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	81		8
	404-3 Percentage of employees receiving regular performance and career development reviews	122		5, 8, 10
<b>Diversity and equal opportunity</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	75, 76, 78		
	103-3 Evaluation of management approach	75, 76, 78		
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees	77, 123		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	119		5, 8, 10
<b>Non-discrimination</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	30, 31		
	103-3 Evaluation of management approach	30, 31		
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	124		5, 8

## MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	SDGs
<b>Supplier social assessment</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	84, 85		
	103-3 Evaluation of management approach	84, 85		
<b>GRI 414: Supplier social assessment 2016</b>	414-1 New suppliers that were screened using social criteria	125		5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	We follow up on non-conformances found in the supplier assessment and on site audit processes. further information on page 86		5, 8, 16
<b>Consumer health and safety</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	65, 66, 86, 87		
	103-3 Evaluation of management approach	65, 66, 86, 87		
<b>GRI 416: Consumer health and safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	65, 66, 86, 87		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	87		16
<b>Customer privacy</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	34, 35		
	103-3 Evaluation of management approach	34, 35		
<b>GRI 418: Customer privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	35		16
<b>Social and economic compliance</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundary	49		
	103-2 Management approach and its components	28, 29		
	103-3 Evaluation of management approach	28, 29		
<b>GRI 419: Social and economic compliance 2016</b>	419-1 Non-compliance with laws and regulations in the social and economic areas	125		16



## SUSTAINABLE DEVELOPMENT GOALS

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1. No poverty
  2. Zero hunger
  3. Good health and well-being
  4. Quality education
  5. Gender equality
  6. Clean water and sanitation
  7. Affordable and clean energy
  8. Decent work and economic growth
  9. Industry, innovation and infrastructure
  10. Reduced inequalities
  11. Sustainable cities and communities
  12. Responsible consumption and production
  13. Climate action
  14. Life below water
  15. Life on land
  16. Peace, justice and strong institutions
  17. Partnerships for the goals
-

# Map of externalities GRI 102-40

Business Area	Positive Externality	Negative Externality	Social Impact	Environmental Impact	Economic Impact	Stakeholders impacted
<b>Private labels</b> Production, extraction of raw material and industrialization	<ol style="list-style-type: none"> <li>1. generation of indirect jobs</li> <li>2. development of associated value chain</li> <li>3. new products with sustainability and/or healthfulness attributes</li> <li>4. taxes paid</li> </ol>	<ol style="list-style-type: none"> <li>1. air, water and soil pollution</li> <li>2. use of natural resources</li> <li>3. emissions of greenhouse gases and other pollutants</li> <li>4. impacts on biodiversity</li> <li>5. waste generation</li> </ol>	√	√	√	<ol style="list-style-type: none"> <li>1. Society</li> <li>2. Suppliers and partners</li> <li>4. Employees</li> <li>5. Customers</li> <li>6. Government</li> <li>7. Environment</li> </ol>
<b>Pharmacies</b>	<ol style="list-style-type: none"> <li>1. generation of local direct jobs</li> <li>2. local development</li> <li>3. taxes paid</li> <li>4. offer of products and services to consumers</li> </ol>	<ol style="list-style-type: none"> <li>1. generation of domestic effluent and waste</li> <li>2. energy and water consumption</li> <li>3. increase in vehicle traffic</li> <li>4. impact on urban mobility</li> <li>5. interference in historical and cultural heritage</li> </ol>	√	√	√	<ol style="list-style-type: none"> <li>1. Employees</li> <li>2. Customers</li> <li>3. Society</li> <li>4. Government</li> <li>5. Environment</li> </ol>
<b>Logistics and transportation</b>	<ol style="list-style-type: none"> <li>1. availability of products to consumers at appropriate time</li> <li>2. generation of direct and indirect jobs</li> <li>3. support for conscious disposal projects (medication)</li> <li>4. drivers as agents of transformation and protection against sexual exploitation</li> <li>5. promotion of integrative health of employees</li> </ol>	<ol style="list-style-type: none"> <li>1. consumption of fossil fuels and dependence on this input</li> <li>2. greenhouse gas emissions</li> <li>3. contribution to climate change</li> <li>4. sexual exploitation of children and adolescents on the highways</li> <li>5. SHE practices and accidents</li> <li>6. impacts on highways, bridges and other types of infrastructure.</li> </ol>	√	√		<ol style="list-style-type: none"> <li>1. Society</li> <li>2. More vulnerable communities</li> <li>3. Own and third-party employees</li> <li>4. Government and/or highway concessionaires</li> <li>5. Environment</li> </ol>
<b>Distribution center operations</b>	<ol style="list-style-type: none"> <li>1. generation of direct local jobs</li> <li>2. greater employability for young people (with no experience and at beginning of career)</li> <li>3. reducing distance traveled by products, diminishing fuel consumption and greenhouse gas emissions</li> <li>4. investments in consumption of renewable energy</li> <li>5. local development</li> <li>6. promotion of integrative health of employees</li> <li>7. donation of unused products to vulnerable groups</li> </ol>	<ol style="list-style-type: none"> <li>1. truck traffic in specific regions</li> <li>2. noise disturbances and pollution in surrounding communities</li> <li>3. energy from diesel-powered generators, with higher carbon emissions.</li> <li>4. work posts with higher risk of work-related incidents (with loads and ergonomics)</li> <li>5. generation of organic (food) and recyclable (paper and cardboard) waste</li> <li>6. employee commuting accidents on way to distribution centers (e.g. motorcycles)</li> <li>7. generation of hazardous waste</li> </ol>	√	√	√	<ol style="list-style-type: none"> <li>1. Society</li> <li>2. Own and third-party employees</li> <li>3. Local communities</li> <li>4. Environment</li> </ol>
<b>Administrative Areas</b>	<ol style="list-style-type: none"> <li>1. job generation</li> <li>2. local development</li> <li>3. promotion of integrative health of employees</li> </ol>	<ol style="list-style-type: none"> <li>1. generation of organic and recyclable (paper and cardboard) waste</li> <li>2. consumption of fossil fuels for employee commuting (residence – work)</li> <li>3. Consumption of natural resources like water and energy</li> </ol>	√	√	√	<ol style="list-style-type: none"> <li>1. Own and third-party employees</li> </ol>
<b>Expansion and Engineering</b>	<ol style="list-style-type: none"> <li>1. greater capillarity and improved access to healthcare products and services for the entire population</li> <li>2. presence in locations with little access to public healthcare</li> <li>3. generation of direct jobs in locations distant from major state capitals (with development plan)</li> <li>4. impulse for local economy (purchase of materials and others)</li> <li>5. investment in generation of renewable energy (distributed generation) and adoption of technologies to reduce energy consumption</li> <li>6. real estate development</li> </ol>	<ol style="list-style-type: none"> <li>1. generation of civil construction waste</li> <li>2. emission of greenhouse gases and other pollutants</li> <li>3. noise pollution caused during construction</li> <li>4. risk of human rights violations in work sites</li> <li>5. SHE practices and accidents</li> <li>6. interference in historical and cultural heritage</li> <li>7. impact on micro-entrepreneur / reduced competition</li> <li>8. Removal of tree species</li> </ol>	√	√	√	<ol style="list-style-type: none"> <li>1. Customers</li> <li>2. Vulnerable communities</li> <li>3. Own and third-party employees</li> <li>4. Environment</li> </ol>

Business Area	Positive Externality	Negative Externality	Social Impact	Environmental Impact	Economic Impact	Stakeholders impacted
<b>Healthcare Businesses</b>	<ol style="list-style-type: none"> <li>1. new business models to care for customers' health</li> <li>2. healthcare measures for population with limited access to public healthcare</li> <li>3. patient health through adhesion to treatment</li> <li>4. cost reduction for public healthcare system</li> <li>5. increase in access to healthcare</li> </ol>		√		√	<ol style="list-style-type: none"> <li>1. Customers</li> <li>2. Society and/or more vulnerable communities</li> <li>3. Public Healthcare</li> </ol>
<b>Mergers and acquisitions</b>	<ol style="list-style-type: none"> <li>1. growth in offer of healthcare and well-being services and products for society</li> <li>2. gain in efficiency</li> <li>3. generation of jobs</li> <li>4. increase in economic opportunities – generating more opportunities for business chain</li> </ol>	<ol style="list-style-type: none"> <li>1. market concentration</li> </ol>			√	<ol style="list-style-type: none"> <li>1. Customers</li> <li>2. Society</li> <li>3. Competitive market</li> <li>4. Suppliers</li> <li>5. Employees</li> </ol>
<b>Pharmacy operations</b>	<ol style="list-style-type: none"> <li>1. generation of direct local jobs</li> <li>2. career plan and professional growth</li> <li>3. availability of healthcare and well-being products</li> <li>4. investments in renewable energy</li> <li>5. investments in low energy consumption technologies</li> <li>6. availability of reverse logistics for medicines and batteries</li> <li>7. social investment with micro-donations of customers</li> <li>8. promotion of integrative health of employees</li> </ol>	<ol style="list-style-type: none"> <li>1. energy consumption (lighting and refrigeration)</li> <li>2. exposure of employees to Covid (only during the pandemic)</li> <li>3. generation of hazardous waste (medications and injections)</li> </ol>	√	√	√	<ol style="list-style-type: none"> <li>1. Society</li> <li>2. Own employees</li> </ol>
<b>Multichannel</b>	<ol style="list-style-type: none"> <li>1. greater access to products and services (online and for people with special needs)</li> <li>2. service for greater number of customers</li> <li>3. reduction in fuel consumption</li> <li>4. flexibility and reduction in customer exposure (pandemic)</li> <li>5. generation of indirect jobs in delivery logistics</li> <li>6. development of opportunities in the value chain</li> </ol>	<ol style="list-style-type: none"> <li>1. generation of packaging waste</li> <li>2. emission of greenhouse gases in the logistics process</li> </ol>	√	√		<ol style="list-style-type: none"> <li>1. Customers</li> <li>2. Society</li> <li>3. Suppliers</li> </ol>
<b>Commercial</b>	<ol style="list-style-type: none"> <li>1. generation of indirect jobs</li> <li>2. access to medicines at fair price in low-income regions.</li> <li>3. expanded offering of healthy products for public</li> <li>4. payment of taxes</li> </ol>	<ol style="list-style-type: none"> <li>1. generation of unusable products (past due date and damaged)</li> <li>2. generation of waste in suppliers' operations</li> <li>3. carbon emissions in inbound logistics</li> </ol>	√	√	√	<ol style="list-style-type: none"> <li>1. Society</li> <li>2. Environment</li> <li>3. Customers</li> <li>4. Suppliers</li> </ol>
<b>4BIO Operations</b>	<ol style="list-style-type: none"> <li>1. generation of direct and indirect jobs</li> <li>2. taxes paid</li> <li>3. access to and accompaniment in healthcare treatment for high complexity cases</li> <li>4. assistance service for patients</li> <li>5. innovation</li> <li>6. reduction of costs in healthcare system (due to adhesion to treatment)</li> </ol>	<ol style="list-style-type: none"> <li>1. waste generation</li> <li>2. emission of greenhouse gases in the logistics process</li> <li>3. energy consumption</li> </ol>	√	√		<ol style="list-style-type: none"> <li>1. Customers</li> <li>2. Environment</li> </ol>



# Attachment

## Human capital

### EMPLOYEE PROFILE GRI 102-8

RD employees*		2019			2020			2021		
Functional category	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Administrative	446	534	980	553	657	1,210	728	898	1,626	
Specialist	92	58	150	184	146	330	219	197	416	
Executive management	33	8	41	38	9	47	42	15	57	
Middle management	196	164	360	243	206	449	390	283	673	
Operational management	763	1,504	2,267	786	1,654	2,440	835	1,821	2,656	
Operational	13,401	22,854	36,255	14,112	25,040	39,152	15,707	28,315	44,022	
<b>Total</b>	<b>14,931</b>	<b>25,122</b>	<b>40,053</b>	<b>15,916</b>	<b>27,712</b>	<b>43,628*</b>	<b>17,921</b>	<b>31,529</b>	<b>49,450</b>	

4Bio Employees		2019			2020			2021		
Functional category	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Administrative	27	22	49	20	17	37	17	17	34	
Specialist	7	0	7	24	7	31	30	15	45	
Executive management	12	3	15	14	3	17	15	5	20	
Middle management	6	11	15	9	14	23	11	15	26	
Operational management	11	6	17	8	14	22	21	29	50	
Operational	78	132	210	73	133	206	65	145	210	
<b>Total</b>	<b>141</b>	<b>181</b>	<b>322</b>	<b>148</b>	<b>188</b>	<b>336</b>	<b>159</b>	<b>226</b>	<b>385</b>	

\* All data refer to permanent employee full-time contracts, except for apprentices who do shift work. The data cover permanent and temporary contracts. The 2019 and 2020 data were restated to employ the same metrics as 2021 and ensure comparability.

RD	2021		
	Men	Women	Total
Apprentices*	230	504	734
Interns*	95	320	415
<b>Total</b>	<b>325</b>	<b>824</b>	<b>1,149</b>

\* There is no information for the previous years because they were not considered to be part of the headcount.

## Employees by type of work contract and gender\*

Type of Contract		2019**			2020****			2021		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary	RD	0	0	0	44	111	155	0	0	0
	4Bio	4	0	4	11	0	11	2	0	2
Permanent	RD	14,931	25,122	40,053	15,872	27,601	43,473	17,921	31,529	49,450
	4Bio	137	181	318	137	188	325	157	226	383
Total	RD	14,931	25,122	40,053	15,916	27,712	43,628	17,921	31,529	49,450
	4Bio	141	181	322	148	188	336	159	226	385

\* The data informed do not take into account apprentices and interns, in line with criteria from previous year. Numbers for third-parties were not reported

\*\* The following adjustments were made to 2019 and 2020 data: three duplicated employees were not considered in the calculations. GRI 102-48

\*\*\* Four men's contracts and 22 women's contracts are part-time.

\*\*\*\* Due to the pandemic, there was an increase in hiring temporary employees for the 4Bio logistics area in 2020.

## 4Bio employees by region and type of contract

	2019			2020			2021		
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total
North	24	4	28	15	0	15	14	0	14
Northeast	3	0	3	12	0	12	18	2	20
Southeast	291	0	291	298	11	309	350	0	350
South	0	0	0	0	0	0	1	0	1
Total	318	4	322	325	11	336	383	2	385

## RD employees by region and type of contract\*

	2019	2020		2021
	Permanent	Permanent	Temporary	Permanent
North	707	989	0	1,316
Northeast	4,947	5,696	19	6,808
Midwest	3,525	3,940	11	4,428
Southeast	27,384	28,567	120	32,053
South	3,490	4,281	5	4,845
Final total	40,053	43,628		49,450

\* All RD contracts are permanent and full-time, with the exception of 2020.

The data cover employees in activity, on leave and on vacation. They do not include apprentices and interns.

## RD and 4Bio age groups\*

	2019		2020		2021	
	RD	4BIO	RD	4BIO	RD	4BIO
Under 30 years	26,490	143	28,395	141	32,097	147
Between 30 and 50 years	12,627	171	14,168	187	16,007	228
Over 50 years	936	8	1,065	8	1,346	10
Total	40,053	322	43,628	336	49,450	385

\*The numbers for 2019 and 2020 were restated. GRI 102-48

## Ratio of women's basic salary and remuneration to men's

GRI 405-2

	2020		2021	
	Ratio of women's basic salary and remuneration to men's	Ratio of women's remuneration to men's	Ratio of women's basic salary and remuneration to men's	Ratio of women's remuneration to men's
<b>Administrative'</b>	86.13%	86.50%	79.46%	79.49%
<b>Specialist</b>	75.86%	75.90%	72.64%	71.74%
<b>Executive management</b>	100.75%	98.09%	92.86%	86.26%
<b>Middle management</b>	96.72%	93.52%	96.85%	95.83%
<b>Operational management</b>	101.16%	101.05%	99.97%	99.86%
<b>Operational</b>	113.79%	113.78%	112.23%	112.10%

Remuneration	2019	2020	2021
<b>Ratio of the annual total compensation of the highest-paid individual to the median annual total compensation for all employees</b> GRI 102-38	0.26%	0.27%	0.32%
<b>Percentage increase in total annual compensation ratio</b> GRI 102-39	16.81%	12.64%	20.08%



## NEW EMPLOYEE HIRES AND TURNOVER GRI 401-1

Employees hired by gender		2019		2020		2021	
		N°	Rate	N°	Rate	N°	Rate
Men	RD	6,367	46.62	5,453	38.09	7,822	48.68
	4Bio	37	26.24	34	22.97	52	35.78
Women	RD	9,588	42.01	9,036	36.78	12,657	45.97
	4Bio	56	30.94	29	15.43	71	34.99
Total	RD	<b>15,955</b>	<b>43.74</b>	<b>14,489</b>	<b>37.26</b>	<b>20,479</b>	<b>46.97</b>
	4Bio	<b>93</b>	<b>28.88</b>	<b>63</b>	<b>18.85</b>	<b>123</b>	<b>35.32</b>

Employees hired by age group		2019		2020		2021	
		N°	Rate	N°	Rate	N°	Rate
Under 30 years	RD	12,617	52.41	10,971	42.48	15,876	55.30
	4Bio	62	43.36	33	23.40	57	40.66
Between 30 and 50 years	RD	3,125	26.94	3,319	26.93	4,227	30.37
	4Bio	28	16.37	29	15.51	64	32.11
Over 50 years	RD	213	26.39	199	27.04	376	38.68
	4Bio	3	37.50	1	12.50	2	22.86
Total	RD	<b>15,955</b>	<b>43.74</b>	<b>14,489</b>	<b>37.26</b>	<b>20,479</b>	<b>46.97</b>
	4Bio	<b>93</b>	<b>28.88</b>	<b>63</b>	<b>18.75</b>	<b>123</b>	<b>35.32</b>

Employees hired by region		2019		2020		2021	
		N°	Rate	N°	Rate	N°	Rate
North	RD	441	80.62	450	57.92	602	56.26
	4Bio	5	20.83	2	13.33	2	17.14
Northeast	RD	1,976	46.34	1,732	34.67	2,361	39.51
	4Bio	3	100	4	33.33	12	91.74
Midwest	RD	1,221	38.06	1,222	35.24	1,607	41.57
Southeast	RD	10,638	43.18	9,013	34.52	13,324	46.82
	4Bio	85	28.81	57	18.45	109	33.74
South	RD	1,679	53.52	2,072	58.53	2,585	61.08
	4Bio	0	0	0	0	0	0
Total	RD	<b>15,955</b>	<b>43.74</b>	<b>14,489</b>	<b>37.26</b>	<b>20,479</b>	<b>46.97</b>
	4Bio	<b>93</b>	<b>28.88</b>	<b>63</b>	<b>18.75</b>	<b>123</b>	<b>35.32</b>

\* There are no 4Bio employees in the Midwest region. One employee was transferred from the South region to the Southeast. Calculation of this indicator took into account the median active headcount, excluding apprentices. For 4Bio 2019 and 2020 data, the headcount of December in each year was considered.

Employees who left the company by gender		2019		2020		2021	
		N°	Rate	N°	Rate	N°	Rate
Men	RD	4,865	35.62	4,470	31.22	5,797	36.08
	4Bio	24	17.02	34	23.65	24	16.51
Women	RD	7,518	32.94	6,476	26.36	8,847	32.13
	4Bio	47	25.97	29	16.49	36	17.74
Total	RD	<b>12,383</b>	<b>33.94</b>	<b>10,946</b>	<b>28.15</b>	<b>14,644</b>	<b>33.59</b>
	4Bio	<b>71</b>	<b>22.05</b>	<b>63</b>	<b>19.64</b>	<b>60</b>	<b>17.23</b>

Employees who left the company by age group		2019		2020		2021	
		N°	Rate	N°	Rate	N°	Rate
Under 30 years	RD	8,489	35.26	7,508	29.07	10,258	35.73
	4Bio	40	27.97	33	19.86	32	22.83
Between 30 and 50 years	RD	3,692	31.82	3,277	26.59	4,138	29.73
	4Bio	27	15.79	29	19.79	27	13.55
Over 50 years	RD	202	25.03	161	21.88	248	25.51
	4Bio	4	50.00	1	12.50	1	11.43
Total	RD	<b>12,383</b>	<b>33.94</b>	<b>10,946</b>	<b>28.15</b>	<b>14,644</b>	<b>33.59</b>
	4Bio	<b>71</b>	<b>22.05</b>	<b>63</b>	<b>19.64</b>	<b>60</b>	<b>17.23</b>

Employees who left the company by region		2019		2020		2021	
		N°	Rate	N°	Rate	N°	Rate
North	RD	158	28.88	175	22.52	270	25.23
	4Bio	4	16.67	2	73.33	1	8.57
Northeast	RD	968	22.70	977	19.56	1,266	21.19
	4Bio	0	0	4	16.67	0	0
Midwest	RD	974	30.36	820	23.64	1,148	29.69
Southeast	RD	8,986	36.47	7,673	29.39	9,871	34.69
	4Bio	67	22.71	57	17.15	59	18.26
South	RD	1,297	41.35	1,301	36.75	2,089	49.36
Total	RD	<b>12,383</b>	<b>33.94</b>	<b>10,946</b>	<b>28.15</b>	<b>14,644</b>	<b>33.59</b>
	4Bio	<b>71</b>	<b>22.05</b>	<b>63</b>	<b>19.64</b>	<b>60</b>	<b>17.23</b>

\* The rates are calculated dividing the number of terminations in the year by the total number of employees in this age group, gender and region in December. In this indicator, we use the mean headcount, except at 4bio, as in the new employee hires rate.

## Benefits offered to our employees

GRI 401-2

- Medical assistance with a contribution from the employee and legal dependents with the option of up to three plans. The company subsidizes from 50% to 70% of the cost of the plan, with co-participation of 30% in the cost of consultations and simple examinations. For corporate staff, there is also an option with another health plan operator. The company subsidizes from 50% to 70% of the cost of the plan, with no co-participation
- Mandatory dental plan for employees with co-participation of 10% and no monthly payment
- Day care allowance, granted in accordance with collective bargaining agreement
- Clube RD- discount partners providing discounts in purchases for RD employees
- Drugstore discount agreement – all employees and legal dependents are entitled to the Uniers benefit
- Profit Share Program – for all employees
- Payroll loans
- Life insurance
- Extended maternity and paternity leave
- Food/meal vouchers for all pharmacy positions or external activities in accordance with the collective bargaining agreement or at the company's discretion, ranging from R\$ 3.50 to R\$ 32.00
- Transportation voucher
- Christmas hamper
- Check-up for managers and executives
- Discount agreement with gyms
- Company bus
- Baby kit
- Healthcare management program (program for mothers-to-be, Mamãe Saudável prenatal program, program for chronic diseases, first aid clinic, telemedicine and psychological support)
- At 4Bio, the benefits include life insurance, health plan, dental plan, drugstore discount agreement, food/meal vouchers, children's birthday benefit, profit share plan, merit gratification and bonus (only the head office offers a stock acquisition plan)

## MATERNITY/PATERNITY LEAVE GRI 401-3

		RD			4BIO		
		2019	2020	2021	2019	2020	2021
Employees entitled to take leave	men	14,934	15,916	17,921	132	136	161
	women	25,119	27,712	31,529	183	190	226
Employees who took leave	men	284	287	134	0	4	7
	women	1,189	1,184	1,205	5	6	5
Employees who returned to work at the end of leave within the reporting cycle	men	284	287	134	0	4	7
	women	1,189	1,184	1,205	0	6	5
Employees who returned to work after the leave and remained employed 12 months after their return	men	131	213	279	0	3	6
	women	586	635	639	0	6	5
Return rate	men	100%	100%	100%	1.00	100%	100
	women	100%	100%	100%	0	100%	100
Retention rate	men	-	75%	97.21%	-	-	98
	women	53.4%	55.07%	56.95%	-	-	100

## PEOPLE MANAGEMENT

### Percentage of employees receiving performance and career development reviews (%) GRI 404-3.

Average by gender	2019	2020	2021
Men	16.47	12	20.87
Women	20.07	15	26.92
<b>Total</b>	<b>18.13</b>	<b>14</b>	<b>24.73</b>

### Employees receiving performance and career development reviews by functional category (%)

	2021
Administrative	71.59
Specialist	76.44
Executive management	94.74
Middle management	90.94
Operational management	94.65
Operational	17.19
<b>Total</b>	<b>24.73</b>

\* In 2021 the functional categories were reviewed and it was not possible to recover the records from the previous years based on these new categories. Therefore, we opted not to present data for 2019 and 2020. However, the employees did undergo performance reviews during these years.



# Diversity and equal opportunity

## DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES GRI 405-1

### Employees, by functional category and gender (%)

RD	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Administrative	45.51	54.49	45.70	54.30	44.77	55.23
Specialist	61.33	38.67	55.76	44.24	52.64	47.36
Executive management	80.49	19.51	80.85	19.15	73.68	26.32
Middle management	54.44	45.56	54.12	45.88	57.95	42.05
Operational management	33.66	66.34	32.21	67.79	31.44	68.56
Operational	36.96	63.04	36.04	63.96	35.68	64.32
<b>Total</b>	<b>37.28</b>	<b>62.72</b>	<b>36.48</b>	<b>63.52</b>	<b>36.24</b>	<b>63.76</b>

### Employees, by functional category and age group (%)

RD	2019			2020			2021		
	Under 30 years	Between 30 and 50 years	Over 50 years	Under 30 years	Between 30 and 50 years	Over 50 years	Under 30 years	Between 30 and 50 years	Over 50 years
Administrative	48.67	48.27	3.06	49.83	47.85	2.44	47.79	50.06	2.15
Specialist	26.67	68.67	4.67	23.33	72.73	2.31	19.71	74.52	5.77
Executive management	0	80.49	19.51	0	78.72	3.94	0	80.70	19.30
Middle management	8.61	80.56	10.83	7.35	84.86	21.28	7.88	84.99	7.13
Operational management	29.51	69.56	0.93	27.01	72.13	7.80	26.05	72.85	1.09
Operational	69.71	28.00	2.29	69.02	28.53	0.86	69.27	28.01	2.72
<b>Total</b>	<b>66.14</b>	<b>31.53</b>	<b>2.34</b>	<b>65.08</b>	<b>32.47</b>	<b>2.44</b>	<b>64.91</b>	<b>32.37</b>	<b>2.72</b>

### Individuals in the organization's governance bodies, by gender (%)\* GRI 102-22

	2020			2021		
	Men	Women	Total	Men	Women	Total
Board of Directors	8	1	9	8	3	11
People Committee	4	2	6	4	2	6
Finance and Risk Committee	3	1	4	2	1	3
Strategy Committee	4	2	6	6	3	9
Sustainability Committee	1	1	2	2	2	4
Healthcare Business Committee	4	1	5	6	2	8
Expansion Committee	2	0	2	0	-	-

\* In the organization, 0% of the Board and committee members are aged under 30 years; 39% are aged between 30 and 50 years; and 61% are aged over 50 years. There are no data available on under-represented groups on the Board and in the committees.

Disabled people*	2019	2020	2021
Operational	2,049	1,937	1,914
Administrative	16	18	24
Specialist	1	3	3
Operational management	18	20	19
Middle management	-	1	1
Executive management	-	-	-
<b>Total</b>	<b>2,085</b>	<b>1,979</b>	<b>1,961</b>

## AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE GRI 404-1

Average by gender		2019	2020*	2021
Men	RD	32.83	97.03	78.28
	4Bio	-	-	77.30
Women	RD	36.70	107.90	93.82
	4Bio	-	-	31.27
Total	RD	36.25	103.94	88.19
	4Bio**	-	-	50.42

\* In 2020, due to the pandemic, we reformulated learning trails to maintain career plans without depending on classroom courses. This meant that the new courses impacted all the positions in the pharmacies. Even those who had concluded a determined content in the classroom also took the distance learning course. In other words, the high volume of new courses because of this reformulation generated a higher number of hours compared with 2021. \*\*4Bio data from 2019 and 2020 were not available.

Average by functional category		2019*	2020*	2021
Administrative	RD	3.22	19.15	13.48
	4Bio	-	-	62.53
Specialist	RD	13.29	2.94	21.98
	4Bio	-	-	54.31
Executive management	RD	61.32	13.96	12.11
	4Bio	-	-	12.91
Middle management	RD	233.21	2.97	10.99
	4Bio	-	-	93.98
Operational management	RD	3.23	46.58	44.16
	4Bio	-	-	23.76
Operational	RD	37.32	112.25	95.51
	4Bio	-	-	52.13
Total	RD	36.25	103.94	88.19
	4Bio	-	-	50.42

\* 4Bio data from 2019 and 2020 are not available.

## COMPLIANCE\*

### Cases of discrimination GRI 406-1

		2019	2020	2021
Cases received		49	44	69
Total cases per area	Corporate	2	1	1
	Pharmacies	40	35	56
	Distribution centers	7	7	12
	Not Informed	-	1	-
Substantiated cases (fully or partially)		23	25	18
Cases under assessment		0	0	15
Cases with reparation plan implemented		35	39	15

\* We considered reports made by employees, customers and stakeholders in general. The numbers for 2019 and 2020 were restated. **GRI 102-48**

\*\* Consolidated data for RD and 4Bio – including cases reported in the Ethical Conversation Channel.

## SOCIAL AND ECONOMIC COMPLIANCE

### Non-compliance with laws and regulations in the social and economic area

GRI 103-2, 103-3, 419-1

Contingencies (R\$ mm)	2019	2020	2021
Civil lawsuits	1.4	4.11	6.8
Labor lawsuits	103.68	103.30	88.5
Tax lawsuits	383.5	412.84	465.46
Provisions (R\$ mm)	2019	2020	2021
Civil claims	1.82	1.72	1.22
Labor and social security claims	94.10	95.94	86.90
Tax claims	15.38	17.19	16.21

\* The 2019 data were updated to adapt them to the financial statement criteria. **GRI 102-48**

## SUPPLIERS

GRI 308-1 and 414-1

Percentage of new suppliers screened for social and environmental criteria (%)	2020	2021
Total number of new suppliers considered for contracting	1,289	868
Total new suppliers that were screened using social criteria	291	98
Percentage of new suppliers screened for social and environmental criteria (%)	22.58	11.29

\* The reduction in 2021 occurred because for the new suppliers assessed for socioenvironmental criteria we only considered suppliers who underwent the Ibracen assessment stage and responded to the self-assessment questionnaire (which comprises over 100 questions related to environmental, social and governance performance). The process for consolidating this information was reformulated in 2021. **GRI 102-48**

308-2 indicator requirement	2021
a. Number of suppliers assessed for environmental impacts.	5,213
b. Number of suppliers identified as having significant actual and potential negative environmental impacts.	382
d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts - with which improvements were agreed on because of the assessment made.	7%
e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts - with which the organization terminated relations because of the assessment and the reasons behind this termination.	5.5%



## ENVIRONMENTAL MANAGEMENT

### Materials used by weight or volume GRI 301-1

Type <sup>1</sup>	Used in the end product or pack	Renewable/non-renewable source	Unit of measurement	2020	2021
Green PE	Packaging consumption refers only to Vegan by Needs brand products sold by RD	Yes	kg	2,261	3,700
PE (polyethylene)		No	kg	-	315,000
PET		No	kg	4,407	252,000
Cardboard		Yes	kg	2,329	126,000
Other plastics		No	kg	-	262,000
Glass		Yes	kg	-	42,000
Aluminum		No	kg	-	24,000

\* Control and monitoring of this indicator began in 2020, however the data were still not complete. In 2021, a survey was undertaken of all the brands, which justified the increase in volume compared with 2020.

### Reduction of energy consumption due to conservation and efficiency improvements (GJ) GRI 302-4

	2019	2020	2021
LED light bulbs <sup>1</sup>	6,519.51	17,263.18	30,256.76
Inverter air conditioning <sup>1</sup>	1,345.37		
Electron alignment devices <sup>2</sup>	-	54,680.70	80,742.48
<b>Total</b>	<b>7,862.88</b>	<b>71,943.88</b>	<b>110,999.24</b>

\* To assess the reduction in consumption from physical interventions (substitution of equipment and accessories), a comparison of the total consumption between the years was used.

\*\* The calculation of the reduction provided by the electron alignment device is based on a technical study conducted in pharmacies. The most conservative amount of the reduction based on the statistical variables of the study (confidence interval of 95%) was considered. Based on this experimental reduction (15.32%), we applied this factor to the total consumption of the pharmacies that had this equipment installed throughout 2020, therefore, the reduction observed is applied to the whole consumption for 2020.

### Energy consumption inside the organization GRI 302-1

Total energy consumed (GJ)*	2019	2020	2021
<b>Fuels from non-renewable sources - total</b>	<b>214,223.76</b>	<b>214,089.94</b>	<b>204,740.25</b>
Aviation kerosene	8,658.15	8,966.05	10,316.64
Gasoline (regional units)	4,967.12	4,254.43	4,993.07
Diesel oil (logistics and generators)	200,458.13	200,834.05	189,201.04
LPG	140.35	35.41	229.49
<b>Fuels from renewable sources - total</b>	<b>23,611.60</b>	<b>25,817.76</b>	<b>27,930.71</b>
Biodiesel	20,792.45	23,172.05	23,863.19
Ethanol (regional units)	2,819.15	2,645.71	2,819.24
<b>Energy consumed – electricity</b>	<b>657,531.72</b>	<b>686,894.25</b>	<b>793,330.18</b>
Electricity from non-renewable sources	59,571.19	74,879.28	105,326.82
Electricity from renewable sources	582,652.44	611,103.22	688,003.36
<b>Energy sold - electricity</b>	<b>6,377.99<sup>2</sup></b>	<b>18,216.27</b>	<b>17,740.90</b>
<b>Total</b>	<b>895,367.08</b>	<b>926,801.95</b>	<b>1,125,965.17</b>

\* Covers the energy sold from July to December.

\*\* For conversion of the renewable energy in gasoline, we considered a 25% anhydrous ethanol blend. For the renewable energy in diesel, we considered an 11.2% biodiesel blend. (Data from 2020 energy balance)

\*\*\* For the conversion of electricity from the national grid, the percentage of renewable energy considered is 84.2%.

\*\*\*\* We consider the energy from the free market and distributed generation to be 100% renewable.

Total energy consumed (GJ) 4Bio	2020	2021
Energy consumed – electricity	1,813.23	1,864.03

\* In 2021 4bio did not consume diesel in generators.

## WASTE

### Waste generated GRI 306-3 (2021)

#### Waste directed to disposal GRI 306-5 (2021)

Disposal of hazardous waste in (t)	Type of waste	2019	2020	2021
Recycling	Batteries	4.42	3.99	13.76
	Light bulbs	-	-	18.33
	Medicines	56.06	62.63	137.21
Incineration (mass burn)	Healthcare waste	23.59	58.78	131.43
	Unusable	20.7	28.30	37.72
<b>Total (scope: head office and distribution centers)</b>		<b>104.77</b>	<b>152.92</b>	<b>338.44</b>

Disposal of non-hazardous waste (t)	Type of waste	2019	2020	2021
Recycling'	Paper, cardboard, plastic, ferrous and non-ferrous metals, wood, tires, glass, polystyrene	3,812.20	4,281.82	4,587.23
Landfill	Organic	238.29	624.51	930.35
	Civil construction**	-	-	115.34
Co-processing	Unusable	866.77	1,572.26	1,605.26
<b>Total</b>		<b>4,917.26</b>	<b>6,478.59</b>	<b>7,238.18</b>

\* From 2020 we included non-ferrous metals, glass and tires in the final data for non-hazardous waste diverted from disposal.

\*\* Data from 2019 and 2020 are not available.

Type of waste recycled (t)	2019	2020	2021
Paper	-	96.21	189.6
Cardboard	3,561.57	3,941.74	3,937.43
Plastic	211.93	137.54	300.22
Ferrous metals		10.08	18.82
Wood	28.09	87.69	99.12
Others (non-ferrous metals, tires, glass, polystyrene)	10.61	8.56	42.03
<b>Total (includes batteries and light bulbs)</b>	<b>3,816.62</b>	<b>4,285.81</b>	<b>4,619.31</b>
<b>Total waste generated in tons</b>	<b>5,022.03</b>	<b>6,635.51</b>	<b>7,576.62</b>

We revised the calculation methodology for medical waste data, which is why the data for 2019 were adjusted.

## WATER AND EFFLUENTS

### Water consumption GRI 303-5 (2019)

Water consumption (m <sup>3</sup> ) RD	2019	2020	2021
State utility	336,616	389,793	384,498
Reused water'	-	-	5,564
Artesian well'	-	-	3,287
<b>Total</b>	<b>336,616</b>	<b>389,793</b>	<b>393,349</b>

\* Information for previous years unavailable. 4Bio water consumption was 217 m<sup>3</sup>, for the Pernambuco and Tocantins distribution centers and the head office, for which it was possible to obtain information. All the supply is from state utilities.

## RD

Scope/year Ton of CO <sub>2</sub> e	2019	2020	2021	Variation 2021 x 2020
Scope 1 GRI 305-1	18,115.20	27,833.48	24,596.19	-12%
Scope 2 (by location) GRI 305-2	13,375.78	11,777.37	27,853.36	+136%
Scope 2 (purchase choice) GRI 305-2	-	-	22,887.21	+ 94%
Scope 3 GRI 305-3	2,755.06	1,248.85	1,546.20	+24%
<b>Total</b>	<b>34,246.04</b>	<b>40,859.70</b>	<b>49,029.87</b>	<b>+17%</b>

## 4BIO

Scope/year Ton of CO <sub>2</sub> e	2019	2020	2021
Scope 1 GRI 305-1	66.86	1.31	-
Scope 2 (by location) GRI 305-2	36.75	31.09	65.68
Scope 3 GRI 305-3			10
<b>Total</b>	<b>103.61</b>	<b>32.40</b>	<b>75.44</b>

## RD - BIOGENIC

Scope/year Ton of CO <sub>2</sub> e	2019	2020	2021
Scope 1 GRI 305-1	1,794.05	1,900.72	1,760.04
Scope 2 (by location) GRI 305-2	622.29	0.00	
Scope 2 (purchase choice) GRI 305-3	-		1,032.92
Scope 3	2,755.06	507.22	240.96
<b>Total</b>	<b>5,171.40</b>	<b>2,407.94</b>	<b>3,033.92</b>

## 4BIO - BIOGENIC

Scope/year Ton of CO <sub>2</sub> e	2019	2020	2021
Scope 1 GRI 305-1	0.43	0.16	
Scope 2 (by location) GRI 305-2			
Scope 3 GRI 305-3			10
<b>Total</b>	<b>0.43</b>	<b>0.16</b>	<b>9.76</b>



# Assurance Report GRI 102-56



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## Relatório de verificação limitada dos auditores independentes

Ao Conselho de Administração e Acionistas  
**Raia Drogasil S.A.**  
São Paulo - SP

### Introdução

Fomos contratados pela Raia Drogasil S.A. ("Raia Drogasil" ou "Companhia") com o objetivo de aplicar procedimentos de verificação limitada sobre as informações de sustentabilidade divulgadas no "Relatório Anual e de Sustentabilidade 2021" ("Relatório") acompanhadas a esse relatório, relativas ao exercício findo em 31 de dezembro de 2021.

### Responsabilidades da administração da Raia Drogasil

A administração da Raia Drogasil é responsável pela elaboração e apresentação de forma adequada das informações de sustentabilidade divulgadas no "Relatório Anual e de Sustentabilidade 2021" de acordo com os *Standards* para Relato de Sustentabilidade da Global Reporting Initiative – GRI e com os controles internos que ela determinou como necessários para permitir a elaboração dessas informações livres de distorção relevante, independentemente se causada por fraude ou erro.

### Responsabilidade dos auditores independentes

Nossa responsabilidade é expressar conclusão sobre as informações divulgadas no Relatório, com base nos trabalhos de verificação limitada conduzidos de acordo com os *Standards* para Relato de Sustentabilidade da *Global Reporting Initiative – GRI* e com a metodologia desenvolvida globalmente pela KPMG para verificação de informações sociais e ambientais divulgadas em relatórios de sustentabilidade denominada KPMG Sustainability Assurance Manual – KSAM, aplicável para dados históricos não financeiros.

Essa metodologia exige o cumprimento de requisitos éticos, incluindo os de independência, e o trabalho também é realizado para fornecer verificação limitada de que as informações divulgadas no Relatório da Raia Drogasil, tomadas como um todo, estão livres de distorção relevante.

A KPMG Assessores Ltda. ("KPMG") aplica as normas brasileira e internacional sobre controle de qualidade, e consequentemente, mantém um sistema abrangente de controle de qualidade incluindo políticas e procedimentos documentados relativos ao cumprimento de normas éticas e profissionais, além dos requisitos legais e regulatórios aplicáveis. Cumprimos com o código de ética abrangente incluindo requerimentos detalhados de independência, estabelecidos com base nos princípios éticos de integridade, objetividade, competência e zelo profissional, confidencialidade e o comportamento profissional.

Um trabalho de verificação limitada conduzido de acordo com os *Standards* para Relato de Sustentabilidade da Global Reporting Initiative – GRI e KPMG Sustainability Assurance Manual – KSAM consiste principalmente de indagações à administração da Raia Drogasil e outros profissionais da Companhia que estão envolvidos na elaboração das informações constantes no Relatório, assim como pela aplicação de procedimentos analíticos para obter evidências que nos possibilitem concluir na forma de verificação limitada sobre as informações de sustentabilidade tomadas em conjunto. Um trabalho de verificação limitada requer, também, a execução de procedimentos adicionais, quando o auditor independente toma conhecimento de assuntos que o levem a acreditar que as informações divulgadas no Relatório, tomadas em conjunto, podem apresentar distorções relevantes.

Os procedimentos selecionados basearam-se na nossa compreensão dos aspectos relativos à compilação, materialidade e apresentação das informações constantes no Relatório e de outras circunstâncias do trabalho e da nossa consideração sobre áreas e sobre os processos associados às informações materiais de sustentabilidade divulgadas no Relatório, em que distorções relevantes poderiam existir. Os procedimentos compreenderam:

- planejamento dos trabalhos: consideração da materialidade dos aspectos para as atividades da Raia Drogasil, da relevância das informações divulgadas, do volume de informações quantitativas e qualitativas e dos sistemas operacionais e de controles internos que serviram de base para a elaboração do Relatório da Raia Drogasil. Esta análise definiu os indicadores a serem testados em detalhe;
- entendimento e análise das informações divulgadas em relação à forma de gestão dos aspectos materiais;
- análise dos processos para a elaboração do Relatório e da sua estrutura e conteúdo, com base nos Princípios de Conteúdo e Qualidade dos *Standards* para Relato de Sustentabilidade da *Global Reporting Initiative – GRI (GRI-Standards)*;
- avaliação dos indicadores não-financeiros:
  - entendimento da metodologia de cálculos e dos procedimentos para a compilação dos indicadores por meio de entrevistas com os gestores responsáveis pela elaboração das informações;
  - aplicação de procedimentos analíticos sobre as informações quantitativas e indagações sobre as informações qualitativas e sua correlação com os indicadores divulgados no Relatório;
  - análise de evidências que suportam as informações divulgadas;
- análise da razoabilidade das justificativas das omissões de indicadores de desempenho associados a aspectos e tópicos apontados como materiais na análise de materialidade da Companhia.
- confronto dos indicadores de natureza financeira com as demonstrações financeiras e/ ou registros contábeis.

Acreditamos que as informações, as evidências e os resultados obtidos em nosso trabalho são suficientes e apropriados para fundamentar nossa conclusão na forma limitada.

### Alcance e limitações

Os procedimentos aplicados em um trabalho de verificação limitada são substancialmente menos extensos do que aqueles aplicados em um trabalho de verificação razoável. Consequentemente, não nos possibilitam obter segurança de que tomamos conhecimento de todos os assuntos que seriam identificados em um trabalho de verificação razoável, que tem por objetivo emitir uma opinião. Caso tivéssemos executado um trabalho de verificação razoável, poderíamos ter identificado outros assuntos e eventuais distorções que podem existir nas informações constantes no Relatório.

Os dados não financeiros estão sujeitos a mais limitações inerentes do que os dados financeiros, dada a natureza e a diversidade dos métodos utilizados para determinar, calcular ou estimar esses dados. Interpretações qualitativas de materialidade, relevância e precisão dos dados estão sujeitos a pressupostos individuais e a julgamentos. Adicionalmente, não realizamos qualquer trabalho em dados informados para os períodos anteriores, para a avaliação da adequação das suas políticas, práticas e desempenho em sustentabilidade, nem em relação a projeções futuras.

### Conclusão

Com base nos procedimentos realizados, descritos neste relatório, nada chegou ao nosso conhecimento que nos leve a acreditar que as informações constantes no Relatório Anual e de Sustentabilidade 2021 não foram compiladas, em todos os aspectos relevantes, de acordo com os *Standards* para Relato de Sustentabilidade da *Global Reporting Initiative – GRI (GRI-Standards)* e com os registros e arquivos que serviram de base para a sua preparação.

São Paulo, 18 de abril de 2022

KPMG Assessores Ltda.

  
Marcio Andrade Barreto  
Sócio

## Credits

### Overall coordination

Raia Drogasil

### Vice President, People, Culture and Sustainability

Maria Susana de Souza

### Director, Sustainability

Giuliana Ortega Bruno

### Vice President, Planning and Investor Relations

Eugênio de Zagottis

### Coordination - Planning, Editing and GRI Consulting

Grupo Report - Rpt.sustentabilidade

### Editing and Reporting

Guto Lobato and Michele Silva

### Project and Relationship Management

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### GRI Consulting

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### Art direction and design

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### Photography

Camila Pico, Raia Drogasil Archive and Banco de Imagens Unsplash

### Translation

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