

People Code

Ethics and Conduct at RD





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1. Foreword



Perhaps you are curious to find out the reason behind the names of the chapters of this Code. Actually, the reason is quite simple: The names of the chapters are the meanings of the verb to **TAKE CARE.**

Foreword

This verb was chosen to structure the **People Code** because it reveals how we imagine and imagine RD.

Those who know the people in charge of the RD Culture (Purpose, Belief and Values) and the pillars of our sustainability programs know the key role played by the verb in our Company's daily activities.

As such, each chapter of this Code covers a set of principles and attitudes that help us put into practice the meanings of the verb 'to take care'.

I. To be concerned with: firstly, we are concerned with people, our community and the environment. Businesses must serve this purpose.

II. To take responsibility for: how we manage RD and commit to the functions of the position we occupy. RD's key commitments to ethics and legality.

III. To establish relations with: some of the principles that guide our relations with our stakeholders.

IV. To take care of: a few examples on how when we take care of ourselves, we are able to take care of the health of the relations we maintain with others, at the same time.

The verb 'to take care' has also defined the philosophy behind the **People Code: the Ethics of Care**.

Ethics of Care was chosen because as we put the project for the Code into practice, we decided to draft a document that was not limited to closed rules, but expressed the essence of how we think and act.

The Ethics of Care focuses on working on choices and human relations based especially upon respect, communication and a sense of responsibility.

It shows us that everything we do carefully – with dedication, attention, pleasure and reflection – has more chances of long-lasting success

Taking care is an ethical act, by default. After all, it takes our full commitment to a good cause in order to really take care of someone or something.

By definition, a caretaker is someone who is motivated by a personal decision to do good deeds, to get them done properly, to be part of a relationship that makes sense and which makes a difference for oneself and for others.

In short, we chose the verb 'to take care' because our trust, balance and purpose based relations are based on and developed from it.

We are sure you understand what this all means, and we would truly like to thank you for being part of this accomplishment – of managing a company that wants to continue servicing its community and clients for decades to come

Antonio Carlos Pipponzi
Chairman

Marcilio Pousada
CEO

2. To be concerned with



Act of genuinely giving importance to someone or something. Making sure and making the necessary efforts for something to happen and prevail over less valuable things.

TO BE CONCERNED WITH

RD Culture

We do our work and achieve results by guiding our actions and decisions according to the three elements that move the RD Culture: **Purpose, Belief and Values.**

Each one of these drivers is the extension of the others – together, they are our essence. They were conceived for RD to be an efficient and truly relevant organization, admired by our community and stakeholders (employees, clients, health professionals, suppliers, etc...). This is how we build trust and a long-standing, cohesive and balanced entrepreneurial community comprised of thousands of people – with room for more!

Drivers of the RD Culture

BELIEF People taking care of people	PURPOSE To take close care of people's health and well-being during all times of their lives	VALUES	Efficiency	To work and deliver at the highest standards, aiming at the best results
			Ethics	To do what is right, in a transparent and honest fashion, in any situation
			Innovation	Innovate today to become better tomorrow
			Relations of Trust (Trust)	To be genuinely interested in people, nurturing relations of trust
			Long-term Vision (Sustainability)	Act today, creating value in the future for us and the society

TO BE CONCERNED WITH

Sustainability

RD is aware of its responsibilities before our community, the economy and the preservation of Earth, and that is why it has a Sustainability Agenda integrated to the Strategic Plan.

RD's Sustainability Agenda has three areas of action, each of them with specific guidelines that support the company's key decision-making processes.

AREAS OF ACTION

GUIDELINES

TO TAKE CARE OF
PEOPLE'S
HEALTH

To encourage **employee quality of life** and to offer a work environment that promotes **equality and respects diversity**.

To promote customer health and well-being, encouraging healthy habits, facilitating access to products and services and closely accompanying healthcare.

To engage the community through the promotion of a donation and volunteering oriented culture.

TO TAKE CARE OF
BUSINESS
HEALTH

To encourage dialogue and generate long-term value for our stakeholders.

To protect our customers' information.

To work with **suppliers** and service providers aligned to our values.

To promote **employee personal and professional development**, to always prepare leaders.

TO TAKE CARE OF
THE PLANET'S
HEALTH

To reduce business-generated waste and provide for the adequate disposal thereof.

To minimize the use of natural resources and to protect the effects of construction in our stores, DCs and office projects.

To reduce the socioenvironmental impact of our distribution process.

3. To take responsibility for



Act of keeping one's words, promises, contracts and agreements. Assuming one's mistakes and knowing how to apologize, when necessary. A responsible person contributes towards the creation of an environment of trust and prosperity.

TO TAKE RESPONSIBILITY FOR

Management

We make an effort, on a daily basis, to build Relations of Trust with our internal and external stakeholders. In order to do so:

- We put RD's and its stakeholders' interests above personal interests.
- We implement acknowledged corporate governance practices and manage RD and its companies in an honest, transparent, responsible and diligent fashion.
- The businesses and activities with/between Related Parties are based on Board-approved guidelines.
- We implement risk management, compliance, audit and information security policies and procedures, in order to preserve the interests, reputation, property and longevity of RD and its companies.
- We account for our activities and results by means of reports, declarations, statements and communications accurately, clearly and objectively reflecting RD's and its companies' management and financial reality.
- We protect the information shared in the company to avoid leakages or improper use, or any use for personal purposes that adversely affect RD, its shareholders and other stakeholders.
- We always resort to the RD essence to solve issues – in an accurate and unbiased fashion – in which the available options are contradictory and the respective interests and rights are complex.
- In order to protect RD's sound reputation and our personal dignity, we pay close attention to how our acts and decisions will affect the people and companies we work or interact with.

TO TAKE RESPONSIBILITY FOR

Human Rights

- We acknowledge the importance and legitimacy of Human Rights, and, as such, we do not tolerate any type of exploitation, harassment, lack of respect and discrimination at our facilities and activities. As such, we do not tolerate any act of discrimination for ethnical, impairment, sexual orientation or other biases.

Work Relations

We take care of our employees' well-being and professional development. To this end:

- We implement transparent people management policies and procedures to guarantee unconditional respect for people and for the rights of candidates and employees.
- We do not tolerate any degrading form of work: child, forced or slave labor, etc.
- RD and its companies are not involved in any political activities but respect the right of directors and employees to have a political stand, including by being part of political parties; however, they must do so on an exclusively personal and independent nature, without any direct or indirect implication for the company.
- We respect our employees' right to collective bargaining and to being union members.
- We aim at offering dignified salaries and benefits, compatible with market practices.
- We promote education and occupational health and safety programs.
- Our career plans are based on meritocracy and impartiality criteria.

TO TAKE RESPONSIBILITY FOR

Lawfulness

- We meet all the requirements of regulatory and law frameworks in all fields of law: administrative, environmental, civil, commercial, labor, tax, etc.
- As such, we implement policies and procedures to prevent and fight unlawful acts: corruption, fraud, money laundering, financing of terrorism, cartel, influence peddling, improper harboring/criminal protection, etc.

Ethics

- We are aware that the laws and regulatory frameworks do not cover all the ethical issues (dilemmas, conflicts, etc.) that are part of our daily activities, business and operations – and we review – on a regular basis and prior to any advances – how our acts and decisions may benefit or harm our stakeholders, community or the environment.

Intellectual Property and Information Security

- Any information shared internally and RD's know-how are adequately protected and are not used for personal purposes or transferred to third parties without the express consent of our leadership (high management), and, as the case may be, of our clients, suppliers, business partners, etc.
- We are very careful in the use and storage of information to which we have access and for which we are responsible. As such, we follow RD's information security rules and avoid sharing our PINs.

TO TAKE RESPONSIBILITY FOR

- We request the approval of the direct manager or of the responsible division before using any RD information and know-how in external activities and publications, in the traditional or social media, communities and internet vehicles.
- We respect the privacy of our employees, clients and third parties and do not disclose their information.
- When we terminate our relationship with RD, we are aware that we cannot take copies of documents, information, processes or know-how to which we had access.

Conflict of Interest (COI)

Conflict of Interest (COI) occurs whenever someone puts his/her own interests or the interests of people he/she knows before the interests of the company.

We avoid such attitude because not only is it unprofessional, but it endangers integrity and may even constitute an unlawful act, and may translate into losses for the company, for the work environment and affect the reputation of anyone involved.

Below are some examples of the most common events of COI, which call for our utmost attention:

- To use your position in the company to obtain: personal favors or benefits; a job or any help for relatives and friends; to prospect personal business opportunities; to have access to confidential or inside information, etc.
- To contract and/or manage business relations on behalf of R with companies in which we hold interest or which are managed by our friends or relatives.
- To refer or contract relatives or friends without informing the direct manager, manager responsible for the engagement and the People, Culture and Sustainability division.
- To work directly with relatives or romantic partners.
- To have an external activity (to be an employee, supplier, service provider, consultant, officer or director) that conflicts with the activity developed at RD.
- To use inside information to buy or sell shares of RD and its companies.
- To avoid using company resources, equipment and material for personal purposes.

For further information on COI-related rules, see the corporate policies available at RD. Also, make sure to look for your direct manager or the Ethics and Compliance division whenever you have any doubts or need to report any information on these and other issues.

4. To establish relations with



Act of positively qualifying the relations we maintain with other people. Careful interactions are those in which we take close care of people, and which consequently result in a relationship of trust, credibility, safety and respect.

TO ESTABLISH RELATIONS WITH

Clients

- First comes the client, then the sale.
- We constantly improve the profile and management of our companies and activities considering the client's expectations, comfort and needs.
- We offer customer service channels ready to carefully listen to any suggestions, complaints and positive input.
- We never breach our clients' and employees' privacy and information, we only use such information for their own benefit.
- Clients have the right to choose – and that is why:
 1. We provide welcoming, professional and fast services.
 2. We clearly and objectively offer any information needed.
 3. We never use sales artifices or subject anyone to any type of embarrassment.

Shareholders and Investors

- RD regulates its relationship with its shareholders, potential investors and analysts based on the B3 New Market Regulation and on good Corporate Governance practices, including:
 1. Appropriate valuation of RD shares and investment return, in accordance with the laws and the guidelines of this Code.
 2. Implementation of Policies on Securities Trading and Information Disclosure to the capital market, in order to avoid improper advantages for any person or organization.
 3. A dispute-resolution routine for the shareholders', investors' and managers' interests conflicting with the interests of RD and its companies.

TO ESTABLISH RELATIONS WITH

Third Parties

(Business Partners, Suppliers, Service Providers, Distributors, Agents/Representatives...)

- Our relations with third parties are based on respect, professional conduct and on our Belief, Purpose and Values.
- We implement fair and transparent selection, engagement, assessment and third-party relations policies and procedures.
- The **Conversa Ética Hotline** is available to third parties.
- We make sure third parties have policies and procedures on:
 1. Protection of Labor Rights
 2. Prevention and fight against any undignified type of labor (slave, forced, child labor...).
 3. Prevention and fight against unlawful (corruption, fraud, money laundering, etc.) and anti-ethical acts.

Competitors

We protect the Competition and Antitrust laws and principles. As such:

- We are members of trade associations (federations, employers' unions...) with the sole purpose of cooperating towards the development of the industry and the market.
- We respect the reputation and opinion of our competition.
- We do not breach any right to intellectual property and we do not use competitors' data and profile information without their express knowledge and consent.
- We never exchange information or agree to practices that may violate the provisions of Law 12,529/2011 (Brazilian Antitrust Law) and the RD Anticorruption and Anti-fraud Policies, among others.

TO ESTABLISH RELATIONS WITH

Government and Government Officials

- RD's relation with the Government and Government Officials (including Political Agents) are institutional and public relations, officially conducted and in accordance with the law.
- Any contributions (financial support, donations, support, etc.) made to the Government, as well as any relations with Government Officials must be in line with the **RD Anticorruption and Anti-fraud Policies, among others.**
- We do not offer any contributions to Political Agents and we do not authorize any person or company to do so on behalf of RD.

Nonprofit Sector

- We have partnerships with the Nonprofit Sector exclusively in order to promote actions that benefit common good (community, culture, environment, health, well-being...).
- The RD CEO approves any contributions made to Nonprofit Sector organizations.

Media

- We understand the key role played by the media, and we therefore maintain independent relations with the industry. In other words, we do not mistake our duty to inform public opinion for marketing and advertising actions.
- In order to avoid any misunderstanding, only employees authorized by leadership may establish relations with the Media on behalf of RD.
- As for the internet (social media, disclosure channels...) RD reserves itself the right to challenge – including in court – any inaccurate news, as well as any fake news or rumors spread.

5. To take care of



Attitude that balances the body and the mind, protects us from danger, helps us become better and more present people, increasing self-esteem and the courage it takes to move forward.

TO TAKE CARE OF

Diligence in Personal Conduct

- We value teamwork, and that is way we participate of and dedicate ourselves to activities in which we were involved in and share good practices with our colleagues.
- We are courteous in our relationships and interactions, even in the events of divergence or conflict.
- We do not spread rumors, not even to our closest colleagues.
- We adequately use the benefits RD offers: health insurance and dental plan; check-up; food, meal and transport tickets; drugstore discounts and benefits; payroll loans; etc.
- We follow the occupational safety policies and procedures to prevent incidents.
- We follow the guidelines of the Codes of Ethics/Conduct of our trades.
- We avoid connecting RD and its companies to personal uses of social media and other online communication channels, and, as such:
 1. We ask for the direct manager's approval to share any document, news, information, picture or video in social media, online or in any other means of communication.
 2. We do not engage in nor transfer any discussions or heated debate involving the name of RD and its companies, even if to defend them.

Actions between Work Colleagues

- In order to avoid any misunderstandings or unfortunate situations with colleagues:
 1. We avoid selling goods, raffle tickets, etc., at RD's facilities.
 2. We make sure that the participation in any initiative to split costs of birthday presents, celebrations or donations to charity is voluntary. We do not determine any fixed sums or disclose the contribution each person offered, or the names of those who declined.

6. Ethics and compliance

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ETHICS AND COMPLIANCE

Conversa Ética Hotline

Communication is key for human relationships, especially to maintain an ethical environment. That is why we have an open channel to listen to our employees and third parties on any violations of RD's Ethics and Compliance guidelines, to be reported by:

 **Toll-Free Number:** 0800 778 9009

 **E-mail:** contato@conversaetica.com.br

 **Site:** <http://www.conversaetica.com.br>

RD guarantees the anonymity, secrecy and confidentiality of the case and does not tolerate any act of retaliation or punishment against employees or third parties who report information.

Declaration of responsibility and compliance with the code

I declare to be aware of and in accordance with the assumptions set forth in the **People Code**, which defines the guidelines for managers, employees, interns, suppliers, third parties and regular partners of the Company in their everyday work activities, behaviors and ethics, guided by ethics and the basic values referred to in the Code.

I furthermore declare to be aware that each employee, manager, representative, agent and third party is responsible to comply with and ensure one's acts and behaviors takes into consideration the provisions of this Code of Ethics and Conduct, and any violation is subject to the applicable disciplinary measures.

Finally, I declare to have read and understood the People Code, and agree to comply with it in all the activities developed at the Company, as well as to see to the application thereof.

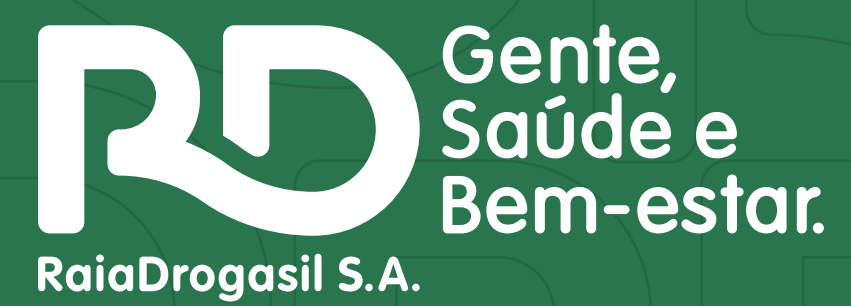
Full Name: _____

Record No.: _____

Date: _____

Division: _____

Signature: _____



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