



Environmental  
Social  
Governance

# Sustainability Report

# 2022



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## GRI Summary

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# Introduction [GRI 2-3]

**Grupo Elfa’s first Sustainability Report showcases our ESG (Environmental, Social and Governance) promotion and development initiatives over the course of 2022.**



The report provides context around the company’s current situation and structure and outlines the goals and ambitions built upon the United Nations’ Sustainable Development Goals (SDGs), with initiatives to be achieved in the short, medium and long term.

The Sustainability Report is formed of chapters based on Grupo Elfa’s ESG strategy and commitments, as endorsed by the Board of Directors, namely: Universal Health Care (SDG 3); Personal Growth Platform (SDG 8); Culture of Inclusion and Opportunities, which includes Equal Career Opportunities (SDG 5 and 10); Rational Resource Usage, Spearheading Climate Action throughout the Value Chain (SDG 7 and 13); and Engaging the Value Chain as a Transformational Compliance Ambassador (SDG 12 and 16).

Please submit any queries about our Report or related information by email to [esg@grupoelfa.com.br](mailto:esg@grupoelfa.com.br).



# Message from the CEO

## An agenda for the future [GRI 2-22]

**Grupo Elfa's transformation reached new heights in 2022. This process was founded upon three pillars: People, Governance and Innovation.** Sustaining this ongoing operation are our employees, who are essential in delivering high-quality services with the suitable governance required. To further empower them, we have developed programs that increase participation and foster diversity and inclusion, such as Empodera, which provides a safe space for marginalized groups to come together, discuss demands and priorities and propose effective action plans.

I am also compelled to highlight our initiatives focused on instilling continuous strong and transparent governance. Since the offset we have considered ethics and compliance as integral characteristics of our business. Every year, we intensify initiatives that bolster our role in the health care sector as good practice leaders. For the second consecutive year we received ISO 37001 certification for Anti-Bribery Management Systems with no nonconformities. We are also members of the Ethos Institute and the Brazilian Institute of Business Law and Ethics (IBDEE). We strive to work hand in hand with the main drivers of transformative actions in the corporate world by offering our expertise and leading governance discussions within our field of operation.

We faced another challenging year in economic terms, but did not stop investing. We progressed in growing our portfolio, including our largest acquisition to date, Descarpack.

Innovation is the common thread connecting all these movements. Throughout 2022 we harnessed it as our tool for cultivating an intrapreneurial culture. We invested in opportunities to hone the skills of our employees and implemented projects they developed that enhance our internal and customer journey.

The effectiveness of our efforts was recognized by the market. We won the *Valor Inovação, Não Aceito Corrupção* and *IT Mídia* awards and were present at the Great Place to Work Saúde, and *Exame Melhores e Maiores* rankings.

We continued integrating our ecosystem of companies, a movement that helps connect our business units, generating efficiency and data for process improvement. Our nationwide distribution centers were restructured to meet demands quicker.

All of this is part of an ongoing effort to be a one-stop-shop for our customers. We have maintained our growth strategy with the aim of seamlessly offering the best and most diverse health solutions to benefit patients at the point of care.



Grupo Elfa is a unique company with robust business units and a continuous future agenda that will undoubtedly inspire other sectors. We are using our first ever Sustainability Report to showcase this progress made over 2022 and the prospects for 2023. We reaffirm our commitment to the ESG agenda in our goals by signing the UN Global Compact commitment.

I extend my heartfelt thanks to everyone for taking such important steps together in building these bridges for the benefit of society as a whole.

Enjoy the report!

**Andrés Cima**  
Grupo Elfa CEO



# Highlights

Forming our **ESG strategy**

Compiling our **first carbon inventory**

Creating our **Quality, Cybersecurity** and **Customer Service** departments

Creating the **Women in Operation and Senior Talents** programs

## Race Census

**Engaging employees** in our corporate university, with a target of **60% voluntary participation**



## Second renewal of ISO 37001 Certification

Anti-bribery Management System in as many years

**Closing the acquisition of Descarpack**, our new products business unit

**Systemic integration** of the acquired companies

Creation of **chatbot** and **visual law** to simplify compliance queries

Rolling out **Elfa Care**, a platform that **integrates health plans**

Signing the **UN Global Compact** commitment

Joining **Ethos Institute** and **Brazilian Institute of Business Law and Ethics (IBDEE)**



# Awards and recognition

## **Valor Inovação Award**

Winner in the Transportation and Logistics Sector

## **Não Aceito Corrupção Award**

Winner in the Companies category (Corporate Governance)

## **IT Mídia Award**

100 Most Innovative Companies in IT in Brazil (22<sup>nd</sup> place)

## **GPTW Saúde 2022**

Drugstores and Large and medium-sized distributors (5<sup>th</sup> place)

## **Exame Melhores e Maiores** (129<sup>th</sup> place)

## **Ranking Virtuous Company of Ethical Culture 2022**

Health care sector (32<sup>nd</sup> place)

## **“Movimento Roche Reconhece” Award**

Best private distributor



# Materiality [GRI 3-1]

Five steps were followed to build the materiality of this Report:

## 1 - Technical curation

We listed the material topics in our sector (distribution) according to the standards of SASB (Sustainability Accounting Standards Board), GRI (Global Reporting Initiative) and the materiality analysis of competitors.

## 2 - Listening to stakeholders

We conducted 59 in-depth interviews and had stakeholders complete questionnaires. All interviews were semi-structured with open-ended and closed-ended questions, in order to map Elfa's impacts. The stakeholders analyzed included suppliers, customers, board members, employees, acquired companies, civil society, trade unions and communities.

## 3 - Data synthesis and final analysis

We conducted quantitative and qualitative analyses of the collected data and consolidated in a materiality matrix.

## 4 - Alignment with the Sustainable Development Goals (SDGs)

We continued the process by strategically aligning the material topics with the SDGs.

## 5 - Materiality validation

We concluded the materiality validation at a leadership meeting, attended by 21 participants from 11 divisions.

## List of material topics [GRI 3-2]

| Material topic                               | Related SDG   |
|--|---|
| Universal affordable health care             | <b>SDG 3</b><br>Health and well-being                   |
| Product safety and customer well-being       | <b>SDG 5</b><br>Gender equality                         |
| Human Rights & Diversity and Inclusion       | <b>SDG 10</b><br>Reduce inequality                      |
| Local community engagement                   | <b>SDG 10</b><br>Reduce inequality                      |
| Energy management                            | <b>SDG 7</b><br>Affordable and clean energy             |
| Employee engagement and development          | <b>SDG 8</b><br>Decent work and economic growth         |
| Waste management and life cycle management   | <b>SDG 12</b><br>Responsible consumption and production |
| Supply chain management                      | <b>SDG 12</b><br>Responsible consumption and production |
| GHG emissions and climate change             | <b>SDG 13</b><br>Climate action                         |
| Anti-corruption & Compliance                 |   |
| Transparency and ethical conduct in business |   |
| Data security and privacy                    | <b>SDG 16</b><br>Peace, justice and strong institutions |
| Business model resilience                    |   |
| Sales practices                              |   |
| Competitive Behavior                         |   |

# Commitment to sustainability [GRI 2-12 | 2-13 | 2-14 | 2-16]

**In addition to our efforts to provide the best solutions and services to our customers, we are committed to the ESG Agenda. We strive to ensure compliance with the United Nations Sustainable Development Goals (SDGs). In 2022, we signed up to the UN Global Compact, joining more than 1,500 Brazilian companies.**

To practically action objectives we hold regular meetings with senior management to address sustainability-related issues and provide periodic training to our employees to deepen their understanding of the subject. We also endeavor to engage our value chain in a sustainable development agenda.

We used an assessment of our performance and future goals to devise Grupo Elfa's ESG strategy with the support of a specialized firm, culminating in ambitions and targets to be achieved. The entire executive team was involved in the process of building and validating materiality. On May 31, 2022 the Board of Directors subsequently approved the ambitions and targets that would be made public.

The Board of Directors assesses the progress and implementation of the initially approved ESG initiatives. The progress of ongoing projects, executive targets (which include a collective ESG target), and their

operational impacts are discussed in quarterly Board of Directors' meetings. Senior management also actively participates in the production of the Sustainability Report, which is approved by the Board of Directors before being published.

Our CHRO (Chief Human Resources Officer), Fred Lopes, was also appointed as CSO (Chief Sustainability Officer) and is tasked with managing ESG-related matters, with the support of a team of other employees.

This team reports the progress of ESG initiatives, their operational impacts and any critical concerns to the Board of Directors, while Grupo Elfa Committees are responsible for decision-making and overseeing the management of the organization's impacts on the economy, environment and people.





## Grupo Elfa's ESG ambitions and targets

| Related SDG   | Ambitions                                    | Target  |
|---|--|---|
|  <b>SDG 5</b><br>Gender equality                 | Increase female representation in leadership | Have at least 45% of leadership positions filled by women by 2030                         |
|  <b>SDG 7</b><br>Affordable and clean energy     | Replace energy matrix with renewable sources | Obtain 100% of electrical needs from renewable sources by 2030                            |
|  <b>SDG 8</b><br>Decent work and economic growth | Embed ESG in our business strategy           | Index ESG metrics to executive bonuses and profit sharing by 2023                         |
|  <b>SDG 13</b><br>Climate action               | Be carbon neutral                            | Neutralize CO <sub>2</sub> emissions in scopes 1 and 2 by 2030 and deep dive into scope 3 |

Grupo Elfa

1



# About us [GRI 2-6]

**For over 30 years Grupo Elfa has been providing health care logistics solutions and services throughout Brazil. We serve approximately 65,000 clients, including manufacturers, hospitals, clinics, retailers, health care professionals and health care operators. In 2011 we embarked on a mission to expand Grupo Elfa, and in 2014 we were acquired by Patria Investimentos fund.**

This has allowed us to enhance our operational capabilities within the health care sector and grow sustainably, including the acquisition of like minded companies to expand our portfolio, having acquired 21 to date.

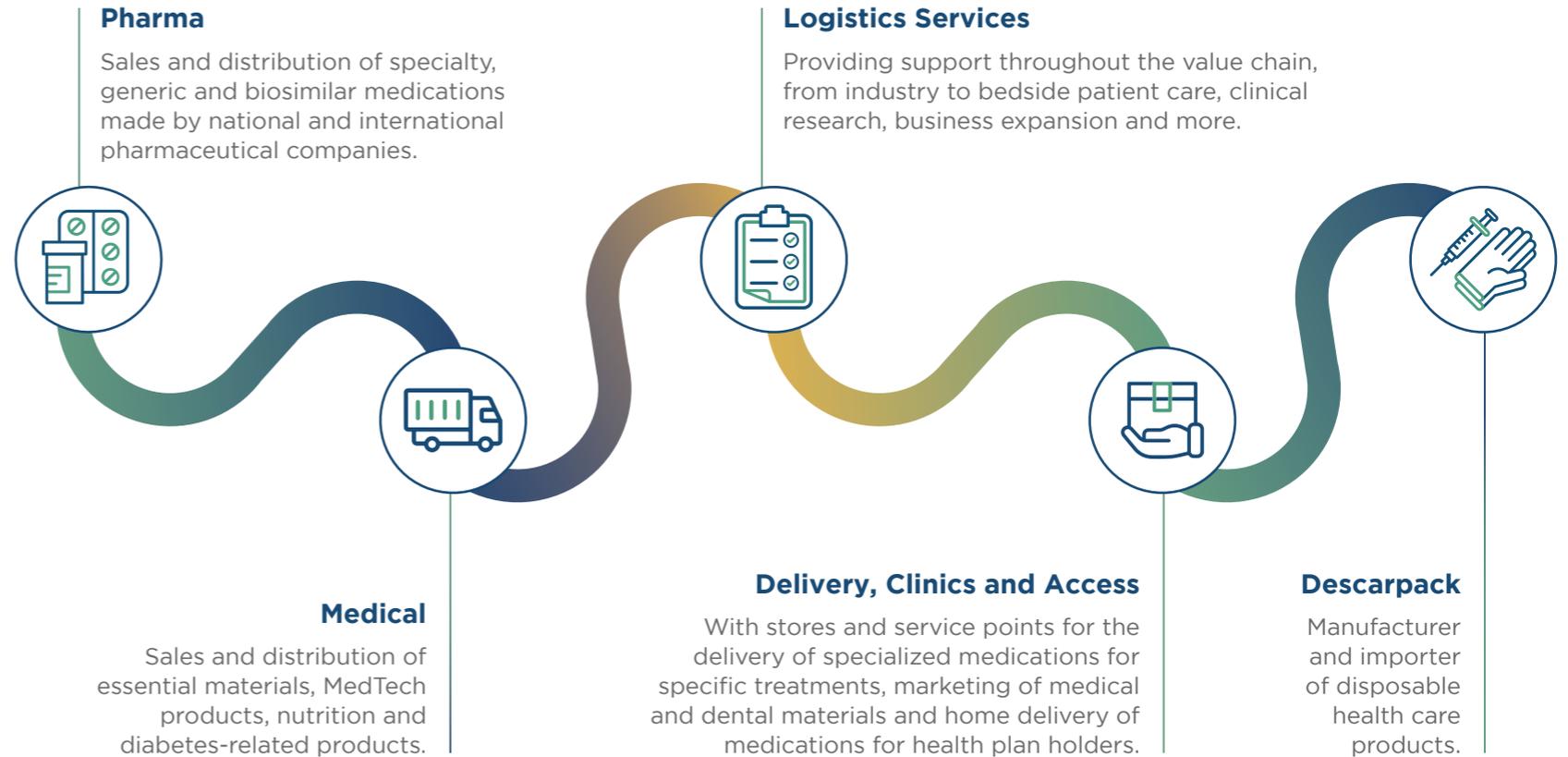
Through our business units (BUs) we operate across the entire health care ecosystem, aiming to reduce disruptions and touch points. We offer our clients efficiency and establish relationships underpinned by ethics and transparency.

Behind our operations lies a dedicated team of over 2,700 employees throughout Brazil who embody Grupo Elfa's culture and values. They are the driving force behind our success, harnessing innovation to foster entrepreneurship, creativity and excellence.

By satisfying our clients and employees we aim to be recognized as the leading health care solutions and services company in Brazil.

# Our business model [GRI 3-3 Business model resilience]

Elfa presently operates in the following Business Units (BUs):



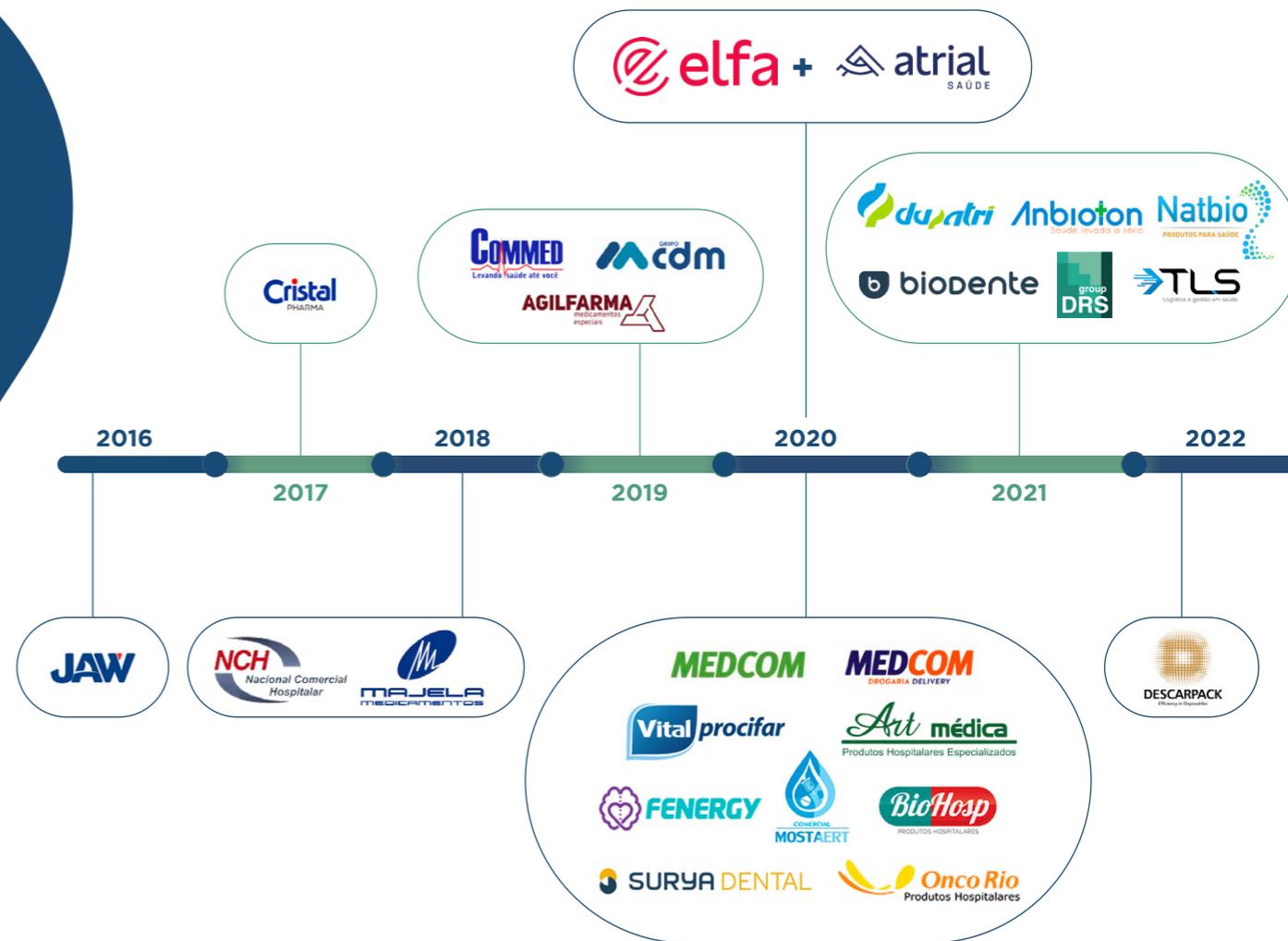
## Our geographies [GRI 2-2]

Grupo Elfa has 56 units across 13 states, covering all regions of Brazil.

- AM // 1
- BA // 2
- CE /// 4
- DF // 2
- GO /// 5
- MG // 7
- PA // 2
- PB // 2
- PE // 3
- PR // 6
- RS // 3
- SC // 5
- SP // 14



## Our brands



## Purpose

**Expand pathways to bring health to millions of lives.**

## Mission, Vision and Values

### Mission

To distribute a broad portfolio of products and services that improve the health of people across the country.

### Vision

To be a leader in health care logistics solutions, committed to helping our business partners grow by understanding and serving our end customers with excellence.

### Values

- We put the customer at the center of our decisions to expand health pathways
- We serve with agility and flexibility
- We innovate in the segment to improve patients' lives
- We are committed to results, with high ethical standards and integrity
- We believe in diversity and teamwork to grow and evolve together
- We create a positive impact on the society in which we operate



# Corporate governance [GRI 2-9 | 2-10 | 2-11]

We are managed by a Board of Directors and an Executive Board. The Board of Directors is our ultimate governing body, tasked with making strategic business decisions and overseeing compliance with policies and regulations. It is composed of seven members, two of whom are independent, and acts as a bridge between the Executive Board and the partners. The Chairman of the Board, José Roberto Correa Teixeira Ferraz, was appointed by our controlling shareholder and does not hold any other position in the company.

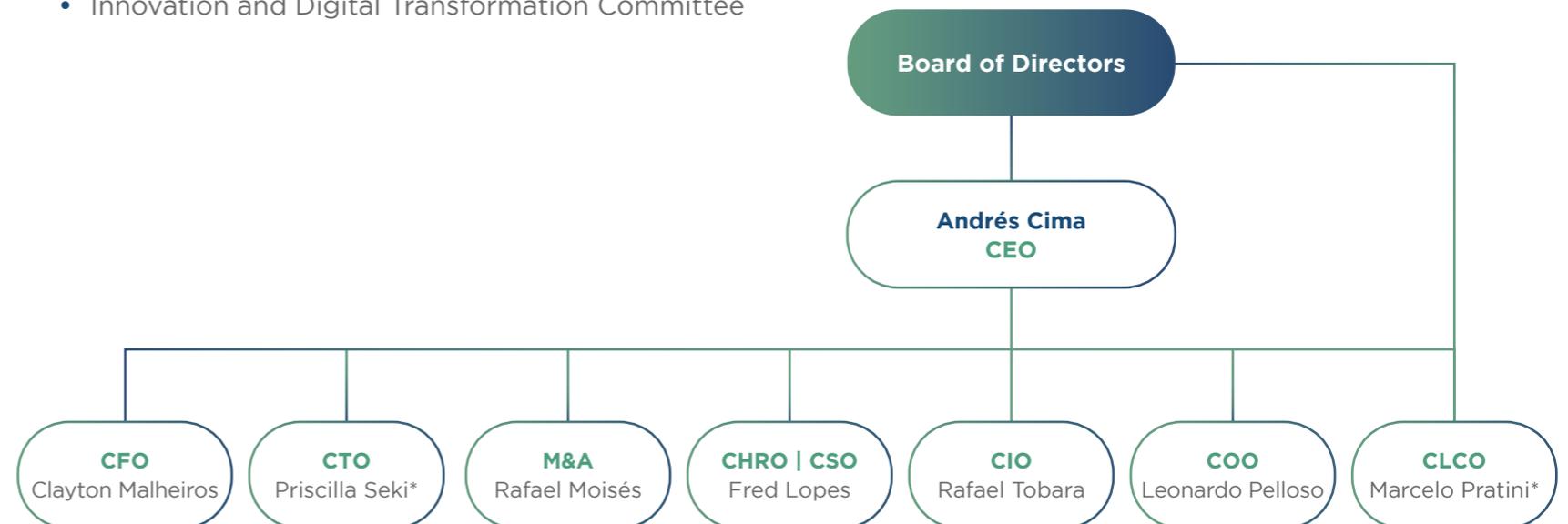
## Governance structure

To assist our executives and shareholders we also have an Internal Audit department and the following Committees:

- Audit Committee
- Ethics Committee
- Risk Management & Compliance Committee
- People & Compensation Committee
- Innovation and Digital Transformation Committee

### Board of Directors:

|                                     |                    |
|-------------------------------------|--------------------|
| José Roberto Correa Teixeira Ferraz | Member             |
| José Antônio Toledo Vieira          | Member             |
| Fabricio Rodrigues Amaral           | Member             |
| Lia Ferrua                          | Member             |
| Norberto Sobral Januzzi             | Member             |
| Maria Regina Ferreira Navarro       | Independent member |
| Ricardo Pelegrini                   | Independent member |



\*Took office in 2023.



The committees are responsible for advising the senior management decisions. In addition to these Committees, the Board of Directors may set up other committees as/when necessary. **[GRI 2-25]**

Board of Directors' members are nominated by the shareholders and appointed after voting at the General Meeting, subject to the provisions of the Company's Shareholders' Agreement. Committee members, however, are nominated by the Directors and appointed after voting at the Board of Directors meeting. Committee and Board members serve two-year terms.

We look for the following in aspiring Board and advisory committee members:

- (i) relevant skills in examining and discussing matters related to the organization in its various areas (commercial, operational, people management, innovation digital, etc.);
- (ii) ability to actively contribute to the decision-making process; and
- (iii) commitment to performing their duties.

Our Board includes two women, and Elfa has been awarded the Women on Board certification, an independent initiative supported by UN Women to recognize companies with women on their boards. In addition, our members have complementary profiles, with expertise in pharmaceuticals, technology, operations and new business/M&A. Matters that may involve a potential conflict of interests with the controlling shareholder are resolved solely by independent Board members.

# Universal health care

2





# To be a leader in health care innovations and advancements for all

[GRI Universal affordable health care]

**Innovating in health care means helping ensure that all Brazilians have access to multiple products and services, wherever and whenever. The responsibility of being a company that coordinates this ecosystem drives us to tirelessly strive to provide the best care in all spheres, industries, doctors and patients. In doing so, we also help optimize processes, which impacts delivery speed and cost cutting.**

Our business model aims to offer high-quality service to customers that stands head and shoulders above our peers. In practice, we achieve this by meeting 100% of their needs through our Business Units (BUs) and the solutions they offer. Grupo Elfa's growth as a company has enabled it to expand its footprint massively, with distribution centers in all regions of Brazil.

The benefits for customers are numerous: personalized care, long-term relationships and consolidated suppliers, among other things, making us the one-stop-shop they need, when they need it.

Driving and implementing innovation is in Grupo Elfa's DNA. In logistics, we have adopted the Warehouse Management System (WMS) to ensure agile deliveries. We have also implemented the Sales and Operations Planning (S&OP) model to avoid disruption and directly drive down costs. In 2022, we developed a project using AI to quickly respond to quotations through a website that handles over R\$ 500 million in transactions every month.

Another impactful initiative launched during the year was the Elfa Care platform, where we collaborate with health plans to deliver medications to patients undergoing chronic treatments, such as cancer treatment. We have already impacted over three thousand lives through 15 clients and more than eight thousand orders on our website, which is getting a face lift in 2023.



## Technology, Innovation and Customer Service

**Our Technology, Innovation and Customer Service team consists of 150 people divided into squads who work across the entire Grupo Elfa. A major headline in 2022 was the creation of a Cybersecurity department, previously part of the Technology department and now an independent executive unit.**

As part of a strategy approved by the Board, we charted a road map to develop and enhance our technological maturity. We utilize penetration testing and data leak monitoring tools consulting services to monitor risk threat levels and identify possible gaps.

We also continued integrating the companies' systems through our main technology initiative, the Nexos Program, which includes a portfolio of ERPs (enterprise resource planning systems), WMS (warehouse management systems), CRM (customer relationship management systems), Business Intelligence (data intelligence and analysis systems), and payroll systems. In the year we completed

eight integrations that further unified Grupo Elfa's, cutting through more bureaucracy.

By creating a single support channel for our systems, we achieved various benefits for the business areas, such as improved management efficiency, standardized support processes, faster problem resolution and enhanced user experience and quality. Furthermore, we implemented automation for generating, paying and processing tax payments to achieve operational gains and cost reduction by streamlining communications with the government.

Emerging topics such as Artificial Intelligence and blockchain became accessible to the entire company during Innovation Week, a week-long event that we organized to encourage employees to apply this knowledge when developing new ideas.

An important platform for ideation is the *Elfa Ideias* program, where we receive suggestions that are evaluated, presented to management, implemented and rewarded, with their outcomes measured. In 2022, employee participation increased by 60%, with a total of 309 projects received, a 185%

increase compared to 2021. Thanks to managers qualifying ideas and the allocation of internal resources, we implemented 17 projects throughout the year.

Among all the suggestions submitted through the platform, 155 were related to the challenge of "Placing the customer at the center of our decisions", with the goal of gathering innovative ideas focused on improving the customer experience.

In the field of innovation, we also launched our open innovation program, inviting companies and startups to contribute in finding innovative solutions for the challenges faced by Grupo Elfa (click [link](#) to view). Another milestone during the year was R\$ 1.2 million funding secured through Lei do Bem (Federal Law 11.196/2005), which grants tax benefits to companies involved in technological innovation projects.

### Technology department numbers in 2022:



**56,000**  
calls handled



**NPS (Net Promoter Score)**  
**86.2**



### Sales Journey App

With the app, sales representatives receive visit suggestions in their calendars, including information about their client portfolio and objectives for each contact. Prior to the visit, the application displays a checklist with points to be addressed and client confirmation. It also provides after-sales feedback. The app also keeps a log of visit history, developed action plans, sales follow-up and client registration.

### Pricing App

The app enables the creation of standardized forms for price analysis requests. This generates a monitoring workflow and serves as a basis for consulting registered requests, ensuring pricing process governance, optimizing the order flow and providing faster responses to the sales team. The app was created in December 2022 and began to be implemented in January 2023.

### Customer relations

Our digital platforms accounted for 46% Grupo Elfa's annual revenue. In order to further improve our relationship with customers, we implemented Customer Services, managed by Salesforce.

We created and promoted the NPS (Net Promoter Score) Policy, and all acquired companies started using this indicator as a customer satisfaction measurement tool. NPS became a collective goal of the company and also a platform for recognizing our employees based on positive feedback received through the survey. NPS is captured

at the time of purchase, upon receipt and whenever the customer has any feedback for the company.

In 2022, we introduced the Marketing Cloud, a new engagement tool on the Customer Portal, with an opening rate of 23.3%. We also worked on improving the efficiency of our customer service chatbot, implementing Artificial Intelligence, reviewing the flow, and mapping keywords and recommendations.

Throughout the year, we also organized another initiative that strengthens employee identification and enhances their understanding of the genuine impact of their actions: Customer Week. During this week, we invited executives from Grupo Elfa to take on different roles within the company. In 2022, our CHRO (Chief Human Resources Officer) and CSO (Chief Sustainability Officer), Fred Lopes, were assigned to the Customer Service team in Ribeirão Preto (SP) to get stuck in and experience service provision first hand.

# Business Units

[GRI 3-3 Business model resilience]

## Pharma BU

BU where the specialty businesses (reference medicines), generics and biosimilars are concentrated, serving clients from both the public and private sectors with the distribution of an extensive portfolio consisting of over 3,500 SKUs (Stock Keeping Unit) from various suppliers, covering virtual all of the pharmaceutical industry.

In 2022 the BU grew its performance 3.7%, mainly in the oncology segment, which accounted for 8% of this share. This result was driven by the platform solutions for quotations, aimed at streamlining the purchasing and selling process, and the proprietary application developed for strategic planning with customers and SKU-based performance plans.

Through innovation, we provide data and information to enable customers to better understand their needs, ensuring

delivery precision, optimizing hospital stocks and reducing bureaucracy. This sets Elfa apart from the competition and earns it recognition as a provider of excellent services that result in punctual and uninterrupted services. We also received the “*Movimento Roche Reconhece*” award for the best distributor in the private sector in 2022, attesting further to the satisfaction level of our customers and partners.

## Medical BU

Our Medical BU includes a portfolio of 6,000 SKUs spanning 40 different industries. Here, we focus on supplying all the materials used by hospitals on a daily basis (excluding medications) plus nutrition and diabetes products, general surgery OPMEs (Orthotics, Prosthetics and Special Materials) and specialized OPMEs for more delicate surgeries.

The Medical BU caters to all the specific requirements of the health care segment, providing quality products that are safe

and increase the likelihood of procedures and surgeries being successful. This awareness, which became even clearer after the Covid-19 pandemic, was also noticed by our customers in 2022.

We create value for them by streamlining processes, helping the industry distribute its products through our nationwide and well-established operation, while also expediting the purchasing process so that hospitals don't have to deal with multiple suppliers. We also offer an e-commerce platform that caters to individual demands.

Harnessing technology aids the development of new solutions that streamline processes, including an initiative to be piloted in 2023 where products sold to hospitals on a sale-or-return basis can be identified by a label that can be scanned by a mobile phone. We envisage further opportunities to be explored within the BU, intensifying actions to reduce the use of packaging and implementing reverse logistics.

## Delivery, Clinics and Access BU

This BU is split into three pillars, with Delivery and Access related to the marketing and delivery of medications, and Clinics focused on dental supplies. Our Delivery aims to connect the best laboratories and their products with medical surgeries. Spurred by the greater demand for aesthetic procedures following the Covid-19 pandemic, in 2022 we recorded 40% growth in this segment compared to the previous year.

In Delivery, we also serve patients through drugstores (Agilfarma, Medcom and Prescrita), offering specialized high-cost medications such as growth hormones and fertility products. In Access, we provide services to health insurance companies through Elfa Care. Through this project we deliver the products that patients undergoing treatment need directly to their homes, especially oral oncology medications.



In Clinics, the BU’s third pillar, we offer all the products needed by dental surgeries through Surya and Biodente, companies we acquired and that have boosted our sales since 2020 via e-commerce. We have a portfolio of over 25,000 SKUs and two specific distribution centers dedicated to serving dental professionals.

### Logistics Services BU

In 2022, the Logistics Services BU stood out from the crowd for its 30% growth YoY. Resulting from the acquisition of two companies in 2021, TLS and DRS, it has grown over the past three years, especially during the Covid-19 pandemic when health care centers needed to focus their efforts on patient care and outsource their purchasing and storage demands to a third-party player.

We act as the facilitator that simplifies a diverse and complex supply chain. We manage the entire operation for hospitals, laboratories and clinics, delivering what they need from our distribution centers. By doing this we free up physical space, optimize the flow, reduce vehicle traffic in urban areas and generate efficiency by eliminating losses.

Within the BU, we also manage clinical research solutions for industries, leveraging our expertise in infrastructure and regulations. This includes tasks such as importing medications, shipping them to research centers and managing samples, among others. Through a portal, our clients have complete visibility of the entire cycle, from purchasing products to importation and temperature control.

### Descarpack BU

In 2022, we concluded the acquisition of Descarpack, which became our first product business unit. Famous for its yellow disposal boxes, the hospital solutions company also sells PPE (Personal Protective Equipment) such as gloves, masks and syringes. Ensuring quality permeates this BU, especially when dealing with the health care segment.

With operations in Ilhota (SC) and an office in São Paulo, Descarpack has a team of 140 employees. After the acquisition, we set goals that were achieved, and conducted a seamless integration for our clients.

# Our Operations

All our business units are extensively supported by our Operations structure, which in 2022 embarked on a journey towards greater efficiency in systems, people and processes. We progressed in the physical standardization of our distribution centers (DCs) by strategically redistributing units across the country. In July, we inaugurated our largest DC in the Northeast, located in Pernambuco, which is also the second largest in our operation, covering almost 6,000 m<sup>2</sup>. We also have a DC in Bahia, with an area of 3,300 m<sup>2</sup>.

We arranged our team into a more horizontal structure. Technology is crucial enabler. In systems, we continued the integration of Grupo Elfa’s companies through our Warehouse Management System (WMS), gaining full visibility of our warehouse, transportation and logistics processes. We also relied on the collaboration of our employees through the *Elfa Ideias* program, where proposals are put into practice to provide solutions to everyday challenges.

Our extensive network allowed us to meet customer demands in all regions of Brazil, with a total of 363,169,846 kilometers traveled. Here we operate an optimized network, resulting in lower mileage and faster deliveries. We also intensified our investments in continuous improvements by transforming Regulatory into Quality, with an expanded scope for Total Quality Management and Results-based Management.



# Consumer health and safety

[GRI 3-3 Product safety and customer well-being]

**At Grupo Elfa, we follow a Quality Management System that ensures compliance with good distribution, storage and transportation practices for medicines, medical-hospital use products, and other health-related products, such as nutrition, cosmetics and sanitizing items.**

Through operational procedures we control the proper storage and transportation of distributed products, which also involves maintaining suitable temperature and humidity conditions to preserve their quality. Our facilities adhere to the strictest standards of cleanliness, preservation and organization, free from any sources of contamination that could compromise the safety of the products sold.

Our tools and equipment undergo regular calibrations and preventive maintenance. Suppliers and service providers undergo qualification processes to ensure that the products we distribute are always compliant with the health authorities' regulations in the countries where their safety and efficacy have been demonstrated.

Post marketing we maintain a consumer assistance channel to register and investigate any suspected quality issues or adverse events involving the sold products. Techno-surveillance and pharmaco-surveillance procedures

ensure manufacturers are immediately notified of any suspected cases of quality issues that could jeopardize patient safety.

Furthermore, whenever a product in Elfa's portfolio is recalled, we actively collaborate with our customers to ensure that items posing a risk to public health are removed from circulation. In 2022, we cooperated in 10 market recall processes ordered by manufacturers or the National Health Surveillance Agency (Anvisa).

In 2022, we had six cases of non-compliance with laws, two of which resulted in fines. Corrective actions were taken, and fines did not result in economic impact.

[GRI 2-27 | 416-2]

We point out that all nonconformities that led to notifications and fines were failures in operational processes or transportation, classified as non-critical or minor, which do not pose risks to consumer health. All non-conformities were registered and investigated, and appropriate corrective and preventive actions were taken.



# Financial performance

3

A photograph of two women in professional attire sitting at a table. The woman on the left, with short grey hair and wearing a light blue blazer, is gesturing with her hands while speaking. The woman on the right, with blonde hair and wearing a white top with a colorful necklace, is listening attentively. The background is a blurred office setting with large windows. The image features graphic overlays: a yellow circle behind the woman on the left, a dark blue shape in the bottom left corner containing the number '3', and white lines connecting the text to the scene.

# Financial performance

[GRI 2-1 | 2-2 | 3-3 Economic performance]

**Grupo Elfa is a privately-held corporation. Our financial statements and consolidated financial statements, which include all companies within the Group, are independently audited.**

Our 2022 financial results reflect our objectives of fully engaging in the development of the health care chain in Brazil, investing in services and strategic acquisitions that consistently complement our businesses. We have significantly expanded our contracts and identified future opportunities, such as a gradual increase in health plan coverage as the jobs market recovers.

Despite such a challenging year in economic terms, our governance pillar has been and continues to be a key factor in equipping us with tools for financial monitoring and control. Equally important is the role the Board of Directors and Committees play in decision-making.

The post-pandemic recovery has also revealed an imbalance between supply and demand in our sector. The acquisition of Descarpack, our largest business in terms of cost and representation up to that point, also impacted the end of the year, as is to be expected.

## Figures in 2022 [GRI 201-1]

Adjusted **Net Revenue** in 2022 was **R\$ 6,174.6 billion**, an increase of **5.7%** on 2021.

Our **Gross Margin** stood at **14.5%**, down **0.8p.p.** on 2021.

Adjusted **EBITDA** rose **38.8%**, closing the year at **R\$ 487.6 million**.

Adjusted **Gross Profit** was **R\$ 893.8 million**, up **0.2%** on the previous year.

Adjusted **Net Income** was **R\$ 144.4 million**, **37.2%** less than the previous year.

**Operational Profit** rose **44.7%** compared with 2021, to **R\$ 267.6 million**.

We cut our **Operating Expenses** by **24.9%**, to **R\$ 406.2 million**, or **6.6%** of **Net Operating Revenue**.

We closed the year with a **Net Expense** of **R\$ 257.7 million**, **201.3% more** than 2021.

### [GRI 3-3 Economic performance]

| (R\$ Million)                         | 2021    | 2022    | CHANGE          |
|---------------------------------------|---------|---------|-----------------|
| Adjusted ROL                          | 5,840.4 | 6,174.6 | <b>5.7%</b>     |
| Adjusted Gross Income                 | 891.9   | 893.8   | <b>0.2%</b>     |
| <i>Adjusted Gross Margin (% ROL)</i>  | 15.3%   | 14.5%   | <b>-0.8 p.p</b> |
| Adjusted EBITDA                       | 351.2   | 487.6   | <b>38.8%</b>    |
| <i>Adjusted EBITDA Margin (% ROL)</i> | 6.0%    | 7.9%    | <b>1.9 p.p</b>  |
| Adjusted Net Income                   | 229.8   | 144.4   | <b>-37.2%</b>   |
| <i>Net Margin (% ROL)</i>             | 3.9%    | 2.3%    | <b>-1.6 p.p</b> |
| Net Income                            | 176.7   | 84.4    | <b>-52.3%</b>   |
| <i>Net Margin (% ROL)</i>             | 3.0%    | 1.4%    | <b>-1.7 p.p</b> |
| Operating Expenses                    | 540.7   | 406.2   | <b>-24.9%</b>   |
| <i>Operating Expenses (% ROL)</i>     | -9.3%   | -6.6%   | <b>2.7 p.p.</b> |
| Operating Profit (EBIT)               | 184.9   | 267.6   | <b>44.7%</b>    |
| Finance Costs                         | 93.4    | 280.2   | <b>200.1%</b>   |
| Finance Revenue                       | 7.9     | 22.6    | <b>187.1%</b>   |
| Finance Income/Costs                  | 85.5    | 257.7   | <b>201.3%</b>   |

Click [here](#) to see the complete video with results for 2022.



The details of our financial information can be accessed on our [Investor Relations page](#).



# Engaging the **value** **chain**

**4**



# Engaging the value chain in sustainable processes, compliance and adaptation to climate change

[GRI 2-29]



**We can count on our stakeholders to promote ESG best practices thanks to the trust-based relationships we have nurtured. We understand that health and sustainability go hand in hand, benefiting society as a whole.**

As described in our materiality matrix, we communicated with and engaged our internal and external stakeholders during the construction process in 2022 - including suppliers, customers, civil society, trade unions, the Board of Directors, employees, acquired companies and communities. We conducted a total of 59 in-depth interviews and administered questionnaires to suppliers and customers to map Elfa's impacts and prioritize the material topics to be addressed in our strategy. Simultaneously, we held a workshop with internal leadership to analyze and prioritize the topics.

Having gathered the results from open-ended and closed-ended questions we then proceeded to the systematization phase, conducting quantitative and qualitative data analysis to consolidate our materiality matrix. We then aligned the strategic topics around Sustainable Development Goals (SDGs). In what was important feedback, external stakeholders said they would like to see Elfa become an ESG leader in creating networks to address challenges in the health care sector.

The final material was communicated in emails containing content “nuggets” for internal stakeholders, emphasizing Grupo Elfa's goals and ambitions through 2030.

## Clients and suppliers

In order to continuously improve our governance processes, we have internal policies that involve classification criteria for decision-making. We follow a matrix of objective criteria to analyze the possibility of reputational risks (due diligence) in our supplier screening process and we are also investing in an Artificial Intelligence tool for continuous monitoring of suppliers under contractual agreement (G-Certifica).

**[GRI 3-3 Supply chain management]**

We work with our clients to find ways to ease environmental impacts. Within the Logistics Services BU, where we handle, for example, the procurements for a big hospital, we seek alternatives to promote efficiency and reduce the volume of trips made to delivery supplies. We have adopted a logistics network that generates lower carbon emissions, ranging from planning transport during off-peak hours to a pilot project using electric vehicles in São Paulo (SP). **[GRI 2-25]**

Another notable environmental initiative came from Agilfarma, an Grupo Elfa company, which launched the “*Descarte do Bem*” (Good Disposal) campaign in July 2022 to prevent the disposal of styrofoam boxes and ice packs used for refrigerated medications, which can be reused. Customers receiving the products are provided with a brochure printed on recycled paper in the packaging, offering three options for returning the items: at the time of delivery, in a future delivery, or by taking them to an Agilfarma unit. The engagement has resulted in Agilfarma receiving materials back on a daily basis.



# Rational **resource** usage

5



# Spearheading the rational use of resources, climate action, and the pursuit of carbon neutrality

We are focused on achieving and promoting our ESG Agenda by setting a collective target for 2023.

We have also identified key ambitions to be **achieved by 2030**, expanding our initiatives with a focus on sustainable development and fostering this agenda for our stakeholders.

In 2022, we compiled our first carbon inventory for 2021, which provided important data for our decision-making across the three ESG pillars. Specifically in the Environmental pillar, our ongoing initiatives include the increased sourcing of energy from renewable sources and reducing greenhouse gas emissions through actions such as fleet renewal. **[GRI 3-3 GHG emissions and climate change]**

Our second carbon inventory, for 2022, will be audited and published in the public emissions register of the GHG Protocol.

## Greenhouse gas emissions

**[GRI 3-3 GHG emissions and climate change]**

In 2022, we recorded 2,132 tCO<sub>2</sub>e in direct emissions (Scope 1 - Direct emissions controlled by the organization) of greenhouse gases (GHG). The table shows this cycle presents a higher value compared to the reported emissions in 2021, which were 1,339 tCO<sub>2</sub>e. This result is due to the inclusion of new items that are now being accounted for in the inventory, such as the leased commercial fleet and reimbursements for employee travel with private cars, which were not included in the 2021 inventory.

Regarding indirect emissions (Scope 2 - Indirect emissions from purchased electricity), which result from energy acquisition, energy intensity dropped due to a shift towards a cleaner energy matrix. Furthermore, to offset Scope 2 emissions, in 2022 we purchased 6,204 I-RECs (International Renewable Energy Certificates), where each I-REC denotes 1 MWh generated from renewable energy sources.

## Carbon emissions

**[GRI 305-1 | 305-2 | 305-3]**

Emissions in metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)

|                    | 2021         | 2022         |
|--------------------|--------------|--------------|
| Scope 1*           | 1,339        | 2,132        |
| Scope 2            | 703          | 268          |
| Scope 3**          | 7,836        | 7,301        |
| <b>Total</b>       | <b>9,878</b> | <b>9,701</b> |
| Biogenic emissions | 1,219        | 1,058        |

\* Mobile combustion, stationary combustion and fugitive emissions categories were included in Scope 1.

\*\* In Scope 3 (Indirect emissions made outside the boundaries of the organization), categories considered include transportation and distribution (upstream) and business travel.

## Energy [GRI 3-3 Energy management]

We have started monitoring energy consumption during the carbon inventory process. This has provided us with a clearer view of its usage and costs, allowing us to identify opportunities to reduce usage and efficiently manage this resource.

We have made a public commitment to source 100% of our energy consumption needs from renewable sources. Our goal is to phase out non-renewable energy sources. To achieve this, we are implementing a more efficient energy system and pursuing solutions in clean energy consumption technology, including the process of joining the UN Global Compact's Net-Zero movement.

For the consumption calculations presented in the following tables, the GHG Protocol calculation tool was used. The results were subsequently converted from tCO<sub>2</sub>e to MJ.

Total consumption of **non-renewable** fuel within the organization, in joules or its multiples, including the types of fuels used: [GRI 302-1, 302-2]

| Consumption of non-renewable fuels | Consumption       | Unit of measure     |
|------------------------------------|-------------------|---------------------|
| Liquefied Petroleum Gas (LPG)      | 5,391             | MJ-Megajoule        |
| Diesel (pure)                      | 9,986,075         | MJ-Megajoule        |
| Automotive Gasoline (pure)         | 14,266,179        | MJ-Megajoule        |
| <b>Total sum of fossil fuels</b>   | <b>24,257,645</b> | <b>MJ-Megajoule</b> |

Total consumption of **renewable sources** within the organization, in joules or its multiples, including the types of fuels used:

| Renewable fuel types                | Consumption       | Unit of measure     |
|-------------------------------------|-------------------|---------------------|
| Electricity (sourced from utility)* | 22,605,357        | MJ-Megajoule        |
| Biodiesel (B100)                    | 1,035,802         | MJ-Megajoule        |
| Anhydrous Ethanol                   | 3,650,830         | MJ-Megajoule        |
| Hydrous Ethanol                     | 2,625,177         | MJ-Megajoule        |
| <b>Total sum of renewable fuels</b> | <b>29,917,166</b> | <b>MJ-Megajoule</b> |

\* Electricity mostly generated by hydropower plants.

Total energy consumption **within** and **outside** the organization in joules or its multiples:

| Total energy consumption                          | Consumption | Unit of measure |
|---|-------------|-----------------|
| Total energy consumption within the organization  | 54,174,811  | MJ-Megajoule    |
| Total energy consumption outside the organization | 105,766,358 | MJ-Megajoule    |

Among other actions aimed at reducing emissions made **outside the inventory scope** is the **migration of our servers to the cloud**. From May 2020 to July 2022, a **saving of 1.5 tCO<sub>2</sub>e** was achieved.



# Waste generated

[GRI 3-3 Waste management and life cycle management]

Waste generation is an inherent consequence of the drug and medical-hospital product distribution chain. The waste generated from packaging in these operations, if not properly managed, represents a waste of natural resources as most of them can be reused or recycled.

Non-compliant products can pose health risks, as their quality, safety and efficacy cannot be guaranteed. Furthermore, improper disposal of such items is potentially harmful to the environment, with the possibility of contaminating the soil and/or water resources.

To mitigate and minimize the impacts of waste generation, all our units have a Solid Waste Management Plan (SWMP). We also reuse intact packaging from suppliers. A pilot project is being implemented to adopt returnable packaging in place of Styrofoam for the transportation of thermolabile drugs, with the aim of reducing the waste generated. [GRI 2-25]

Descarpack manages its production and distribution waste, sending cardboard scrap and other plastic materials for recycling.

The companies contracted for the final disposal of waste are qualified and regularly inspected by environmental control agencies, ensuring that the waste generated in our activities is adequately treated, thus reducing environmental impacts.

We have operational procedures that ensure the correct storage and transportation of distributed products, reducing damages and losses during our operations. With this in mind, our facilities and equipment undergo periodic preventative maintenance to be kept in the conditions recommended by manufacturers.



## Waste generation and significant waste-related impacts [GRI 306-1 | 306-2]

**Inputs:** The main waste generated in the input processes are packaging materials (cardboard boxes, Styrofoam boxes, plastics, plastic film and non-qualified and non-standardized reusable ice packs for use in the company). As mentioned, we reuse some of the cardboard boxes received from suppliers in order to optimize resources and reduce the amount of waste generated.

Product or materials may occasionally be damaged during transportation from the supplier to the Elfa unit. The destination of items not meeting quality and safety standards is assessed case by case, and may be returned to the supplier or disposed of under the responsibility of Grupo Elfa.

**Activities:** We carry out the storage, distribution and transportation of drugs, health products, nutrition, cosmetics and sanitizers. With the exception of Descarpack, no manufacturing operations are carried out that can generate production waste.

The waste resulting from Elfa's activities are non-compliant products, which in 2022 amounted to a total of 174.8 tons, which were duly directed to specialized incineration companies, which correctly dispose of the waste. This waste can be:

- Products with an expired shelf life
- Products with some type of damage that may compromise quality and safety, such as leakage, breakage, denting and packaging breaches, among others
- Products returned from the market where quality cannot be ensured
- Products recovered from theft and misplacement of cargo
- Products suspected to have undergone forgery and adulteration

In addition to non-compliant products, storage operations also generate waste from plastic stretch film, used to wrap pallets during storage to prevent accidents when being raised by forklifts in the distribution centers.

Other waste generated includes paper used in administrative activities. Furthermore, common waste is generated in canteens and toilets, the final disposal of which is carried out by urban collection services.

The waste from Descarpack's production process is cardboard scraps originating from the manufacture of sharp-material collection boxes. Production leftovers are treated as recyclable waste and returned to the raw material supplier for reprocessing.

In 2022, a total of 378.01 tons of waste was sent for recycling by the Descarpack plant, including cardboard boxes, plastic, stretch-type plastic film and paper.

**Outputs:** Our outputs are characterized mainly by packaging materials (cardboard boxes, Styrofoam boxes, Styrofoam plates, plastic, plastic film and reusable ice packs).

### Total waste generated in 2022\* [GRI 306-3]

| Waste                                  | Weight         |
|--|----------------|
| Non-compliant products (incineration)  | 174.8 t        |
| Recyclable waste (paper and cardboard) | 371.9 t        |
| Recyclable waste (plastics)            | 6.1 t          |
| <b>Total weight**</b>                  | <b>552.8 t</b> |

\* The data presented were verified through the waste final destination certificates issued by the contractors hired for this purpose.

\*\* The amount considers non-compliant products directed to incineration and recyclables from Descarpack's operations. The other waste is destined for municipal urban collection.

# Personal growth platform

6





# Our aim is to serve as a platform for professional growth and promote equal career opportunities

**In the realm of People and Management, we now use indicators to gage the comprehensive performance of our staff and our impact in the Social pillar. We conduct annual performance assessments for all Group employees. [GRI 2-18]**

We put innovation into practice and take pride in fostering intrapreneurship, allowing our employees to own their actions. We believe that technology as an enabler of projects and ideas is a powerful lever for people’s development and their careers.

In 2022, we secured 5<sup>th</sup> spot in the Great Place To Work (GPTW) ranking, which assesses the best companies to work for. We were recognized in the health category (Pharmacies and Medium and Large Distributors).

To inspire students seeking an internship opportunity, we organized the **Vacation Internship** program in January (for the second half of 2022) and July (for January 2023). For 40 days they undergo the admission and integration process during the school break, participate in a development path at our corporate university (Unielfa), follow the company’s routine and work on strategic fronts such as communication, pricing, finance, IT, transport and new business areas. In 2022, we had 986 applicants for the two editions held, with 11 interns being recruited at our offices in João Pessoa and São Paulo. At the end of the program, each intern makes a presentation about their contributions to the department in which they worked.

## Elfa in numbers

Grupo Elfa ended 2022 with a workforce of 2,745 employees, including 1,375 women and 1,370 men. Out of these, 921 are under 30 years old, 1,657 are within the 30 to 50 year age group, and 167 are over 50 years old. Among all employees, 2,685 are permanent (CLT) and 60 are temporary (Apprentice). We had a turnover rate of 27%, a percentage lower than that registered in 2021, which was 28.2%. All employees are covered by collective bargaining agreements. [GRI 2-7 | 2-30]



### Workforce by gender:

|   | Women | Men   | Others | Not disclosed | Total        |
|---|-------|-------|--------|---------------|--------------|
| Number of employees                             | 1,375 | 1,370 | 0      | 0             | <b>2,745</b> |
| Number of permanent employees                   | 1,337 | 1,348 | 0      | 0             | <b>2,685</b> |
| Number of temporary employees                   | 38    | 22    | 0      | 0             | <b>60</b>    |
| Number of employees without fixed working hours | 304   | 378   | 0      | 0             | <b>682</b>   |
| Number of full-time employees                   | 1,071 | 992   | 0      | 0             | <b>2,063</b> |
| Number of part-time employees                   | 0     | 0     | 0      | 0             | <b>0</b>     |

### Employees - relationship between gender and title\*:

|             | Women | Men | % Women | % Men | Total        |
|-------------|-------|-----|---------|-------|--------------|
| Operational | 961   | 951 | 50.3%   | 49.7% | <b>1,912</b> |
| Tactical    | 342   | 290 | 54.1%   | 45.9% | <b>632</b>   |
| Strategic   | 34    | 107 | 24.1%   | 75.9% | <b>141</b>   |
| Leaders**   | 114   | 186 | 38.0%   | 62.0% | <b>300</b>   |

\* This table only shows permanent employees (CLT).

\*\* The leader category comprises coordinators (tactical level), and managers and officers (strategic level).

### Employees by region:

|   | Midwest | Northeast | North | Southeast | South | Total        |
|---|---------|-----------|-------|-----------|-------|--------------|
| Number of employees                             | 348     | 529       | 21    | 1,362     | 485   | <b>2,745</b> |
| Number of permanent employees                   | 340     | 521       | 20    | 1,343     | 461   | <b>2,685</b> |
| Number of temporary employees                   | 8       | 8         | 1     | 19        | 24    | <b>60</b>    |
| Number of employees without fixed working hours | 96      | 127       | 4     | 378       | 77    | <b>682</b>   |
| Number of full-time employees                   | 252     | 402       | 17    | 984       | 408   | <b>2,063</b> |
| Number of part-time employees                   | 0       | 0         | 0     | 0         | 0     | <b>0</b>     |



### Employees by age group:

| Employee Category   |         | Below 30    | 30 - 50    | Over 50    |
|---------------------|---------|-------------|------------|------------|
| Total workforce     | Number  | 921         | 1,657      | 167        |
|                     | Percent | <b>34%</b>  | <b>60%</b> | <b>6%</b>  |
| Permanent employees | Number  | 861         | 1,657      | 167        |
|                     | Percent | <b>32%</b>  | <b>62%</b> | <b>6%</b>  |
| Apprentices         | Number  | 60          | 0          | 0          |
|                     | Percent | <b>100%</b> | <b>0%</b>  | <b>0%</b>  |
| Interns             | Number  | 55          | 3          | 0          |
|                     | Percent | <b>95%</b>  | <b>5%</b>  | <b>0%</b>  |
| Operational         | Number  | 796         | 1,031      | 85         |
|                     | Percent | <b>42%</b>  | <b>54%</b> | <b>4%</b>  |
| Tactical            | Number  | 63          | 514        | 55         |
|                     | Percent | <b>10%</b>  | <b>81%</b> | <b>9%</b>  |
| Strategic           | Number  | 2           | 112        | 27         |
|                     | Percent | <b>1%</b>   | <b>80%</b> | <b>19%</b> |
| Leaders*            | Number  | 16          | 243        | 41         |
|                     | Percent | <b>5%</b>   | <b>81%</b> | <b>14%</b> |

\* The leader category comprises coordinators (tactical level), and managers and directors (strategic level).

### Employees by race:

|                                       | Asian       | White        | Indigenous  | Not declared | Not informed | Brown        | Black       | Total         |
|---------------------------------------|-------------|--------------|-------------|--------------|--------------|--------------|-------------|---------------|
| Number of employees                   | 46          | 1,153        | 8           | 48           | 552          | 694          | 244         | 2,745         |
|                                       | <b>1.7%</b> | <b>42.0%</b> | <b>0.3%</b> | <b>1.7%</b>  | <b>20.1%</b> | <b>25.3%</b> | <b>8.9%</b> | <b>100.0%</b> |
| Permanent employees                   | 46          | 1,126        | 8           | 42           | 550          | 673          | 240         | 2,685         |
| Temps                                 | 0           | 27           | 0           | 6            | 2            | 21           | 4           | 60            |
| Employees without fixed working hours | 17          | 368          | 2           | 16           | 112          | 130          | 37          | 682           |
| Full-time employees                   | 29          | 785          | 6           | 32           | 440          | 564          | 207         | 2,063         |
| Part-time employees                   | 0           | 0            | 0           | 0            | 0            | 0            | 0           | 0             |
| Interns                               | 1           | 19           | 0           | 4            | 4            | 26           | 4           | 58            |
| Leaders                               | 10          | 159          | 1           | 7            | 53           | 59           | 11          | 300           |
| Operational                           | 29          | 709          | 6           | 25           | 422          | 519          | 202         | 1912          |
| Tactical                              | 13          | 342          | 1           | 13           | 97           | 131          | 35          | 632           |
| Strategic                             | 4           | 75           | 1           | 4            | 31           | 23           | 3           | 141           |

We also had 58 interns throughout 2022.

### Total interns [GRI 2-8]:

| Gender | Midwest | Northeast | North | Southeast | South | Total     |
|--------|---------|-----------|-------|-----------|-------|-----------|
| Men    | 2       | 18        | 0     | 7         | 0     | <b>27</b> |
| Women  | 3       | 17        | 0     | 8         | 3     | <b>31</b> |

Regarding workers who are not employees, in addition to the 58 interns, Grupo Elfa has 509 contractors.

|             | Midwest | Northeast | North | Southeast | South | Total      |
|-------------|---------|-----------|-------|-----------|-------|------------|
| Operational | 21      | 37        | 2     | 353       | 96    | <b>509</b> |

### Diversity of governance bodies and employees [GRI 405-1]:

#### Board of Directors

| Gender |         | Total      | Age      |         | Total      |
|--------|---------|------------|----------|---------|------------|
| Men    | Number  | 5          | Under 30 | Number  | 0          |
|        | Percent | <b>71%</b> |          | Percent | <b>0%</b>  |
| Women  | Number  | 2          | 30 - 50  | Number  | 3          |
|        | Percent | <b>29%</b> |          | Percent | <b>43%</b> |
|        |         |            | Over 50  | Number  | 4          |
|        |         |            |          | Percent | <b>57%</b> |

#### C-Level and CEO

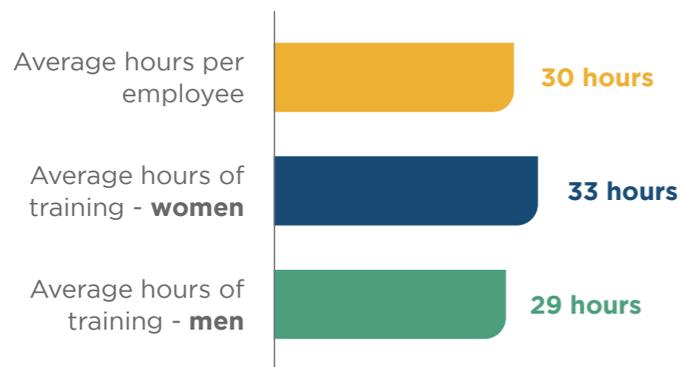
| Gender |         | Total       | Age      |         | Total       |
|--------|---------|-------------|----------|---------|-------------|
| Men    | Number  | 6           | Under 30 | Number  | 0           |
|        | Percent | <b>100%</b> |          | Percent | <b>0%</b>   |
| Women  | Number  | 0           | 30 - 50  | Number  | 6           |
|        | Percent | <b>0%</b>   |          | Percent | <b>100%</b> |
|        |         |             | Over 50  | Number  | 0           |
|        |         |             |          | Percent | <b>0%</b>   |

# Unielfa [GRI 3-3 Employee engagement and development]

**Unielfa, our corporate university, centralizes our employees' development journey and career self-management. Through Unielfa, we provide an experience ranging from onboarding - when our employees get to know Grupo Elfa even before joining the company - to freely available courses and mandatory training, such as compliance and General Data Protection Regulations (GDPR).**

In 2022, we conducted more than 80,000 hours of training (an average of 20 training sessions per employee). Distance learning courses represented 87% of the total, and in-person courses, 13%.

## Average hours of training per employee in 2022:



The leading programs include “*Pratas da Casa*,” a recognition and development program designed to prepare operational level talents for future career challenges, with 78 participants over the year. In the “Potential Acceleration” program, we trained more than 200 leaders in business-related subjects and skills to enhance company results. Training sessions were evaluated with an NPS of 80 points.

Every year, we map learning needs, providing employees with a form to understand development needs. For 2023, our goal is even more ambitious: to structure a Technical Training School within the platform.

Moreover, we offer educational support, with partial reimbursement of registration and tuition fees for undergraduate, postgraduate, MBA, language courses and specific training, according to the rules of the Educational Assistance Policy available to employees. In 2022, we had 35 new scholarship recipients, 26 graduates, and another 50 active employees (66% women and 34% men).



# Compensation Policies [GRI 2-19 | 2-20]

**In terms of compensation, Grupo Elfa adopts a policy that takes market values and benefits into account, in addition to competitiveness, focus on talent retention and professionals capable of meeting the challenges required by their roles. The People & Compensation Committee is responsible for monitoring wage movements and making the final validation of proposals.**

Regarding the total annual compensation ratio, in 2022 the highest paid individual at Grupo Elfa earned 29.15 times more than the company's average wage. He received a raise 29% higher than the average raise given to other employees. **[GRI 2-21]**

For strategic executive positions and members of the Board and Committees, the compensation policy is approved by the Board of Directors, with fixed compensation composed of a basic

salary and direct and indirect benefits, to encourage dedication and responsibility to the role and in line with salaries offered by companies of the same size.

Besides fixed compensation we offer variable compensation for positions in the Executive Board, dependent on the achievement of goals and results in the period in office and the fulfillment of strategic results. From 2023, one of the collective ESG goals will directly determine the executives' compensation.

The compensation policy for other Grupo Elfa employees also takes into account market practices and aims to help retain and develop employees within the company. Fixed compensation includes benefits required by labor legislation and the availability of other complementary benefits that provide increasing well-being and quality of life.



## Benefits [GRI 403-6 | 403-8]

All direct employees without exception are covered by health and safety management systems. We have expanded our care with a prevention-based program, following World Health Organization (WHO) guidelines.

The Elfa Health & Well-being Program leverages four pillars: physical, emotional, financial and women's health. Every month, we bring actions, benefits and improvements to our employees within each of the pillars.

Occupational Health and Safety has access to encrypted and properly protected data, in accordance with the GDPR, for the preparation of statistical analyses and to make improvements in actions. The initiatives are planned according to the needs of the employees and the health calendar.

Among the implemented actions are telepsychology in the emotional pillar, telemedicine and gym benefits in the physical pillar, lectures in the financial pillar, and periodic actions for women's health.

The program delivers benefits by partnering with:

**TotalPass** - Access to various gyms throughout Brazil subsidized by Elfa, so that the fees paid by the employee are merely symbolic.

**OrienteMe** - Psychological support through online therapy, subsidized by the company.

**Dr. Alper** - Free access to health professionals in various specialties.

**Renascer** - Free support for female employees and dependents (wives) who are pregnant with the “Best Maternity” program, which remotely monitors pregnancy with professionals.

In 2022 we subscribed to Empresa Cidadã, an initiative that extends parental leave. For women, it is extended by 60 days, to 180 days. Men get an additional 15 days, totaling 20 days. The program also considers 60 additional days for the adoption of children up to 1 year old; 30 additional days for the adoption of children between 1 and 4 years old, and 15 additional days for the adoption of children between 4 and 8 years old.

# Occupational safety

[GRI 3-3 Occupational Health and Safety | 403-3]

**Workplace safety is of utmost importance to Grupo Elfa. We seek continuous improvement opportunities to ensure our operations are safe and sustainable.**

We manage our Occupational Health and Safety system through our Occupational Safety technical staff team, who perform their duties supporting all matters related to the area, with the appropriate level of confidentiality.

In addition, to ensure that these procedures and programs are ratified and endorsed by a third party, we maintain service contracts with qualified and reputable companies for the establishment of mandatory reports and programs, duly anchored in the legal regulations applicable to us. These companies operate to the highest standards of quality in the maintenance and custody of employee health information, holding the data related to and contained in the clinical records of employees and the Occupational Health Certificate (ASO).

## Work-related injuries

[GRI (403-9)]

We did not record any fatalities resulting from work-related injuries in 2022, nor did we have high-consequence work-related injuries\* among our employees and non-employees whose work and/or workplace is controlled by Elfa.

Over the year, we recorded 17 recordable accidents (low severity) among our employees, an index\*\* of 2.5840 within 6,578,785 working hours. The incidents primarily entailed injuries resulting from commuting. All employees were counted for the records and calculations.

For non-employees, there was one recordable accident, a rate of 1.25426 for 797,280 working hours. This was a collision of equipment, an accident classified by the company as typical because it occurred on Elfa’s premises.

\* Accidents in which the employee does not recover or fully recover within six months. [GRI 3-3 (403-9g)]

\*\* The rate has been calculated based on 1,000,000 hours worked. [GRI 3-3 (403-9e)]

## Policies, commitments and actions taken

[GRI 2-23 | 2-24 | 3-3 Occupational Health and Safety | 403-2]

Our Occupational Health and Safety practice affords us access to indicators that allow us to direct efforts to improve the team's performance within the operations.

We have an Occupational Health and Safety Management Policy and a flowchart that is easily accessible to all employees. If needed, everyone can quickly understand and action the parties involved to handle any issue.

Our flowchart visually presents all the steps that must be followed to ensure that incidents/accidents are followed/treated until their mitigation/elimination opinion is defined.

When necessary, we offer mandatory technical training to employees directly related to an activity that requires such training for its performance. Annually, we hold the Sipat (Internal Occupational Accident Prevention Week), an internal week dedicated to topics related to occupational safety, with non-mandatory lectures and practical training.

We constantly review all Occupational Safety programs, policies and flowcharts. Through our Occupational Health and Safety team or members of Cipa (Internal Accident Prevention Committee), we conduct inspections in the workplace, listing potential situations of possible risks to employee safety to be discussed with those responsible for the plant. The results of the processes are monitored and discussed in a specific forum at the People and Management Board, where any new developments and actions are defined. No events were recorded during the reporting period.

**[GRI 403-9]**

Dangerous situations can also be reported directly to Occupational Safety Technicians or to the Cipa body. Once the situation has been duly informed, the evidence is collected, recorded in a specific report, and the subject at hand is discussed with those responsible for Occupational Safety or with the head of the plant involved.

In addition, our compliance program has the support of a duly qualified external entity to hear and handle Occupational Health and Safety issues, allowing



employees to make anonymous reports, aiming to preserve people's identities about reports of any non-compliance situations.

It is the right of employees to carry out their activities in line with their Work Order. This document shows the employee what activities they will perform at our company and the level/degree of risk exposure. The Work Order describes which Personal Protective Equipment (PPE) they will receive.

If the worker identifies any discrepancy between the Work Order and the PPE list, they can refuse to perform the task and use the Ombudsman Channel to anonymously report the situation. From the report, the topic will be handled according to the flow of received occurrences.

## Worker training on Occupational Health and Safety [GRI 3-3 (403-5)]

During the induction of new employees, two orientation/explanatory trainings are conducted. One of them provides information about the department, such as its responsibilities, processes and flows. The other guides the employee in basic safety notions, aiming to guarantee the minimum necessary knowledge in any situations that may occur.

In addition to this training, the following qualifications in Occupational Health and Safety are executed as per effective regulation/standards:

**NR 05 - Cipa** – The Cipa is formed according to the headcount of each plant, completing the entire process as guided by the legislation or appointing a plant employee as a representative (Cipa member).

**NR 11 - Forklifts** – In plants where cargo is moved by specific machinery, we engage duly authorized third parties to provide qualifying/refresher courses aiming to ensure that the operators know how to operate them safely.

**NR 20 - Flammable Liquids** – In plants where flammable liquids are stored, we engage duly authorized third parties to provide remote qualifying courses aiming to ensure that our employees are capable of following the legal regulations.

**NR 35 - Working at Heights** – In plants that require work at heights, we engage duly authorized third parties to provide a qualifying course to ensure that our employees are capable of following the legal regulations.

**Defensive Driving** – Through remote learning we offer a specific course aimed at drivers seeking to ensure that they comply with national traffic legislation.



# Culture of inclusion and opportunities

7



# Ensuring a culture of inclusion and opportunities

[GRI 3-3 Human Rights & Diversity and Inclusion]

**In a group formed by so many companies, we need a strong and focused culture. We believe in an engaged leadership acting as an example so that improvements are evident day by day.**

Over the last three years, a period in which we have promoted an intense agenda of acquisitions, we have worked to unify common values – and to reflect them in our teams, who identify with Grupo Elfa’s purpose: expanding pathways to bring health to millions of lives.

We boast solid indicators for the constant monitoring of diversity, such as the number of movements between men and women and average salary. We frequently expand our analysis scope to take in minority groups, always seeking to improve the representativeness of our employees.

## Policies, commitments and actions taken [GRI 2-24]

To discuss and implement Diversity and Inclusion initiatives we leverage four Affinity Groups within the Elfa *Empodera* (empowers) Program (Women, LGBTQIAP+, Black People and Generations). These groups are supported by the Diversity Committee responsible for amplifying actions and including the participation of the board in a semi-annual meeting to define strategies and monitor the action plan for the activities.

We created Women in Operation, a specific resume database for women to work in our distribution centers throughout Brazil. We have an exclusive page for vacant roles, which can be accessed at this [link](#).

We set up Senior Talent to value professionals over 50 who want to return to the job market. The integration lasts one week and is the entry point for these employees, who are directed to work in strategic areas of our company. They receive training and are given license to put their initiatives into practice in the operations of João Pessoa (PB), Brasília (DF), Belo Horizonte (MG), São Paulo (SP), Santos (SP) and Pinhais (PR).

## Cases of discrimination [GRI 406-1]

In 2022, five instances of discrimination were reported. One of the cases was deemed partially substantiated, and the other, substantiated.



# Social responsibility

Through charitable actions, we seek an outside approach for commemorative dates, such as Clothing Campaigns, Children’s Day, Easter and Christmas, and focus on tangible impacts for our employees, creating a charity mural to mediate initiatives in support of them or other people, gifting toys to eligible employees’ children.

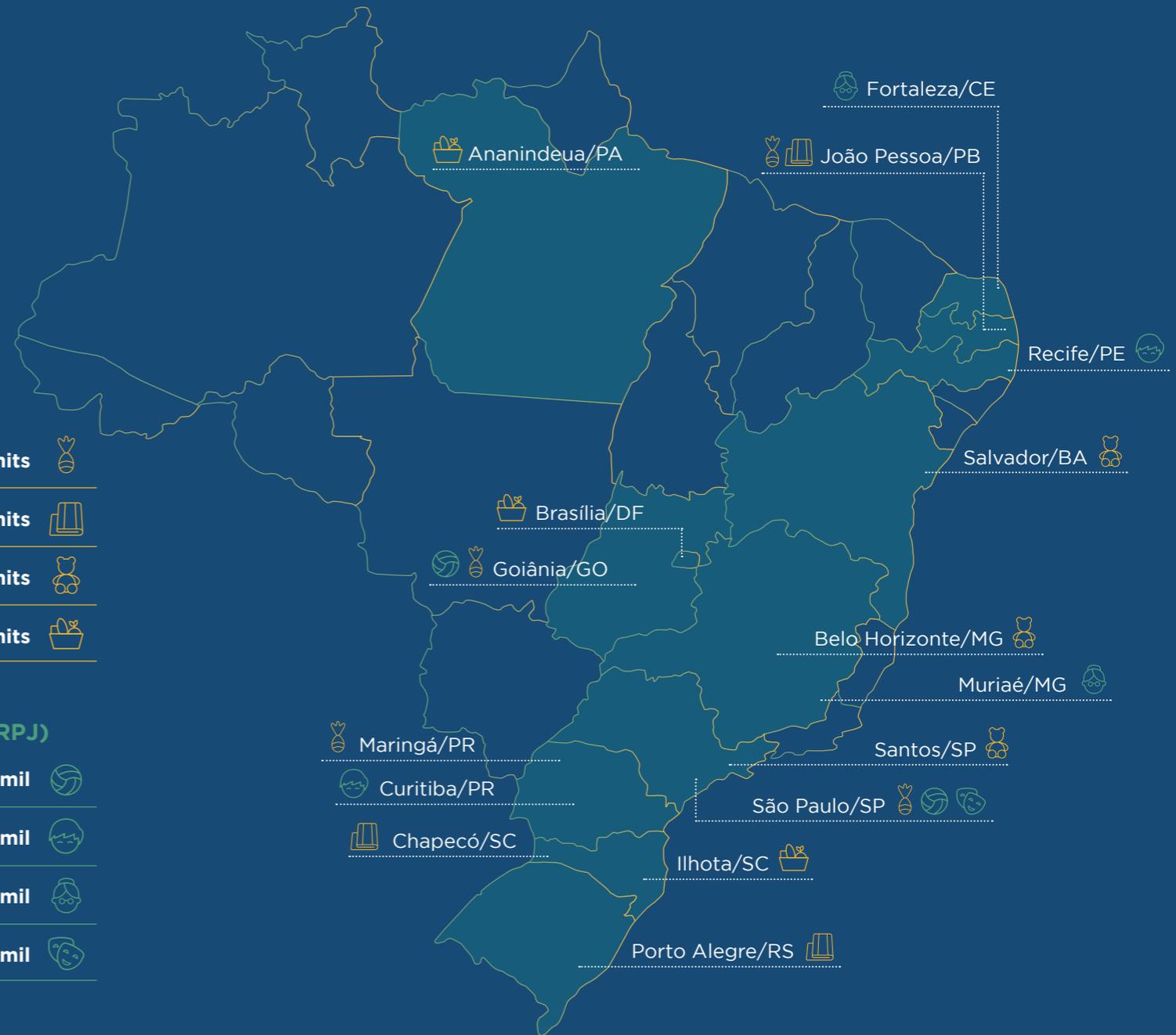
Over the year we invested R\$ 100,000, benefiting 4,340 families from local communities. We also make donations to institutions (NGOs) through Income Tax.

## Social Initiatives in 2022

|              |             |  |
|--------------|-------------|--|
| Easter eggs  | 2,500 units |  |
| Blankets     | 1,000 units |  |
| Toys         | 420 units   |  |
| Food hampers | 420 units   |  |

## Social Initiatives in 2022 (IRPJ)

|                        |            |  |
|------------------------|------------|--|
| Sports Law             | R\$ 14 mil |  |
| Funds for Children Law | R\$ 14 mil |  |
| Elderly Persons Act    | R\$ 14 mil |  |
| Rouanet Law            | R\$ 14 mil |  |



# Risk management

8



**We have a Risk Management and Compliance Committee composed of four members, one of whom is external (coordinator) and three of whom are Elfa executives.** The Committee members are renowned for their expertise in risk management and compliance in the fields of health, logistics, M&A, publicly traded companies and marketing. Among the Committee’s activities are the development of actions focused on coordination, risk mapping, training and continuous improvement initiatives.

#### Risk Management Committee

|   |                             |
|---|-----------------------------|
| <b>Andres Marcelo Cima</b>              | Executive                   |
| <b>Marcelo Chiari Pratini de Moraes</b> | Executive                   |
| <b>Leonardo Flores Pelloso</b>          | Executive                   |
| <b>Lilian Cristina Pacheco Lira</b>     | External independent member |

We report risk management issues periodically to the Board of Directors. In 2022, we fully digitized our risk management system, including the acquired companies, with the support of software that concentrates the action plan and monitors its execution through emails to employees.

## Quality management

In the year we also overhauled our regulatory practiced, which was renamed Quality. Located in our operations area, it is responsible for ensuring the integrity of products and processes from entry into warehouses to delivery to the final consumer, and their traceability according to health legislation.

We redesigned the area’s remit to go beyond regulatory and sanitary procedures, dividing it into Quality Management and Results Management, the latter responsible for managing policies, flowcharts, KPIs (Key Performance Indicators) and corporate operational standards.

As a health sector company, we have a set of standards that guide the routine of our employees, service providers and customers in the processes of distribution, storage and transport, always striving for good governance.

Practical application examples include standardizing environmental conditions according to the type of product, such as in the case of thermolabile products that require refrigerated storage, fleet and transporter monitoring, and the investigation and implementation of corrective and preventive actions in cases of non-compliance.

Within Grupo Elfa, the following topics on the side are covered by the Quality Management System.

#### Internal:

- Document Management
- Audits
- Training
- Change Management
- Non-Conformity Management
- Calibrations and Maintenance
- Validation and Qualification
- Traceability
- Waste Management
- Customers
- Suppliers
- Service providers
- Transportation

#### External:

- Payment
- Complaints
- Returns

# Ethics and **compliance**

9



# Ethics and compliance [GRI 2-24 | 3-3 Anti-corruption & Compliance]

**We value ethics in all initiatives and relationships within Grupo Elfa. Our Ethics Committee is made up of five serving members appointed by the Grupo Elfa Board of Directors for a two-year term.**

The Committee's role is to encourage, supervise and resolve the implementation of the company's Integrity Program, and review standards and policies and execute periodic training related to the topic for employees. **[GRI 2-17]**

The Grupo Elfa Code of Conduct governs our operations. It is constantly updated and is available on our website, which can be accessed at this [link](#). In addition, we maintain a series of policies that inform our actions, which are also available on the page above. **[GRI 2-23]**

## Communication and training on anti-corruption policies and procedures [GRI 205-2]

**Employees that the organization's anti-corruption policies and procedures have been communicated to:**

|         | Operational | Tactical | Strategic |
|---------|-------------|----------|-----------|
| Total   | 1,652       | 483      | 85        |
| Percent | 85%         | 76%      | 60%       |

**Employees that have received training on anti-corruption:**

|         | Operational | Tactical | Strategic |
|---------|-------------|----------|-----------|
| Total   | 1,432       | 473      | 112       |
| Percent | 73%         | 74%      | 79%       |

**Business partners that the organization's anti-corruption policies and procedures have been communicated to\*:**

|         |     |
|---------|-----|
| Total   | 256 |
| Percent | 91% |

**Governance body members that the organization's anti-corruption policies and procedures have been communicated to\*\*:**

|         |      |
|---------|------|
| Total   | 5    |
| Percent | 100% |

**Governance body members that have received training on anti-corruption\*\*\*:**

|         | C-level |
|---------|---------|
| Total   | 6       |
| Percent | 100%    |

\* Communication occurs through the Compliance and Commitment Term.

\*\* Only C-Level.

\*\*\* The Board of Directors' training is not conducted by Grupo Elfa. However, our board is composed of members whose profiles are active in leadership or advisory roles with specific backgrounds in health, management and M&A, which therefore require proper training.

## Visual law

To further facilitate the understanding of legal standards, we have transformed our main policies by building communication materials that value simplified visual reading. These were:

- Data Protection and Privacy Policy
- Cookies Policy
- Privacy by Design
- Use of instant messaging apps

A abordagem do *Privacy by Design* é caracterizada por medidas proativas e não reativas. O objetivo central da Elfa deverá ser o de antecipar e evitar eventos invasivos à privacidade antes que eles ocorram. O *Privacy by Design* não espera que os riscos de privacidade se materializem, nem oferece remédios para resolver infrações de privacidade uma vez que tenham ocorrido. A Elfa deverá valer-se do *Privacy by Design* antecipadamente aos eventos de impacto na privacidade de Dados Pessoais, de maneira a estar apta a promover medidas de precaução. Quando houver novas iniciativas na Elfa, o check list abaixo poderá auxiliar o responsável a atender ao princípio em questão:

| CHECK LIST  |
|---|
| Há, na sua área, a cultura de respeito à privacidade dos usuários?  |
| São realizados treinamentos e o compartilhamento de materiais acerca da importância da privacidade dos dados na sua área?                     |
| Existem metodologias em sua área para verificação de designs que não satisfaçam os requisitos básicos de privacidade estabelecidos pela Elfa? |
| Foram aplicadas salvaguardas técnicas ao novo produto ou serviço?   |

Example of visual law of Privacy by Design

Elfa's legal and compliance structure operates in all group companies. We have a vast portfolio of acquired companies and the acquisition process is robust, with structured due diligence and audit processes.

In 2022, we continued to invest efforts in improving our compliance practice, with team restructuring and the acquisition of digital tools, with systems that centralize all flows and procedures, the due diligence portal and the development and implementation of the Eva virtual assistant chatbot to answer our employees' questions on the subject. The case won the *Não Aceito Corrupção Award*.

We achieved, with Elfa Medicamentos S.A., the revalidation of ISO 37.001, the Anti-bribery Management Systems certification, and underwent five FCPA (Foreign Corrupt Practices Act) audits. We also hold the Pro-Ethics Company certificate, for preventing and fighting corruption, issued by the Federal Audit Court (*Controladoria-Geral da União - CGU*), to be renewed in 2023.

We are affiliated with the main entities with relevant impacts in our sector of operation - Ethos Institute, Brazilian Association of Health Product Importers and Distributors (ABRAIDI), Health Coalition and Ethics and Health Institute - and we actively disseminate good practices in our segment. In partnership with the Brazilian Institute of Business Ethics (IBDEE), we carried out the preparation and academic coordination of the compliance training course. [\[GRI 2-28\]](#)

We also produced and coordinated a course on good compliance practices at the Brazilian College of Health Executives (CBEXs), aimed at 50 market executives.

In 2022, we did not register cases of corruption committed by employees or business partners. Nor did we have corruption-related lawsuits filed against the company or its employees (related to activities developed in the company). **[GRI 3-3 (205-3)]**

## Compliance Influencer

A notable internal initiative, the program allows Grupo Elfa employees to register as compliance ambassadors to promote the topics and culture of our company within their operations.

In 2022, 71 were registered, from 13 different companies. 26 candidates were ultimately selected.

“Being a Compliance Influencer means being able to be one more voice that disseminates on a daily basis the importance and benefits of following the rules, legal standards, policies and guidelines created by Grupo Elfa. It’s a standard of conduct and good practices in front of my clients, both internal and external, so that everyone knows and believes that Grupo Elfa values honesty and transparency in everything it does.”

**Mauro Pinheiro,**  
sales executive at Grupo Elfa.

## Confidential Hotline

**[GRI 2-26]**

Our Confidential Hotline is managed by an external company and can be accessed via the website and phone. In 2022, we reinforced visual communication in all Grupo Elfa facilities across Brazil, including a QR code that simplifies access to the tool.

Both anonymous and non-anonymous reports are allowed, and 22% of the total reports received in the year were from people who identified themselves. Registered complaints are referred to compliance, which leads the investigation in partnership with an external law firm.

For all confirmed complaints, we follow the Consequence Management Manual, which includes the guarantee of non-retaliation against the whistleblower. **[GRI 3-3 (205-2)]**



How to contact the Confidential Hotline:

**0800 741 0006**

**[grupoelfa.com.br/canalconfidencial](https://grupoelfa.com.br/canalconfidencial)**

# Government relations

**Regarding government relations, we are aware of our importance for developing good health practices in the public sector.**

We therefore participate in competitive procurement processes and follow contractual obligations with transparency and seriousness.

We have a Procurement area that receives constant training, carried out internally in partnership with institutions. All interactions are reviewed and monitored by compliance.

# Privacy and GDPR

**[GRI 3-3 Data security and privacy]**

We harness technology to keep all company documentation in secure systems, including contracts and information on judicial and administrative proceedings, which are managed on proprietary platforms. The ProJuris tool, for example, stores the Elfa Medicamentos S.A. entire litigation base, centralizing our information and that of our investees. During the Covid-19 pandemic, we also adopted electronic signatures, that allows internal and external signatures, now used in 100% of operations.

Our Data Privacy program was implemented in 2019, based on the pillars: Governance and Policies, Training and Awareness, Contract Management, Operational Practices, Personal Data Inventory, Incident Management and Security Controls.

Regarding the General Data Protection Regulation (BR GDPR) in force since 2021, we remapped sensitive data in more than

400 procedures. Throughout 2022 we bolstered the agenda for awareness and training, prepared new impact reports for the areas with the most personal data processing. In Cybersecurity, we are working to improve vulnerability management implementing a tracking software (Threat Intelligence).

All our employees sign a consent form about the use and processing of data within Grupo Elfa. We also have a channel for data subjects' rights, where it is possible to consult which data are available at any time and, if desired, to request the suspension of usage permissions.

No customer data breaches, theft or losses were recorded in 2022. No complaints were made about privacy violations or data leaks by customers.

**[GRI 418-1]**



# GRI Summary





**Statement of use:** Elfa reported the information cited in this GRI content summary for the period from January 01 to December 31, 2022 based on GRI standards.

**GRI 1 standard used GRI1:** Foundation 2021

**GRI sector standard(s) applied:** Not applicable

| GRI Standard  | Contents   | Location   | Omission            |        |             | SDG | Global Compact | External assurance (Y/N) |
|---|--|--|---------------------|--------|-------------|-----|----------------|--------------------------|
|   |  |  | Requirement omitted | Reason | Explanation |     |                |                          |
| <b>GRI 3: 2021 Material topics</b>                  |  |  |                     |        |             |     |                |                          |
| <b>The organization and its reporting practices</b> | 2-1 Organizational details   | ELFA MEDICAMENTOS S.A is a private corporation, constituted as a joint-stock company, headquartered in São Paulo and operating in Brazil.  |                     |        |             |     |                |                          |
|   | 2-2 Entities included in the scope of the organization's sustainability reporting. | All Grupo Elfa operational plants have been included in the scope of this report. A total of 56 operational plants distributed throughout Brazil. We have an independent audit conducted on our financial statements and prepare consolidated financial statements, which embrace all Group companies. |                     |        |             |     |                |                          |
|   | 2-3 Reported period, frequency and contact point                                   | Page 3.  |                     |        |             |     |                |                          |
|   | 2-4 Restatements of information  | Not applicable. This is the first sustainability report published based on the GRI.  |                     |        |             |     |                |                          |
|   | 2-5 External assurance   | No independent assurance has been conducted.   |                     |        |             |     |                |                          |
| <b>Activities and workers</b>                       | 2-6 Activities, value chain and other business relationships                       | Page 11.   |                     |        |             | 3   |                |                          |
|   | 2-7 Employees  | Page 34.   |                     |        |             |     |                |                          |
|   | 2-8 Workers who are not employees  | Page 37.   |                     |        |             |     | 8, 10          |                          |



| GRI Standard                              | Contents   | Location   | Omission            |        |             | SDG   | Global Compact | External assurance (Y/N) |
|---|--|--|---------------------|--------|-------------|-------|----------------|--------------------------|
|   |  |  | Requirement omitted | Reason | Explanation |       |                |                          |
| Governance                                | 2-9 Governance structure and composition   | Page 14.   |                     |        |             |       |                |                          |
|   | 2-10 Nomination and selection of the highest governance body                     | Page 14.   |                     |        |             |       |                |                          |
|   | 2-11 Chair of the highest governance body  | Page 14.   |                     |        |             |       |                |                          |
|   | 2-12 Role of the highest governance body in overseeing the management of impacts | Page 8.  |                     |        |             | 16    |                |                          |
|   | 2-13 Delegation of responsibility for managing impacts                           | Page 8.  |                     |        |             | 5, 16 |                |                          |
|   | 2-14 Role of the highest governance body in sustainability reporting             | Page 8.  |                     |        |             | 16    |                |                          |
|   | 2-15 Conflicts of interest   | Elfa has a Conflict of Interests Policy that is available on its Investor Relations website and can be accessed <a href="#">here</a> . |                     |        |             | 5, 16 |                |                          |
|   | 2-16 Communicating critical concerns   | Page 8. There were no critical concerns during the reporting period.   |                     |        |             | 16    |                |                          |
|   | 2-17 Collective knowledge of the highest governance body                         | Page 49. Regarding ESG, we have not yet developed any specific actions for this particular group.                                      |                     |        |             |       |                |                          |
|   | 2-18 Evaluation of the performance of the highest governance body                | Page 34.   |                     |        |             |       |                |                          |
|   | 2-19 Remuneration policies   | Page 39.   |                     |        |             |       |                |                          |
| 2-20 Process for determining remuneration | Page 39.   |  |                     |        | 16          |       |                |                          |
| 2-21 Annual total compensation ratio      | Page 39.   |  |                     |        |             |       |                |                          |



## Omission

| GRI Standard                            | Contents   | Location             | Requirement omitted | Reason | Explanation | SDG | Global Compact | External assurance (Y/N) |
|---|--|----------------------|---------------------|--------|-------------|-----|----------------|--------------------------|
| <b>Strategy, policies and practices</b> | 2-22 Statement on sustainability strategy                  | Page 4.              |                     |        |             |     |                |                          |
|   | 2-23 Policies about commitments                            | Pages 41 and 49.     |                     |        |             |     |                |                          |
|   | 2-24 Incorporating policy commitments                      | Pages 41, 44 and 49. |                     |        |             |     |                |                          |
|   | 2-25 Processes to remediate negative impacts               | Pages 15, 27 and 31. |                     |        |             |     |                |                          |
|   | 2-26 Mechanisms for seeking advice and raising concerns    | Page 51.             |                     |        |             |     |                |                          |
|   | 2-27 Compliance with laws and regulations                  | Page 22.             |                     |        |             |     |                |                          |
|   | 2-28 Membership of associations                            | Page 50.             |                     |        |             | 16  |                |                          |
| <b>Stakeholder engagement</b>           | 2-29 Approach to stakeholder engagement                    | Page 27.             |                     |        |             |     |                |                          |
|   | 2-30 Collective agreements                                 | Page 34.             |                     |        |             | 8   |                |                          |
| <b>GRI 3: 2021 Material topics</b>      |  |                      |                     |        |             |     |                |                          |
|   | 3-1 Process to determine material topics                   | Page 7.              |                     |        |             |     |                |                          |
|   | 3-2 List of material topics                                | Page 7.              |                     |        |             |     |                |                          |
| <b>Material topics</b>                  |  |                      |                     |        |             |     |                |                          |
| <b>Anti-corruption &amp; Compliance</b> |  |                      |                     |        |             |     |                |                          |
| <b>GRI 3: 2021 Material topics</b>      | 3-3 Management of the topic anti-corruption and compliance | Pages 49 to 51.      |                     |        |             |     |                |                          |



| GRI Standard   | Contents   | Location   | Omission            |        |             | SDG      | Global Compact | External assurance (Y/N) |
|--|--|--|---------------------|--------|-------------|----------|----------------|--------------------------|
|  |  |  | Requirement omitted | Reason | Explanation |          |                |                          |
| <b>GRI 205: Anti-corruption 2016</b>                 | 205-2 Communication and training on anti-corruption policies and procedures                        | Pages 49 and 51.   |                     |        |             | 16       | 10             |                          |
|  | 205-3 Confirmed incidents of corruption and actions taken  | Page 51.   |                     |        |             | 16       | 10             |                          |
| <b>Transparency and ethical conduct in business</b>  |  |  |                     |        |             |          |                |                          |
| <b>GRI 2: General Disclosures 2021</b>               | 2-9 to 2-28  | Pages 4, 8, 14, 15, 22, 27, 31, 34, 39, 41, 49, 50 and 51. |                     |        |             |          |                |                          |
| <b>Universal affordable health care</b>              |  |  |                     |        |             |          |                |                          |
| <b>GRI 3: 2021 Material topics</b>                   | 3-3 Management of the topic Universal affordable health care                                       | Page 17.   |                     |        |             |          |                |                          |
| <b>Product safety and customer well-being</b>        |  |  |                     |        |             |          |                |                          |
| <b>GRI 3: 2021 Material topics</b>                   | 3-3 Management of the topic Product safety and customer well-being                                 | Page 22.   |                     |        |             |          |                |                          |
| <b>GRI 416: Consumer Health and Safety 2016</b>      | 416-2 Incidents of noncompliance concerning the health and safety impacts of products and services | Page 22.   |                     |        |             | 16       |                |                          |
| <b>Human Rights &amp; Diversity and Inclusion</b>    |  |  |                     |        |             |          |                |                          |
| <b>GRI 3: 2021 Material topics</b>                   | 3-3 Management of the topic Human rights & diversity and inclusion                                 | Page 44.   |                     |        |             |          |                |                          |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b> | 405-1 Diversity of governance bodies and employees   | Page 37.   |                     |        |             | 5, 8, 10 | 6              |                          |
| <b>GRI 406: Non-Discrimination 2016</b>              | 406-1 Incidents of discrimination and corrective actions taken                                     | Page 44.   |                     |        |             | 5, 8     | 6              |                          |



## Omission

| GRI Standard                                      | Contents  | Location         | Requirement omitted | Reason | Explanation | SDG              | Global Compact | External assurance (Y/N) |
|---|---|------------------|---------------------|--------|-------------|------------------|----------------|--------------------------|
| <b>Data security and privacy</b>                  |   |                  |                     |        |             |                  |                |                          |
| <b>GRI 3: 2021 Material topics</b>                | 3-3 Management of the topic Data security and privacy   | Page 52.         |                     |        |             |                  |                |                          |
| <b>GRI 418: Customer Privacy 2016</b>             | 418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data | Page 52.         |                     |        |             | 16               |                |                          |
| <b>Employee engagement and development</b>        |   |                  |                     |        |             |                  |                |                          |
| <b>GRI 3: 2021 Material topics</b>                | 3-3 Management of the topic Employee engagement and development                                   | Page 38.         |                     |        |             |                  |                |                          |
| <b>GRI 404: Training and Education 2016</b>       | 404-1 Average hours of training per year per employee   | Page 38.         |                     |        |             | 4, 8             | 6              |                          |
| <b>Waste management and life cycle management</b> |   |                  |                     |        |             |                  |                |                          |
| <b>GRI 3: 2021 Material topics</b>                | 3-3 Management of the topic Waste management and life cycle management                            | Pages 31 and 32. |                     |        |             |                  |                |                          |
| <b>GRI 306: Waste 2020</b>                        | 306-1 Waste generation and significant waste-related impacts                                      | Page 32.         |                     |        |             | 3, 6, 11, 12     |                |                          |
|   | 306-2 Management of significant waste-related impacts   | Page 32.         |                     |        |             | 3, 6, 8, 11, 12  |                |                          |
|   | 306-3 Waste generated   | Page 32.         |                     |        |             | 3, 6, 11, 12, 15 |                |                          |
| <b>Supply chain management</b>                    |   |                  |                     |        |             |                  |                |                          |
| <b>GRI 3: 2021 Material topics</b>                | 3-3 Management of the topic Supply chain management   | Page 27.         |                     |        |             |                  |                |                          |



## Omission

| GRI Standard                            | Contents   | Location         | Requirement omitted | Reason | Explanation | SDG               | Global Compact | External assurance (Y/N) |
|---|--|------------------|---------------------|--------|-------------|-------------------|----------------|--------------------------|
| <b>Business model resilience</b>        |  |                  |                     |        |             |                   |                |                          |
| <b>GRI 3: 2021 Material topics</b>      | 3-3 Management of the topic Business model resilience        | Pages 11 and 20. |                     |        |             |                   |                |                          |
| <b>GHG emissions and climate change</b> |  |                  |                     |        |             |                   |                |                          |
| <b>GRI 3: 2021 Material topics</b>      | 3-3 Management of the topic GHG emissions and climate change | Page 29.         |                     |        |             |                   |                |                          |
| <b>GRI 305: Emissions 2016</b>          | 305-1 Direct (Scope 1) GHG emissions                         | Page 29.         |                     |        |             | 3, 12, 13, 14, 15 | 7, 8           |                          |
|   | 305-2 Energy indirect (Scope 2) GHG emissions                | Page 29.         |                     |        |             | 3, 12, 13, 14, 15 | 7, 8           |                          |
|   | 305-3 Other indirect (Scope 3) GHG emissions                 | Page 29.         |                     |        |             | 3, 12, 13, 14, 15 | 7, 8           |                          |
| <b>Energy management</b>                |  |                  |                     |        |             |                   |                |                          |
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**Omission**

| GRI Standard  | Contents   | Location         | Requirement omitted | Reason | Explanation | SDG          | Global Compact | External assurance (Y/N) |
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| <b>Immaterial topics</b>                            |  |                  |                     |        |             |              |                |                          |
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# Credits

**Coordination:**

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