

# Sustainability Report 2023





# Table of contents

About this report.....	3	Water management .....	32
Message from the CEO .....	4	Waste management.....	33
<b>Highlights</b> .....	<b>5</b>	<b>Innovation and quality are in our DNA</b>	<b>36</b>
Awards and recognitions.....	6	Quality management.....	37
The Elfa way of being.....	7	Innovation and technology.....	38
Who we are .....	8	Privacy and LGPD .....	39
Our business model .....	11	Accessible health for all.....	40
Business units .....	12	<b>The customer at the center</b>	<b>41</b>
Our operations .....	14	of decisions.....	41
Governance .....	15	Customer centricity .....	42
Risk management .....	17	Customer experience and satisfaction .....	43
Ethics and Compliance .....	17	Consumer health and safety .....	43
Supplier management.....	21	<b>Management oriented</b>	<b>45</b>
Financial results.....	22	to transform lives .....	45
<b>We generate positive impact</b>		People management.....	46
<b>where we operate</b> .....	<b>23</b>	Training & development.....	48
Materiality .....	24	Culture of inclusion and opportunities.....	51
Commitment to sustainability .....	26	Health and safety .....	56
Energy.....	29	Social responsibility .....	59
Emissions.....	30	<b>GRI Content Index</b> .....	<b>60</b>
		<b>Credits</b> .....	<b>69</b>







# About this report

[GRI 2-3]

**In our second Sustainability Report, we present our main results and highlights related to our ESG (Environmental, Social and Governance) agenda. The publication is the result of our commitment to transparency in the dissemination of information to all audiences with whom we interact.**

This publication is structured around chapters that reflect our core values, designed to highlight our efforts to fulfill our mission of broadening access to health for millions and ensuring all Brazilians can obtain a variety of products and services, wherever they are and at the right time.

The content is published annually, and the report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and aligned with the Sustainable Development Goals (SDGs) that relate to our ESG ambitions and targets, with initiatives to be achieved in the short, medium, and long term.

The data presented refer to the period from January 1st to December 31st, 2023 and correspond to the operations of the Elfa Group. Our Financial Statements, for the year 2023, were published in March 2024.



**For questions about the Report or related information, please contact**  
[esg@grupoelfa.com.br](mailto:esg@grupoelfa.com.br)

# Message from the CEO [GRI- 2-22]

## Growth with focus on intensity and unity

The year 2023 was marked by progress on key growth fronts: the improvement of our capital structure, elevating the company to a higher level of management and performance, the intensification of our commitment to delivering results by providing access to health solutions at the right price and at the appropriate time, the leadership of the commercial area in all our processes, and our strong financial performance throughout the year.

In 2023, we also carried out a comprehensive review of the logistics plan, with the integration of Distribution Centers (DCs), optimizing our logistics network. Currently, we are present throughout the national territory with 25 DCs.

We also focus our efforts on innovation and technology. We advanced in the Nexos Program, our largest systemic initiative, to continue the integration of ERP, WMS and sales platforms of the Group's companies, in order to seek more internal efficiency, ensure more speed in processes, appropriate synergies and strengthen our data lake . This year, we successfully performed two integrations.

During the period, we were recognized with our second [Pro-Ethics](#), by the Federal Audit Court (Controladoria-Geral da União - CGU), reinforcing our continuous commitment to preventing and combating fraud and corruption. We were also recognized by securing the fourth position in the Época Negócios 360 Yearbook, ranking among the top five pharmaceutical and medical supply distribution companies.

In the social agenda, we launched the Empodere-se program, an exclusive training initiative for female employees aimed at preparing them for leadership succession. We also reinforced our public

commitment to the diversity agenda by publishing our Diversity Manifesto.

Our work is guided by full respect for Human Rights, and we have a series of policies and procedures in place to ensure that all employees are treated with respect, dignity and equal opportunities, in a work environment free of discrimination and harassment.

Another relevant contribution to society was the Unielfa Comunidade Project, an initiative through which we offer training for low-income young people, aiming to prepare-them for the labor market.

In 2023, we made significant progress on the agenda to reduce CO<sub>2</sub>emissions, adopting ethanol as the sole source of supply for our own fleets.

In this regard, I can only express my gratitude to all our clients, suppliers, creditors, shareholders and employees for their support and trust in this journey.



Our strength lies in the diversity of healthcare businesses, the intensity of our deliveries and the passion that drives us to serve the patients who need our services. Together, we will continue to transform the health system in Brazil.

**José Roberto (J.R.) Ferraz**  
CEO of Elfa Group





# Highlights





# Awards and recognition

## Institutional

### Valor 1000 Ranking of the Largest Companies in Brazil

Top ten among Wholesale and Foreign Trade companies in the country.

### Época Negócios 360° Yearbook

Top five in the Wholesale sector.

### EXAME Melhores e Maiores 2023

Once again, we are featured in the 'Exame' magazine's Best and Biggest Companies annual ranking, a result that reflects the strength of our team and our purpose.

### Health Leaders 2023

Winners in the "Distribution" category.

## GPTW Certification

Certification by Great Place to Work – GPTW, a ranking that recognizes the best companies to work for.

## Compliance

### Pro-Ethics-Company

Recognition granted by the Federal Audit Court (Controladoria-Geral da União - CGU).

## ESG

### Brazilian GHG Protocol Program

Our Carbon Inventory has received gold certification from FGV's Brazilian GHG Program.

## Innovation

### Brazil Innovation Value Award 2023

Winner in the Transport and Logistics sector.

### Innovation Leader Award 2023

Winner in the Projects category with the "Quotation Platform" project.

### Valor Inovação Award 2023

Top five in the Transport and Logistics category.

## Customer experience

### Smart Customer 2023

Winner in the "Customer Experience Management" category.

## "Movimento Roche Reconhece" Award

Best private distributor.

### BD Sales Forum

Recognized in the categories "Gasometry Syringe" and "Best Distributor of 2023 in the IDS line".

### Danone Master 2023

Recognized among the distributors driving the Danone brand forward in Brazil, providing support for hospital patient nutrition and ensuring supplies for enteral diets, infant formulas, and specialized formulas.

### 2023 Highlight – Sírio-Libanês

Recognition that celebrates our long-standing partnership as logistics operator of Hospital Sírio-Libanês, as well as solidarity actions.





The **Elfa**  
way of  
being

1

# Who we are [GRI 2-6]

**We are one of the largest distributors of medicines and medical-hospital products in Brazil and offer a wide variety of solutions for the country's health market. Over three decades of history, we have consolidated ourselves as one of the main partners in the sector, acting throughout the health ecosystem and ensuring efficiency, complementarity and reliability.**

Our operations are nationwide and our portfolio serves more than 74,000 customers, including the main industries, hospitals, clinics, retailers, operators and health professionals. We operate through our Business Units (BUs), which play a crucial role in loyalty and value perception by our customers. Moreover, for us at Grupo Elfa, the consumer is a part of our operation, our culture, The Elfa Way of Being and Doing, and our history.

Since 2014, we have had the support of the Patria Investimentos fund, enabling growth and sustainable expansion of our operational capacity. This movement

included the acquisition of 21 complementary companies from each other and our portfolio.

We materialize the values that guide us through the performance of our more than 2,400 employees, who are dedicated daily to maintaining high standards of ethics and integrity in everything we do, in addition to having innovation as a lever to undertake, create and excel. We are committed to results, but we want to achieve our goals, leaving a positive legacy for society.

## PURPOSE

Expand pathways to bring health to millions of lives.

## VALUES

We serve with agility and flexibility.

We innovate the segment to improve patients' lives.

We are committed to results, high ethical standards, and integrity.

We place the customer at the center of our decisions to broaden the pathways to health.

We believe in diversity and team spirit to grow and evolve together.

We have a positive impact on the society in which we operate.

## 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.





# Where we operate [GRI 2-6]

Grupo Elfa has 48 units<sup>1</sup> in 15 states in all regions of Brazil.

## North

AM 1

PA 1

## Midwest

DF 2

GO 2

MT 2

## Southeast

MG 5

SP 13

## Northeast

BA 1

CE 2

PB 3

PE 2

PI 1

## South

PR 5

RS 3

SC 5



<sup>1</sup> In 2023, Elfa underwent a restructuring to make its operation more efficient and dynamic. As part of this optimization, some units, such as Distribution Centers (DCs), were unified. In addition, other units that performed exclusively administrative functions were incorporated into the DCs.



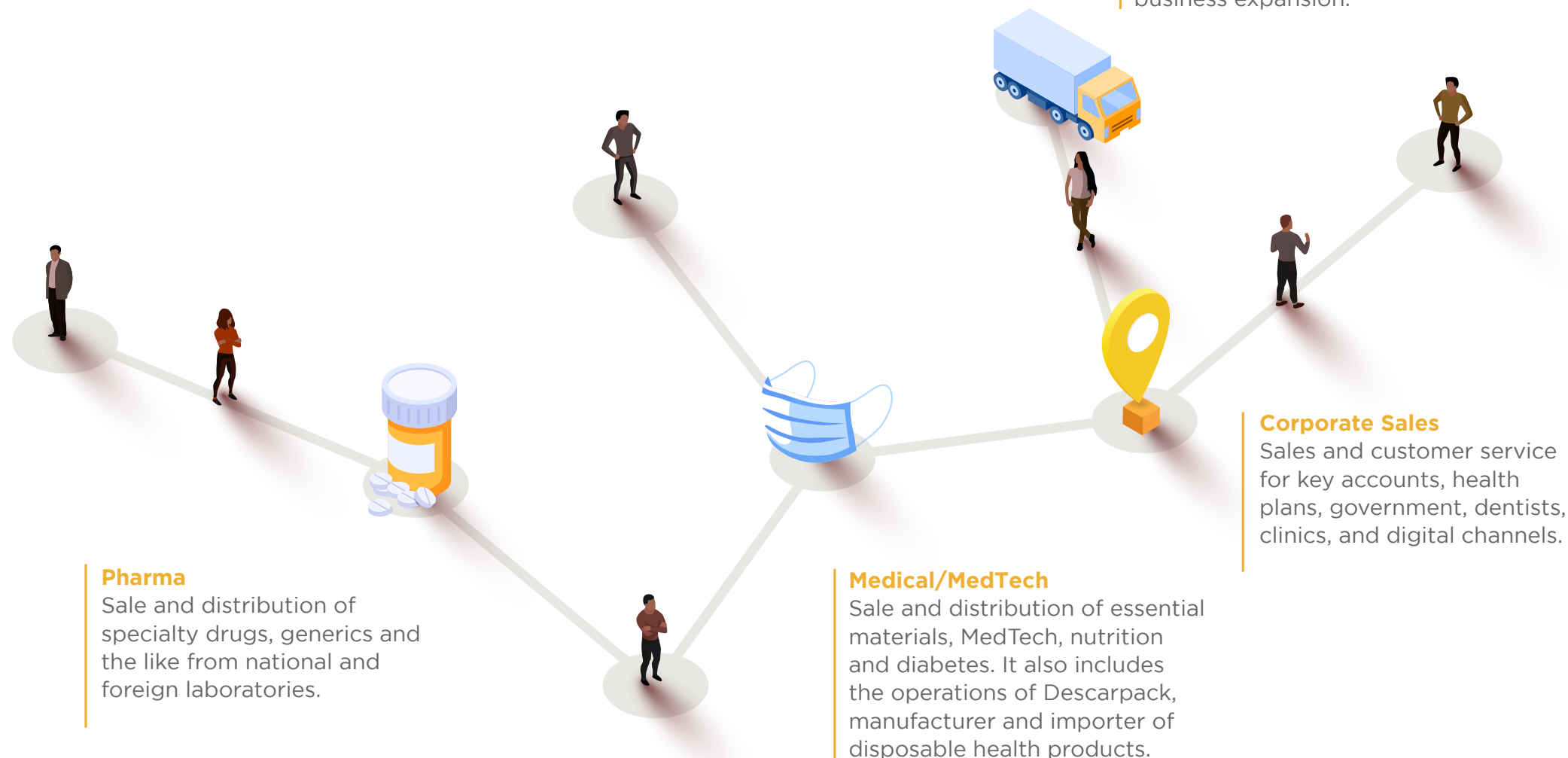
## Our brands [GRI 2-6]





# Our business model

[GRI 2-6] 3-3 Resilience of the business model]



# Business Unit

## Pharma BU

Our BU Pharma concentrates the specialty business line, which involves reference drugs, generics and the like. It serves customers in the public and private sectors, offering a wide and varied portfolio, consisting of more than 3,500 SKUs (Stock Keeping Unit, which is the unique reference code of each product) from the most diverse suppliers, multinationals and nationals.

Throughout 2023, the BU grew 3.9% in performance, compared to 2022, especially in the oncology and aesthetics segments, responsible for 22% and 17% of this share, respectively.

Based on our innovation platform, we made data and information available to customers so that they could have greater control over their needs, ensuring more assertiveness in deliveries, optimization of inventories in hospitals

and less bureaucracy. This demonstrates our differential as a provider of excellent services and high-quality customer care, delivering on time and ensuring safety in delivery.

We ended the year reaching the mark of 83 NPS (Net Promoter Score) points, a result that is due to several actions to improve the relationship with the customer and the optimization of their points of contact during the journey with the company. In addition, with several Distribution Centers (DCs) located in all regions of Brazil, we were able to serve quickly from north to south of the country, ensuring a better level of service.

## Medical BU

It is the business unit responsible for providing all materials used in the routine of hospitals and clinics (except medicines), as well as items of clinical

nutrition, diets and formulas for children, diabetes, OPSMs (Orthotics, Prostheses and Special materials) for general surgeries and for more delicate surgeries. It has a portfolio consisting of 6,000 SKUs, from 40 different industries.

Our operation contributes to optimizing the healthcare chain: while we facilitate the distribution of equipment and supplies nationwide for the industry, through our widespread operation, we streamline the purchasing processes for hospitals, that can acquire a variety of items through a single supplier. In addition, we also have an *e-commerce* platform that helps us receive individual demands.

One of the highlights of 2023 was the strengthening of a partnership to offer clinical nutrition products in the state of Ceará, focusing on pediatric and allergy patients, which resulted in historical revenue for the BU.

### DESCARPACK PRODUCT LINE

Since 2022, with the acquisition of Descarpack, we have expanded our portfolio of solutions for hospitals and clinics, with a line of products such as collectors for the disposal of special materials and Personal Protective Equipment (PPE) for medical-hospital use, such as gloves, masks, aprons, caps and syringes.





MedTech in Grupo Elfa

Business vertical specializing in the commercialization and distribution of innovative medical devices.

Through strategic investments in MedTech and partnerships with large suppliers, Grupo Elfa has been refining its processes to contribute to the advancement of the segment in the country and bring products to the end customer to provide a better quality of life.

In addition, we provide follow-up and technical consultancy to impact surgical procedure performance at the forefront, understanding this as an action that involves deep technical knowledge, regulatory compliance, a consultative approach, and a focus on customer relationships, all underpinned by a commitment to ethics and integrity.

One of our differentials in this market is the presence in almost all Brazilian

states, since this business model favors decentralization and proximity to the customer. Our format makes it possible to reach a wider audience and, thanks to the structural model already in place, we can expand to new regions or areas of specialization, maintaining agility in the approach.

During the year, we also launched a pilot initiative where products consigned to hospitals, once used, are identified through a label scanned by a cellphone. This action brought more reliability and agility in stock control.

Corporate Sales BU

It is a BU that aims to bring more integration, synergy and innovation to better serve customers. The businesses that make up this BU are diversified and represent the essence of Grupo Elfa: a company that caters to the healthcare sector's demands from end to end.

In the Dental operation, we work with DCs in Maringá (PR) and Chapecó (SC) and a volume of more than 25,000 SKUs.

We also improved our relationship with large and relevant clients, Key Accounts, in addition to maintaining a performance with health plans, providing services to patients. We have operations to provide excellent service to small to medium-sized customers. We operate in all spheres of the public sector, with a team trained and qualified to meet the requirements of public tenders.

Our Services and Logistics operation offers convenience and ease to customers, who can use our know-how in storage and logistics to organize, manage and outsource their respective inventories.



# Our operations

Our Operations area operates across the business and started to consolidate, in 2023, the logistics fronts (transport and storage); planning (sales and operations); quality and regulatory (compliance with standards and regulations related to quality management, including audit compliance); and indirect purchases.

An important initiative was the inauguration of the new Maracanaú DC, in Ceará. The structure, of about 3,330 m<sup>2</sup>, serves the states of Ceará, Piauí, Maranhão and Rio Grande do Norte. The objective was to centralize the supply and redistribution of products offered by Grupo Elfa in the region, making operations even more agile and safe for local customers.

On the planning front, we completed a comprehensive inventory process in 2023, covering 90% of our operations, bringing reliability to our processes. We recorded significant results in the audits to which we were submitted, with no non-compliance reported.



# Governance

**[GRI 2-9] 2-10| 3-3 Transparency and ethical business conduct]**

The highest management body of our company is the Board of Directors, supported by an Executive Board. The Board of Directors is composed of six members, two of whom are independent, and is responsible for participating in strategic decisions for the business, supervising compliance with policies and standards and serving as a link between the Executive Board and shareholders. The chairman of the Board of Directors, Norberto Whitaker Sobral Jannuzzi, was appointed by our controlling shareholder and holds no other position in the company.

**[GRI 2-11]**

The Board of Directors also approved the ESG ambitions and targets of Grupo Elfa in 2022. The Board evaluates the evolution of this strategy, following the projects in progress, the operational impacts and the goals of each executive in semiannual meetings. **[GRI 2-12 | 2-17]**

## Members of the Board of Directors

**Norberto Whitaker Sobral Jannuzzi**  
CEO

**Marcelo Tappis Dias**  
Vice-President

**José Roberto Ferraz**  
Member

**Lia Ferrua**  
Member

**Maria Regina Ferreira Navarro**  
Independent member

**Ricardo Pelegrini**  
Independent member

The appointment of the members of the Board of Directors is made by the shareholders, after voting at the General Meeting, considering the provisions of the Company's Shareholders' Agreement, based on the following criteria:

- (i) relevant competence in the examination and debate of matters related to the organization in its various areas (commercial, operational, people management, innovation, digital, etc.);
- (ii) possibility of active contribution in the decision-making process; and
- (iii) commitment to the exercise of its functions.

The term of the Board of Directors is two years. Our Board has two women in its composition, and Grupo Elfa has been recognized with the Women on Board Seal. In addition, our members have complementary profiles, being specialists in the pharmaceutical, technology, operations and new business/M&A. The specific matters are decided exclusively by the independent members of the Board.



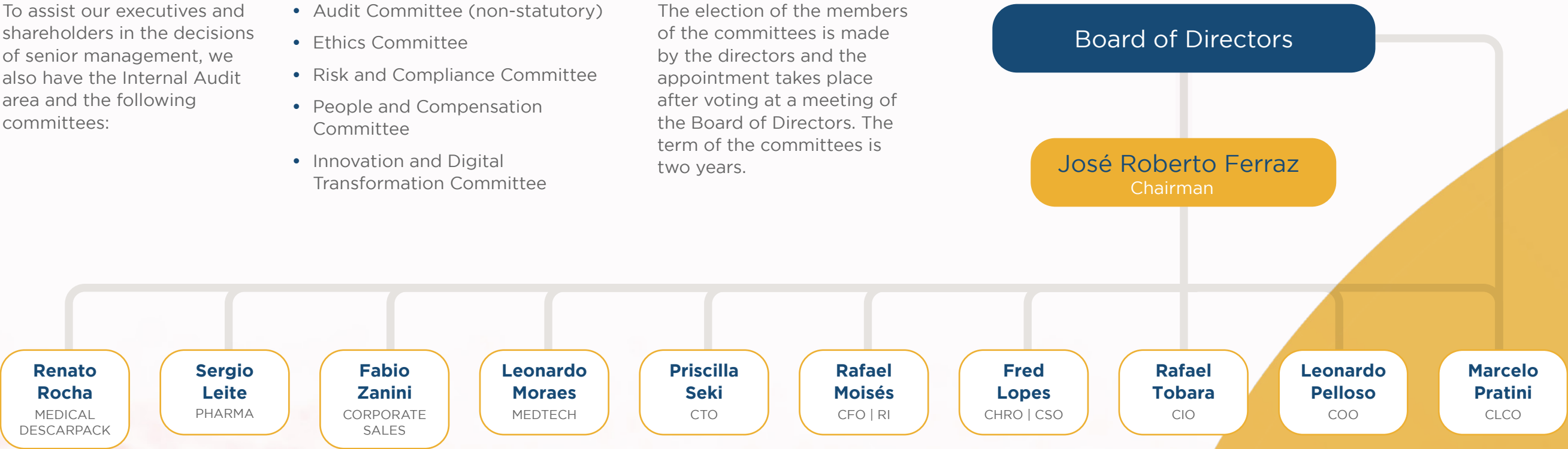
# Governance structure

[GRI 2-9]

To assist our executives and shareholders in the decisions of senior management, we also have the Internal Audit area and the following committees:

- Audit Committee (non-statutory)
- Ethics Committee
- Risk and Compliance Committee
- People and Compensation Committee
- Innovation and Digital Transformation Committee

The election of the members of the committees is made by the directors and the appointment takes place after voting at a meeting of the Board of Directors. The term of the committees is two years.





# Risk Management

[GRI 2-25]

Our Risk Management and Compliance Committee is responsible for developing the risk matrix and monitoring the aspects that impact our business or may be impacted by our operations, in addition to implementing training focused on strengthening the risk management culture and conducting continuous improvement initiatives. It is responsible for assessing the main risks linked to the company's activities involving tax, labor, regulatory and environmental regulations, among others. It also periodically reports to the Board of Directors on issues related to the company's risk management.

[GRI 2-13| 2-16]

It is composed of four members, one of whom is an external coordinator and the other three Elfa executives. These members are recognized for

their expertise in risk management and compliance, with expertise covering areas such as health, logistics, M&A, publicly traded companies and marketing.

Grupo Elfa risk matrix is reviewed annually, and is currently composed of 143 mapped risks, inherent to all businesses. [GRI 205-1]

# Ethics and Compliance

[GRI 3-3 Anti-Corruption and Compliance| 3-3 Transparency and ethical business conduct]

We are committed to high ethical standards and believe that acting with transparency is intrinsic to our business. We want to establish relationships of trust, both with our employees and with all audiences with whom we interact.

The management of the topic is carried out by the Ethics Committee, which has the function of encouraging, supervising and deliberating on the implementation of the company's Integrity Program, as well as reviewing standards and policies and carrying out periodic training for employees. It consists of five members appointed by the Board of Directors for a two-year term. The implementation of the Compliance strategy and conduct of the Integrity Program is under the responsibility of the Legal and Compliance area. It is important to reinforce that all our Compliance policies are approved by the Ethics Committee and the Board of Directors. [GRI 2-24]

The Program complies with ISO 37001 and covers all operations and all employees, regardless of hierarchical level, as well as third parties. The scope of this program includes actions necessary to combat corruption and bribery, and is structured on important pillars such as detection, prevention and response, ensuring business effectiveness with transparency and integrity.

Our performance is guided by Grupo Elfa Code of Conduct, a document that is constantly reviewed to reflect any updates that are necessary. In addition, we have a series of policies, made available via an internal system, which aim to guide and standardize our behaviors and processes. We also reinforce the importance of the topic through internal communication channels. Regarding third parties, all are informed of the Compliance guidelines at the time of hiring, with their



respective contracts containing a specific clause on anti-corruption and anti-bribery issues, and an acceptance term of the code of conduct. **[GRI 2-23 | 2-24]**

Every two years, the Compliance area, with the help of a specialized consultancy, conducts a Compliance risk assessment, which evaluates risks of corruption, fraud, and bribery. In addition, the Compliance area acts closely with the managers of processes considered critical, in order to identify new risks and treat them, both within the scope of the actions of the Integrity Program and within the scope of the Company's Risk Management Committee. **[GRI 2-25]**

We are affiliated with the main entities with a relevant impact on our industry – Ethos Institute, Brazilian Association of Importers and Distributors of Health Products (Abraid), Health Coalition and Ethics and Health Institute – and we work to propagate good practices in our segment. **[GRI 2-28]**

For the second consecutive time, **we were recognized by the Federal Audit Court (Controladoria-Geral da União - CGU) as a Pro-Ethics company.** The company is the only one in its sector to be among the 84 companies chosen in the 2022-2023 edition of the award, which demonstrates the robustness of our Compliance System. Another important achievement was the **maintenance of ISO 37001 certification**, the main international recognition of Compliance in Anti-Bribery Management Systems, **for the third consecutive year.**

## Strengthening a culture of compliance

One of the actions we take to engage our employees is the Compliance Influencers, which allows Grupo Elfa employees to sign up as ambassadors for the topic. In 2023, we had 21 Compliance Influencers who work to disseminate the values and policies of Grupo Elfa. Their duties include supporting the activities of detecting non-conformities, prevention, and responses, clarifying any doubts employees may have, capturing suggestions for improving the program, and being committed and engaged with the application of Compliance policies in their area, reporting possible breaches of guidelines.

Each year, the members of the highest governance body sign the Term of Responsibility of the Senior Management, which contains guidelines related to ethics and Compliance. All employees are annually communicated and trained on anti-corruption and anti-bribery practices, including C-level, and in 2023, 100% of employees were trained. **[GRI 205-2]**

During the year, as part of the continuous improvement process, we created the Compliance Committee, a group that follows up on reports made through the Whistleblower Channel and is responsible for investigating and resolving occurrences that are not strictly related to ethical and integrity issues. The objective was to optimize the calculation of demands, ensuring that all cases are answered, promoting more reliability and transparency in the process.





# Communication and training in anti-corruption policies and procedures

[GRI 205-2]

Total members of the governance body	Total number of members of the governance body who were informed about the organization's anti-corruption policies and procedures	Total members of the governance body who have received anti-corruption training	Percentage of members of the governance body who were informed about the organization's anti-corruption policies and procedures	Percentage of members of the governance body who have received anti-corruption training
7	7	7	100%	100%

Total number of employees	Total number of employees who were informed about the anti-corruption procedures and policies adopted by the organization	Percentage of employees who were informed about the anti-corruption procedures and policies adopted by the organization
2,478	2,478	100%

Suppliers <sup>1</sup>	Total number of business partners	Business partners who were informed about the anti-corruption procedures and policies adopted by the organization	Percentage of business partners who were informed about the anti-corruption procedures and policies adopted by the organization
	168	168	100%

<sup>1</sup> Grupo Elfa only communicates to strategic suppliers, including law firms, carriers, industries and commercial representatives. Customers, government and public agents do not fall within the scope of Compliance communications.



## Confidential hotline

[GRI 2-25 | 2-26]

Our Confidential Hotline is managed by an external company and can be accessed via website and telephone. Allows the reporting of complaints, whether anonymous or not, with 29% of the reports received in the year coming from individuals who identified themselves. After registration, the complaint is directed to Compliance area, which is in charge of the investigation in partnership with an external legal office.

For all confirmed complaints, we follow the Consequence Management Manual, which includes the guarantee of non-retaliation against the whistleblower. In 2023, there were no reports or cases of corruption. [GRI 205-3]

## Conflicts of interest

[GRI 2-15]

We have a Conflict of Interest Policy, mandatory for employees and third parties, which establishes guidelines for identifying, declaring, and resolving situations that may present real, potential, or apparent conflicts of interest. The document is available on the Investor Relations website and can be accessed [at this link](#).

In addition, no contribution to political parties or candidates for public office may be made on behalf of the companies of Grupo Elfa. Donations and sponsorships must be documented and supported by the corresponding tax documents, and the sponsor or donor must be the subject of prior compliance due diligence.

## Relationship with public entities

All our interactions with the public sector are carried out with ethics and transparency, regulated and monitored by the Compliance area. We have a team dedicated to conducting and overseeing the bidding processes, responsible for ensuring that our actions comply with all contractual obligations, so we can contribute to strengthening good practices in public health.

### HOW TO USE THE CONFIDENTIAL HOTLINE

**0800 741 0006**

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



# Supplier management

## [GRI 3-3 Management of the supply chain]

We follow a matrix of objective criteria to analyze possible reputational risks (due diligence) of suppliers before contracting, going through an internal approval process. In 2023, we implemented a system for continuous monitoring of contracted suppliers, classifying them into risk categories.

During the analysis of the process of approval of new suppliers of indirect purchases, if any indication of infraction in the social or environmental scope is identified that is not duly clarified, the supplier will be disqualified.

With the implementation of continuous monitoring, it is also possible to analyze during the contracting period if the supplier presents risk variation, generating alerts so that we can evaluate internally.

During the reporting period, 100% of the new suppliers, out of a total of 78, were selected using social and environmental criteria. **[GRI 308-1 | 414-1]**

From the active supplier base, we did not identify significant actual impacts. **[GRI 308-2 | 414-2]**

In 2023, among all the suppliers evaluated, we did not identify any reports of child labor or slave labor, according to information from the federal government.

There were also no affirmative answers to the Compliance and Conflict of Interest questions. There was no evidence of notes in Ibama's debt clearance certificate, or with affirmative answers to questions directed to the environment.





# Financial results

Grupo Elfa is a private, publicly-held corporation with over 30 years of history. We perform external audit of the financial results and the Consolidated Financial Statement, which covers all Group companies.

Our financial results for 2023 reflected a year marked by important changes, which took Grupo Elfa to a new level of management and performance. Our consistent strategy for profitability improvement demonstrated our commitment and focus on enhancing these aspects.

The organizational model review was continuous in each Business Unit, improving commercial and operational executions, providing an EBITDA growth of 38.1% when compared to last year. In the second semester, we received a substantial capital contribution to boost our future growth. The company

ended the last quarter of 2023 with solid financial bases and aligned with strategic objectives.

We advanced in the digitalization and innovation journey and reached 85% of our sales of Medicines and Materials in the same ERP platform, further reinforcing our thesis of consolidation, capture of operational synergies and increase of EBITDA.

The details of our financial information can be accessed on the

## Figures in 2023

[GRI 201-1]

Adjusted Net Revenue

**R\$ 5,911** million  
(-1.2%)

Adjusted EBITDA

**R\$ 413.2** million  
(+38.1%)

Gross Margin

**15.4%**  
(+3.7 p.p)

Adjusted Gross Profit

**R\$ 913** million  
(+29.4%)

Normalized Net Income

**R\$ 34** million  
(+177.2%)

Operating Expenses

**R\$ 510.3** million  
(-15.8%)



We generate  
a **positive  
impact** where  
we operate

2



# Materiality

[GRI 3-1]

The materiality that guides the information in this report was defined in a process carried out in 2022. It was based on five stages:

### Technical curation

Based on the standards of the SASB (Sustainability Accounting Standards Board), the GRI (Global Reporting Initiative) and an analysis of the materiality of the competition, we identified the material topics of our sector (ranging from industry to hospitals, considering the entire healthcare chain).

### 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. The objective was to map the impacts generated by

the company in different audiences, from suppliers and customers to the Board, employees, acquired companies, civil society, unions and communities. [GRI 2-29]

### Data synthesis and final analysis

We performed quantitative and qualitative analyzes of the data collected, which were consolidated in the materiality matrix.



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

The entire process was carried out in order to align the material topics with the SDGs.

### Materiality validation

The materiality validation stage was carried out in a leadership meeting, with 21 participants from 11 boards.

## Material topics [GRI 3-2]

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





# Materiality matrix



# Commitment to Sustainability

[GRI 2-13]

We are committed to the Sustainable Development Goals (SDGs) of the United Nations (UN) and work to expand the positive impacts of our operations on society.

These objectives are materialized in a schedule of projects and initiatives aimed at achieving the ambitions and goals of our ESG agenda. To define these guidelines, we conducted a comprehensive assessment of our performance and future objectives, prioritizing them with direct oversight from leadership. The set of ambitions and goals, which we made public in 2022, has been approved by the Board of Directors.

Senior management also actively participates in the annual consolidation of Grupo Elfa's Sustainability Report, which

undergoes prior approval by the Board before being published. [GRI 2-14]

The management of the issue at Grupo Elfa is handled by the Chief Sustainability Officer (CSO), who is also the Chief Human Resources Officer (CHRO), with the support of a team composed of other employees.

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

In 2023, we provided a series of training for the company's employees, which addressed topics such as Diversity and Inclusion, Environmental Management Challenges and ESG Corporate Governance. Adherence was 53%, equivalent to the participation of more than 1,300 employees.

Additionally, maintaining close relationships with external stakeholders through sharing ESG progress is a commitment of the company. To this end, we use several fronts, such as workshops with business partners, participation in events related to ESG and the dissemination of information on our social networks, among others. [GRI 2-29]





# ESG ambitions and targets

Dimension	Description of the Target	KPI	2030 target	2023 target	Reached
Environmental	Obtain 100% of electrical need from renewable sources by 2030	Conduct feasibility study for free energy market migration	100%	100%	100%
	Neutralize CO <sub>2</sub> emissions in scopes 1 and 2 by 2030 and deep dive into scope 3	Acquire I-RECs for Scope 2 compensation	100%	100%	100%
Social	Have at least 45% of leadership positions filled by women by 2030	% women in leadership positions	45%	38.5%	40%
Governance	Link ESG metrics to executive bonuses and PLR by 2023	Definition of ESG metrics as Collective Goal 2023	100%	100%	100%



## What we have built so far

### 2022



**Pacto Global**  
Rede Brasil

- Construction of materiality and ambitions
- Implementation of **Empodera** and its four Affinity Groups: Women, LGBTQIAPN+, Black People, Generation 50+
- Implementation of the Race Census
- Signing of the **UN Global Compact** commitment
- Compiling our first Carbon Inventory

### 2023



**PROGRAMA**  
**ESTÁGIO**



**Gestão de**  
**Resíduos**

- Conducting the **First Diversity Week**
- **Empowerment:** Launch of the Women's Training Program
- Publication of the Sustainability Report
- First ESG Workshop – Environmental Axis
- Obtaining Gold Seal **GHG Certification** for Carbon Inventory
- Implementation of the pilot project of **Waste Management**

# Power

## [GRI 3-3 Energy Management]

In 2023, we made significant progress in managing our energy-related consumption and expenses. We carried out analyzes that included constant monitoring of consumption levels, in order to identify opportunities for reduction. This approach is allowing for further analysis and is serving as a basis for driving the development of more consistent and effective strategies to optimize energy use, towards sustainable and efficient consumption.

All procedures related to energy efficiency are subjected to a thorough analysis, involving several areas, such as Operational, Human Resources and Management.

Our public commitment is to consume 100% of our energy from renewable sources by 2030. To achieve this goal, the first step involves reducing emissions, especially from non-renewable

sources, which are currently the largest contributors to our environmental footprint.

In 2023, we carried out a study in our units for migration to the free energy market, starting a project that will include six of them: Medcom (GO and MT), Descarpack (SC), Surya (PR), Nacional (SP) and Dupatri (SP).

We have already started the process with the concessionaires and defined the renewable energy supplier. With the migration completed, the expectation is that the company will have 12.5% of its units in the free market between 2024 and 2025. In 2023, our total electricity consumption was 22,314 GJ. **[GRI 302-1]**

# Power consumption<sup>1</sup>

## [GRI 302-1 | 302-2]

Types of non-renewable fuels (MJ)	2022	2023
LPG	5,391	2,695,000
Diesel Oil	9.986.075	3,473,000
Automotive gasoline	14,266,179	19,552,000
Total sum of fossil fuels	24,257,645	25,720,000

Types of non-renewable fuels (MJ)	2022	2023
Electricity (from concessionaires)	22,605,357	22,518,000
Biodiesel	1,035,802	0
Hydrous ethanol	6,276,007	2,066,000
Total sum of renewable fuels	29,917,166	24,584,000

Total energy consumption (MJ)	2022	2023
Total energy consumption within the organization	54,174,811	50,100,000
Total energy consumption outside the organization	105,766,358	112,054,260

<sup>1</sup> The only renewable fuel used in this cycle was ethanol for the supply of own vehicles. The conversion calculation for consumption in liters was: consumption/ density (kg/un) PCI (GJt)10<sup>- ^3</sup>.

# Emissions

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

The management of emission sources is a fundamental aspect of the Grupo Elfa's environmental strategy. We recognize that emissions have real and potential impacts on our business and, therefore, it is essential to broaden the understanding of climate, greenhouse gases and environmental concerns among all employees.

Our approach to this topic aims not only to meet regulatory requirements but also to make a significant contribution to climate change mitigation. We believe that this will not only promote environmental sustainability, but also bring long-term economic benefits. We are committed to acting proactively to minimize our environmental impact and contribute to a more sustainable future.

Our public commitment is to neutralize CO<sub>2</sub> emissions in scopes 1 and 2 by 2030 and deep dive into scope 3. In addition, this concern is addressed in our

Sustainability Policy and is part of the company's collective goal.

In the monitoring process, we utilize a centralized data collection system that allows us to monitor the monthly variation in emissions. On a quarterly basis, we perform an internal audit of the data sent, to ensure that it is reliable.

To reduce negative impacts, we are implementing measures aimed at reducing resource waste and adopting sustainable energy sources in our operations.

## Carbon inventory

To monitor our progress against the established targets, we have consolidated the annual emissions inventory. This control system is fundamental to evaluate performance and verify adherence to our environmental objectives.

Each year we seek to promote greater clarity and assertiveness in each published category. We have completed the third inventory, and at this stage, the goal is to use it as a benchmark for decarbonization projects starting in 2024. Our carbon inventories are in line with the guidelines of the GHG Protocol. Since 2022, the inventory has been submitted to the FGV (Fundação Getulio Vargas) Brazilian GHG program, being qualified with the gold seal, the highest level of qualification and confidence in the program.

The main lessons learned within this process were incorporated into our internal policies and procedures, making them more efficient. We mirror benchmarking and implement actions aligned with the units, such as specific training on the subject, regular audits and monthly monitoring of indicators. We also emphasize that the actions taken in relation to this practice are

always shared with the parties involved and discussed to ensure the best objective and scope of the measures taken in an effective and lasting manner.

Since 2022, the inventory has been submitted to the FGV (Fundação Getulio Vargas) Brazilian GHG program, **being qualified with the gold seal**, the highest level of qualification and confidence in the program.





# Carbon emissions

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

Emissions in metric tons of equivalent CO <sub>2</sub> (tCO <sub>2</sub> e)		
	2022	2023
Scope 1 <sup>1</sup>	2,132	1,325
Scope 2	268	238
Scope 3 <sup>2</sup>	7,301	7,629
Total	9,701	9.192
Biogenic emissions	1,058	1,165.26
Biogenic emissions (Scope 1)	504.41	456.47
Biogenic emissions (Scope 3) <sup>3</sup>	553.24	708.79

<sup>1</sup> In Scope 1, the categories of mobile combustion, stationary combustion, effluents and fugitive emissions were considered.

<sup>2</sup> In Scope 3 (indirect emissions carried out outside the organization's limits), the categories of transportation and distribution (upstream) and business trips were considered.

<sup>3</sup> In Scope 3, biogenic emissions occurred in the upstreamtransport and distribution category.

For the Scope 2 compensation, in 2023, we purchased 6,256 I-RECs (International Renewable Energy Certificate), and each 1 I-REC is equivalent to 1 MWh generated from renewable energy. In addition, we acquired 1,325 carbon credits from REDD+ certified projects, contributing to the neutralization of our Scope 1 emissions.



With Ethanol, we are always moving forward!

In line with our ESG agenda and public commitment to neutralize our greenhouse gas emissions by 2030, all employees who use fuel cards, whether from the commercial fleet or their own transport fleet, exclusively refuel with ethanol. These guidelines are also valid for those who use their own car on business trips.

This initiative aims to ensure that our fleet and our teams use sustainable fuels, with less pollutant emissions. With the measures, we will stop emitting almost 1,500 tons of CO<sub>2</sub> into the atmosphere in a year.

# Water management

[GRI 303-1 | 303-2]

Water consumption management is a voluntary initiative, based on the understanding that water is a fundamental and limited resource for life. Thus, we actively seek to raise awareness for its use within Grupo Elfa. We constantly monitor the indicators related to water consumption, in order to act in an agile manner in the face of possible challenges.

We carry out monthly assessments of impacts, based on internal indicators that monitor consumption per unit, with the exception of those located in condominiums.

The water source we use varies depending on the region in which each unit is located. In 48% of the units, the management of the external administration (condominium) is responsible for the origin and use of water. A produção de resíduos é uma realidade intrínseca à cadeia de distribuição de medicamentos e produtos

médico-hospitalares. Additionally, 9% of the units are supplied by artesian well.

Any significant variation in the consumption pattern, whether increase or decrease, is promptly identified and communicated to the leading team of each unit. This ensures that the necessary measures are implemented effectively. It is important to emphasize that 17% of our units are located in regions of water stress, but we have no impacts on river basins. In December 2023, our total water consumption was 2.09 billion Ml. [GRI 303-5]

The disposal of the water used is the responsibility of the condominium management or the water distributor. It is important to note that we do not use water for the accommodation, transportation or distribution of our products. Water consumption is strictly intended for activities with less impact within Distribution Centers and administrative areas.





# Waste management

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



Waste production is an intrinsic reality of the pharmaceutical and- medical-hospital product distribution chain. To monitor and mitigate the impacts arising from waste generation, all our units have a Solid Waste Management Plan (SWMP) Our Sustainability Policy also covers the main concerns and assumptions related to waste management, ensuring its implementation in Grupo Elfa.

We chose to reuse packaging provided by partners, as long as they are in perfect condition. We are currently implementing a project to adopt returnable packaging to replace Styrofoam in the transport of thermolabile drugs, in order to reduce the waste generated (learn more on page 36).

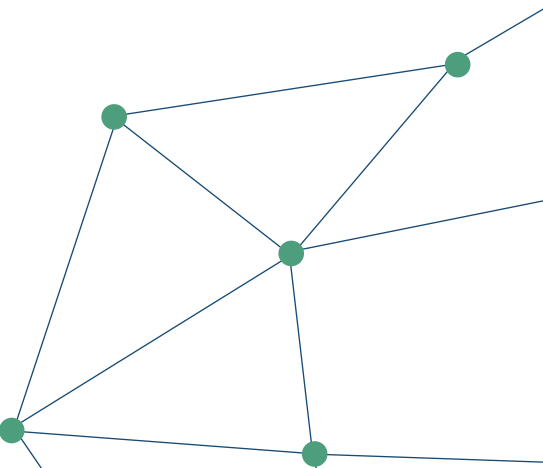
We also carry out awareness actions around the concept of circular economy, promoting a more sensitive approach to our value chain, aiming at reducing environmental impacts in the healthcare

sector. We observed a growing number of employees engaged in this movement and concerned about their conduct in relation to consumption and the proper disposal of waste.

To mitigate negative impacts, we are committed to ensuring that our operations properly dispose of waste and actively seek partnerships to do so. We hire qualified companies in accordance with the environmental control bodies for the final disposal of this waste, ensuring adequate treatment and reducing environmental impacts. We want to expand ongoing awareness campaigns to train multipliers in our Distribution Centers, ensuring compliance with appropriate disposal policies.

Our goal is to implement the waste management system in at least 80% of distribution units by 2024. Another objective is to reduce the consumption of non-reusable materials.

We are currently implementing a project to **adopt returnable packaging in place of Styrofoam for the** transportation of thermolabile drugs, with the aim of reducing the waste generated.





# Waste generated [GRI 306-3]

	2022 (t)	2023 (t)
Hazardous waste destined for incineration <sup>1</sup>	174.8	171.56
Recyclable waste	388.12	105.442

<sup>1</sup> The units responsible for sending materials for incineration are our DCs. Waste incineration is a crucial regulatory issue, especially as we deal with medicines and healthcare services. Both laboratories and suppliers of nutrition products, for example, require sending for incineration in order to avoid risk of contamination.

<sup>2</sup> Descarpack is the pioneer company in waste management in Grupo Elfa. It has a recycling program for plastic and cardboard and conducts waste management. In December 2023, the company's waste management pilot project was started, which began in our largest operation and will be expanded to the others in 2024.

# Management of waste-related impacts [GRI 306-1 | 306-2]

The main waste generated at Grupo Elfa's units comes from packaging produced in the reception of products. Among these, cardboard-, plastic, adhesive tape, ice batteries and Styrofoam stand out.

In large volume, the main residues come from the cold chain, such as Styrofoam and ice battery, essential for the proper transport of medicines. Due to its potential environmental impact, we implemented a project to reduce the consumption of these materials, which includes the replacement of non-reusable materials with returnable boxes, always with the same quality standard.

In addition, Descarpack, during its production process, generates cardboard shavings for the manufacture of sharps boxes. Materials classified as leftovers from the production process are destined

for recycling. Inspired by this example, at the end of 2023, we started a recycling pilot project in the other operations, which includes a series of training, special communication on the importance of waste management and organization and its proper disposal. The project is in its initial phase in our largest operation, in Brasília, and will be progressively implemented in the other Distribution Centers throughout 2024.

On a small scale, other plastic and paper waste is generated in the administrative units. Expired or close to expiration drugs/products, as regulated by the legislation, are sent for incineration. The entire process of disposal and monitoring of the companies responsible for the disposal of materials is monitored by the Quality Management area of Grupo Elfa.

## RETURNABLE PACKAGING: REDUCTION OF WASTE GENERATION

In 2023, we started our project to replace EPS (Styrofoam) and ER (refrigerant element) packaging, normally used in the transport of thermolabile products, that is, sensitive to temperature variation, with returnable versions with PCM (Phase Change Material) technology, reaching 80% coverage of our operation. This initiative also guarantees the entire process of collecting the packaging and taking it to recycling.

The use of containers, called Shield Box, contributes to the reduction of waste generated by the healthcare sector, reducing the energy consumption involved in the refrigeration process. For customers, one of the benefits is eliminating the need for storage space and proper disposal of styrofoam boxes.

The packaging replacement program is part of the company's ESG strategy, which aims to neutralize CO<sub>2</sub> emissions by 2030, in addition to managing its processes through 100% renewable energy sources. **[GRI 306-2]**





**Innovation  
and quality  
are in our DNA**

3



# Quality management

As a company in the healthcare sector, quality is a theme that permeates all our activities. Beyond meeting the standards and regulations that apply to our operations, quality management is directly aligned with the excellence of our processes and continuous improvement.

The Quality and Regulatory area is part of our Operations structure and is responsible for ensuring the integrity of products and processes, from entry into warehouses to delivery to the final consumer, as well as their traceability in accordance with current healthcare legislation. It is divided into two work fronts: Quality Management and Results Management, the latter responsible for managing policies, flowcharts, KPIs (Key Performance Indicators) and corporate operational standards.

At Grupo Elfa, the Quality Management System covers the following aspects:

## Internal

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

## External

- Recalls
- Complaints
- Returns

Aiming to contribute to Grupo Elfa's ESG agenda, we created an ESG Committee in 2023, which includes representatives from Quality who act as focal points

for each region, ensuring the collection and compilation of information related to the use of natural resources and waste generation, as well as the consolidation of a database for all the company's branches.

This survey involves, in addition to quality, several aspects, such as the consumption of diesel oil from our generators and the refrigerant gases used in the maintenance of equipment such as cold room and air conditioners. The objective is to map and, thus, enable actions aimed at conscious and sustainable consumption in all spheres.

Another important role of the Quality area is to act in the prevention of losses and inventory management. Monthly, reports are sent of all products that will expire within 30, 60, 90, 120 and 180 days, from all business divisions, to allow Commercial to enable sales actions focused on minimizing product loss. Expired products are destined for incineration, aiming to reduce waste generation and impact on the environment.



# Innovation and technology

We operate at an intense pace of innovation, combined with the efficiency of processes and the purpose of expanding paths to bring health to millions of lives. At Grupo Elfa, the IT, Digital, Innovation, and Customer Service team works across all operations, promoting the theme and implementing initiatives that drive the development of innovative solutions.

In 2023, we made further progress in the Nexos Program, our largest technology initiative, which aims to integrate the systems of acquired companies through a portfolio that includes ERPs (Enterprise Resource Planning systems), WMS (Warehouse Management Systems), CRM (Customer Relationship Management systems), Business Intelligence (data analysis and intelligence systems), and payroll systems. During the year, we completed two very significant integrations for the company.

Another project that recorded positive results in the period was the pricing robot,

a solution that gives prices automatically, based on the inputs registered by the client. In the period, the robot generated 42,331 quotes on the portal, being responsible for sending 50.38% of the total prices in 2023.

As part of the organizational culture, innovation is also present in the daily activities of the employees. We encourage the protagonism of ideas and intrapreneurship, to create solutions that will impact our customers and the company, both internally and externally.

This happens through Elfa Ideas, an open platform so that any employee can suggest a process improvement, tool implementation or solution for the business. In the 2023 edition, we received 325 proposals, of which 260 were evaluated and 11 were implemented. In the end, our employees also participated in a Pitch Day with the board to present their ideas.

The year was also marked by external recognitions on the subject, which show how much we are evolving in the development of innovative solutions. For the second consecutive year, we were recognized as one of the most innovative companies in the country in the Valor Inovação Brasil Award and we were winners of the Innovation Leader Award, in the Projects category.

In 2023, we made further progress in the Nexos Program, our largest technology initiative.

## SALES UP: NEW CAMPAIGN QUERY APP

The Sales Up application was developed to consolidate and standardize all commercial campaigns by Grupo Elfa supporting the sales team with tools that provide agility in consultations and in sending items with price actions to customers. In addition, through the application, we ensure the exchange of more secure information between the Pricing and Commercial areas.

# Privacy and LGPD

[GRI 3-3 Data security and privacy]

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.

By adopting cybersecurity policies, we understand as good practices the incorporation of the following operational procedures:

- Implementation of new guidelines to protect against identified vulnerabilities;
- Definition of clearer protocols to deal with security incidents;
- Creation of specific policies to address areas not previously covered

In addition, we have also included in our operational procedures additional

training for employees on security practices, implementing stricter access controls and improving threat monitoring and detection processes. This learning allows us to integrate new cybersecurity technologies and tools to strengthen our approach to cybersecurity. We have adopted more advanced security solutions, implemented more robust intrusion detection systems, and updated our software to patch known vulnerabilities.

As a way to prevent possible positive impacts, real or potential, we have implemented firewalls, intrusion detection systems, data encryption and regular security awareness training for employees. All processes used are monitored through regular internal audits, penetration tests, analysis of security logs and incident reports, goals and indicators.

The adjustments of our security policies, as well as the evaluation of the effectiveness of the measures implemented, depend on several factors, with the involvement of stakeholders, such as internal customers, partners of cybersecurity solutions and the board, being essential to identify improvements in cybersecurity and compliance assurance.

In 2023, various actions were implemented with the goal of ensuring the security and integrity of information, not only for Grupo Elfa and its employees but also for all clients. Tools such as DLP (Data Loss Prevention) that prevents data leakage; cybersecurity solutions such as network and application firewall; password Vault solutions; intrusion monitoring service; deep and dark web investigation; and awareness campaign for Grupo Elfa professionals are some examples among many solutions.





# Universal affordable health care

[GRI 3-3 Universal affordable health care]

Regarding the General Data Protection Law (LGPD), we have developed a series of actions to strengthen the security culture, such as:

- **Privacy and Personal Data Protection Notices (pharmacies) with QR Code:** Implementation of physical Privacy and Data Protection notices in Grupo Elfa pharmacies, with QR Code for access to personal data. The link also directs the customer to the Privacy Portal and the Group's Privacy and Personal Data Protection Policy.
- **Compliance Personal Data Protection Impact Report (RIPD):** Analysis and completion of the Personal Data Protection Impact Report of Grupo Elfa's Compliance Department.

- **IQVIA Personal Data Protection Impact Report (RIPD):** Analysis and completion of the IQVIA Personal Data Protection Impact Report.

All our employees sign a consent form on the use and processing of data within Grupo Elfa. We also have a channel for data subjects to exercise their rights, through which it is possible, at any time, to consult what information is in the company's possession and, if it is of interest, request the suspension of the authorization to use it. No leaks, thefts or losses of customer data were reported or identified by our security platforms in 2023. Additionally, there have been no complaints about privacy breaches or data leaks by clients. [GRI 418-1]

At the forefront of health innovation, Elfa Group strives to ensure that all Brazilians have access to a wide range of healthcare products and services, anywhere and at any time. We assume the responsibility of coordinating and connecting this ecosystem relentlessly, aiming to provide the best care in all spheres, from the collection of inputs in the industry to the final delivery to doctors and patients. Our commitment is to contribute to optimizing processes, streamlining deliveries and reducing costs, in a constant search for democratization of access to health.

Our business model is centered on offering high quality services that differentiate and generate value for our customers. Our growth is consolidated with the capillarity of our operation. Our

Distribution Centers cover all regions of Brazil, bringing benefits to our customers, including individualized attention, long-term relationships and the unification of suppliers.

At the forefront of health innovation, Grupo Elfa strives to ensure that all Brazilians have access to a wide range of healthcare products and services, anywhere and at any time.





The **customer**  
at the center of  
our decisions

4



# Customer centricity

Grupo Elfa's business strategy places the customer at the center of the company's actions, that is, at the center of the company's decisions, which creates increasingly positive experiences from this relationship. For us, this mission becomes increasingly important, as our core business is dealing with lives and, in this sense, every detail matters.

In 2023, we created the Customer Centricity Program, which continuously invests in actions with leaders and teams to strengthen this culture. This program is divided into four pillars of action:



## 1. Leader engagement

Leaders play a crucial role in the engagement process of their teams, inspiring and motivating the entire team to embrace the customer-centricity vision.



## 2. Commitment of all

Aligning the team with the same vision streamlines implementation and adherence to new ideas.



## 3. Qualification and Training

Training people helps the team to understand the concepts of Customer Centrality, as well as the positive impacts that this vision brings to the business. During the training stage held in 2023, professionals from different areas were identified to represent the "voice of the customer". They have been designated as Customer Ambassadors, responsible for understanding consumer expectations and ensuring that the company is always on the right path.



## 4. Customer Experience Metrics

Metrics such as the Net Promoter Score (NPS) allow us to evaluate the performance of teams and identify points for improvement.

[Click here](#) to learn more about how the Customer Centricity Program is impacting the company's culture.



# Customer experience and satisfaction

Grupo Elfa has a Customer Experience area, which acts daily to understand the needs and expectations of this audience, collecting feedback and developing strategies that further improve the relationship and experience between them and the company. Our goal is always to exceed expectations and make the customer increasingly satisfied with choosing us.

Since 2021, we have relied on the NPS (Net Promoter Score) as the indicator for measuring customer satisfaction. In addition, NPS has become a corporate goal of the company, with the objective of involving employees in promoting customer satisfaction, which is a collective responsibility throughout the organization.

In addition, whenever an employee receives positive feedback from a customer for the service provided, they are recognized with the NPStar. This is a way to value the team's effort and reaffirm the commitment to continue providing positive experiences to the consumer public.

[Click here](#) to watch the video with the testimony of an Elfa client about his experience and relationship with the company for almost ten years.

# Consumer health and safety

[GRI 3-3 Product Safety and Customer Well-Being]

We are one of the largest distributors of medicines and medical-hospital products in Brazil, with the aim of widening paths to bring health to millions of lives. Delivering quality products in a timely manner assists in the prevention, promotion and recovery of the population's health.

Our Quality Management System guarantees compliance with good practices for the distribution, storage and transport of medicines, medical and hospital products, nutrition products, cosmetics and sanitizers (learn more on page 37). Operational procedures guide and provide guidelines for the correct storage and transport of products, taking into account criteria such as temperature and humidity conditions, for example.

Our facilities are kept organized, in adequate conditions of cleaning and conservation, and free from any source of contamination that may compromise the safety of the products sold.

All instruments and equipment are subjected to periodic calibration and preventive maintenance, ensuring their proper functioning. There is also a continuous training and qualification program established for Quality professionals and the Operations team. Suppliers and service providers are also qualified, so that the customer only receives regularized products from the country's health authority, which have had their safety and effectiveness verified.



In 2023, we implemented a program of on-site audits with our transportation service providers to ensure that distributed products met quality standards throughout the process, up to the point of delivery to the patient.

After marketing, we maintain a customer service channel to record and investigate any suspected drop in quality or adverse event in the products sold. Our pharmacovigilance and technovigilance procedures ensure immediate communication with manufacturers in cases of suspected issues that may compromise patient health, so that these can be properly investigated and, if confirmed, corrective and preventive measures are taken.

In addition, whenever the market determines the *recall* of a product that is in Grupo Elfa’s marketing portfolio, we act promptly with our customers to ensure that items that may endanger the health of the population are removed from circulation. During the year, we cooperated with 14 product recall processes mandated by the

manufacturers or the National Health Surveillance Agency (Anvisa), mobilizing Quality teams across 15 of our units.

In 2023, we had five cases of non-compliance with laws and regulations, which resulted in fines, which amounted to R\$9,169.59. Cases of non-compliance were identified by the health authorities and by class councils in the inspection acts. **[GRI 2-27]**

The non-conformities that led to notifications and assessments were

classified as non-critical or of low criticality, offering no risks to the health of consumers. All non-conformities were recorded and investigated and the appropriate corrective and preventive actions were implemented.

In the period, we set goals for the control of critical nonconformities, reaching 100% of achievement. In addition, we instituted the Quality Notification process, with the objective of identifying opportunities for improvements in operations, increasing the safety of our processes.

Types of incidents <b>[GRI 416-2]</b>	Number
1. Incidents of non-compliance with regulations that result in a fine or penalty	5 (62.5%)
2. Incidents of non-compliance with regulations that result in warning	3 (37.5%)
3. Incidents of non-compliance with voluntary codes	0
Total	8





Management  
driven to  
**transform**  
**lives**

5

# People management

Grupo Elfa is a company shaped not only by numbers, but mainly by the people who make our daily lives. We are driven to direct our investments towards the effective management of our employees' journey, recognizing that nothing we have achieved would be possible without the dedication of each one.

We improve our ability to assess and meet the needs of our employees every day. To this end, in 2023 we carried out another performance evaluation cycle, which included all our employees. **[GRI 2-18]**

We also carried out another edition of the Engagement Survey (through the Pulses platform), with the participation of 87% of respondents and a result of 84% satisfaction.

## Internship Program

We offer an internship program with vacancies for university students from different areas. In 2023, 37 students from six Brazilian states participated in the initiative, which seeks to value diversity and the possibility of building a career in an innovative and inclusive environment. Approximately 45% of the employees who joined the company in 2023 as interns were hired.

The Elfa Group internship program is a program that provides participants with the possibility to develop essential skills. We carried out an online module, with 80% adherence, with the theme Career Management and made available missions in distance learning format, addressing topics such as Routine and Priority Management, Emotional Intelligence,

Conflict Management and Analytical Thinking.

In order to position our internship program as one of the most attractive in the market, we offer, in addition to a- stipend,- meal vouchers,- transportation vouchers, health and dental insurance (optional), and life insurance. Interns also have professional development programs through Grupo Elfa Corporate University (Unielfa).

In the period, we also completed another edition of the Vacation Internship Program, which brought together about 1,259 candidates, 10 of whom were approved.

Over a period of 40 days, during the school break, they went through the admission and integration process and a development track at our corporate university (Unielfa), followed the company's routine and worked on

strategic fronts such as Communication, Pricing, Finance, IT, Transport and New Business. As a result, we had a retention of 50% of the trainees, who renewed the contract in the areas in which they were already working or were relocated in other teams.

**Check out the profile of participants in both programs:**

**87% are women**

**37% are black People**

**26% are LGBTQIAPN+ people**

# Elfa in numbers

Grupo Elfa ended 2023 with 2,478 employees, 1,320 women and 1,158 men. Of these, 799 are under the age of 30, 1,538 are in the age range of 30

to 50, and 141 are over the age of 50. Of the total number of employees, 2,390 are permanent (CLT) and 88 are temporary (apprentices). We had a turnover of 25%,

two percentage points lower than that recorded in 2022. 100% of the employees are covered by collective agreements. **[GRI 2-7 | 2-30| 405-1]**

Employees by gender <sup>1</sup> <b>[GRI 2-7]</b>	Female	Male	Total
Number of employees	1,320	1,158	2,478
Number of permanent employees	1,257	1,133	2,390
Number of temporary employees	63	25	88
Number of employees without fixed working hours	332	370	702
Number of full-time employees	988	788	1,776
Number of part-time employees	73	15	88

<sup>1</sup> We did not carry out a census for reporting another gender and sexual orientation. We only carried out the race census and the monitoring of male and female gender.

<sup>2</sup> All permanent employees (CLT) and Apprentices are considered employees. The data are related to the closing of December 31, 2023, considering all companies of the Grupo Elfa.

<sup>3</sup> Full-time: All permanent employees (CLT), except Apprentices.

<sup>4</sup> Part-time: Pharmacists (less than 220h per week). All are monthly workers; we do not have payment by the hour worked.

Employees by region <sup>2</sup> <b>[GRI 2-7]</b>	Central-West	Northeast	North	Southeast	South	Total
Number of employees	294	477	15	1,205	487	2,478
Number of permanent employees	279	458	14	1,170	469	2,390
Number of temporary employees	15	19	1	35	18	88
Number of employees without fixed working hours	94	119	3	376	110	702
Number of full-time employees <sup>3</sup>	200	358	12	829	377	1,776
Number of part-time employees <sup>4</sup>	13	17	3	39	16	88

# Compensation policies

**[GRI 2-19| 2-20]**

An important aspect of Grupo Elfa's compensation policy is that the variable compensation is directly influenced by the achievement of objectives tied to ESG metrics.

It is the responsibility of the People and Remuneration Committee to monitor salary movements and provide final validation for proposals. The process for determining the policy and metrics for calculating compensation is done in conjunction with market-independent compensation consultancies. **[GRI 2-20]**

Regarding the proportion of total annual compensation, in 2023 the highest paid individual in the Grupo Elfa earned 27.59 times more than the average salary of the entire company. This employee received an increase 187.01% higher than the average increase given to the other employees<sup>1</sup> of the company. **[GRI 2-21]**

<sup>1</sup> The source of the data is the active employee base in January 2023 and December 2023 according to the company's payroll system.



# Training & Development

[GRI 3-3 Employee engagement and development]

Talent management is fundamental in our planning, leading- us to invest continuously in the professionals who are the essence of our company. This is a commitment that guarantees the perpetuity and success of the Grupo Elfa.

We are dedicated to developing a talent management approach that not only values, but also promotes employee growth and satisfaction.

## Unielfa

Unielfa, our corporate university, plays a central role in the development and career management journey of our employees. Its initiatives range from onboarding, where new hires undergo a welcoming immersion and have the opportunity

to get to know Grupo Elfa even before joining the company, to courses, free training, and mandatory workshops.

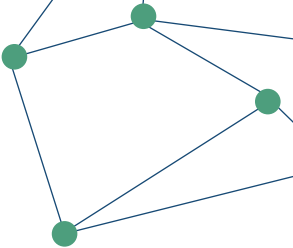
In 2023, we provided more than 75,000 hours of training, which represents an average of 25 trainings per employee. Of this total, 97% were conducted online, through distance learning courses, and the remaining 3% took place in person.

Through Unielfa, we offer a virtual platform with more than 500 behavioral and technical contents, in several areas of activity. In addition, significant improvements were made in the employee use experience. We implemented a restructuring of the contents, customizing them according to the boards/areas of activity. In this way, we can offer a learning experience

more aligned with the needs and particularities of each one, further improving the support to employees in their development.

In all, in the year, 1,250 employees carried out training on the platform, which had more than 400,000 accesses and more than 80 new content.

Another initiative in 2023 was the launch of Unielfa Stations at the Distribution Centers, aimed at expanding Operations employees' access to development and training paths. The project was designed as a way to encourage the continuous development of the employees of these teams.





## Learn about our key training and development initiatives



### Empodere-se Program

In order to increase the presence of women in leadership positions and promote diversity and equity, we launched the Empodere-se program, an exclusive training initiative for female employees.

To kick off the project, 40 female employees from all areas and regions where the company operates were selected to participate in the female leadership development track, which also includes a racial focus, ensuring exclusive spots for Black women.

Divided into four behavioral modules, Empodere-se program also has mentoring. The topics covered

include women's empowerment, impostor syndrome, development of negotiation strategies, techniques for voice positioning and impact, among others. Each module is three hours long and is conducted in partnership with Impulso Beta, a consultancy for Change Management, Strategy and Training and Development solutions in diversity, equity and inclusion (DE&I).

The proposal is to foster a diverse and equitable corporate environment, promoting more productivity and equality in the participation of men and women in leadership positions.



### Leadership Academy

Aimed at training leaders (coordinators, specialists and managers), with the objective of uniting people, processes and strategy to achieve results. In 2023, the program offered two online modules, addressing topics such as 'The Role of the Leader of the Future' and 'High Performance Teams'. In addition, a face-to-face module was promoted that addressed the

theme 'Management by Context and Transforming Innovation into Business', aimed at executive and corporate managers.

In the online learning format, topics such as Team Management, Mobilizing Leadership, High-Performance Teams, and Decision Making with a Systemic View were covered, meeting the needs of the business. The program benefited over 200 leaders.



### Internal - Multipliers Technical School

Initiative aimed at producing technical content inherent to the company's business and which is disseminated through multipliers. Currently, 53% of Grupo Elfa's units have 400 internal multipliers.

All internal multipliers were trained in technical and behavioral skills,

aiming to strengthen and improve their skills. The main purpose was to ensure that they could contribute significantly to the success of the program, directly benefiting the company as a whole.

**In 2023, the program served the commercial and operational areas.**



Scholarship Program

Program that aims to offer education assistance, reimbursing up to 70% of the value of the course chosen by the employee (including undergraduate, postgraduate-/MBA and language courses). The program also includes a partnership with an educational benefits platform, offering discounts of up to 80% for employees and their first-degree relatives.

All employees with more than one year of employment are eligible for the program, subject to a good performance evaluation. In addition, Grupo Elfa uses diversity criteria for selection, giving priority to brown, indigenous people, women and black people.

In 2023, over 47 undergraduate, postgraduate/MBA scholarship recipients participated in the Scholarship Program.

Average training hours per year, per employee [GRI 404-1]

Total number of hours of training performed by employees	Total number of employees	Average training hours per year per employee
75,385.49	2,478	30.42

By gender			
	Total number of hours of training performed by employees	Total number of employees	Average training hours per year per employee
Men	36,242.9	1,320	27.4
Women	39,142.6	1,158	33.8



# Culture of inclusion and opportunities

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

We invest in plurality because we believe that our greatest wealth lies in diversity. We see beyond labels, appearances and patterns, and we want to instigate change, amplify voices and empower people.

Believing that a group composed of diverse companies requires a strong and focused culture, we maintain our commitment to engaged leadership, acting as a model to ensure that progress is clearly manifested in our daily operations.

In the last three years, a period marked by an intense acquisition agenda, we have focused on the unification of shared values. These values, in turn, are reflected in our teams, which identify with the Grup Elfa's purpose: to expand pathways to bring health to millions of lives.

Throughout this journey, we continuously monitor our indicators to track diversity

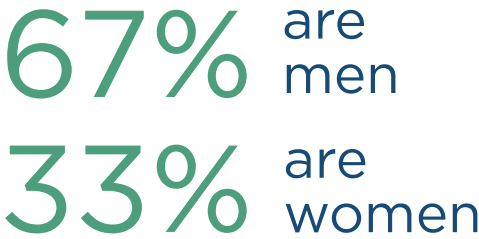
within our workforce. We constantly seek to expand our range of analyzes, directing our attention to minority groups, in order to improve the representativeness of our employees.

The management of diversity, equity, and inclusion is closely overseen by the People and Management/ESG Board, involving the setting of public and collective goals and the monitoring of indicators, which are periodically reported to the Executive Board, the Board of Directors, and our controller.

In 2023, we reached the rate of 40% of women in leadership positions, compared to an initial goal of 38.5%. This outcome stems from actions such as affirmative placement, engagement with leadership, and initiatives carried out by the Recruitment and Selection and Training and Development departments.

**Percentage of individuals in governance bodies by gender**

[GRI 405-1]



A total of six individuals, four men and two women





# Governance bodies

Percentage of individuals in **governance bodies** by **age group** [GRI 405-1]

	Under 30	30-50	Over 50	Total	Under 30	30-50	Over 50
Members of the governance bodies by age group	0	3	3	0	0	50	50

Percentage of individuals in **governance bodies** by **race/ethnicity** [GRI 405-1]

	Number
White	6

# Functional category

Percentage of employees by job **category** by **age group** [GRI 405-1]

	Under 30	30-50	Over 50	Total	Under 30	30-50	Over 50
CLT + Apprentice	799	1,538	141	2,478	32.24	62.07	5.69
CLT Only - Apprentice	711	1,538	141	2,390	29.75	64.35	5.9

Percentage of employees by job **category** with **disabilities** [GRI 405-1]

	Non-disabled employees	Employees with disabilities	Total	% Employees with disabilities
Non-Leader (Other positions)	2,137	25	2,162	1.16
Leader (Operational Leader of Distribution Centers/DC, Coordinator, Manager and Director)	315	1	316	0,32

Percentage of employees by job **category** by **race/ethnicity** [GRI 405-1]

	Asian	White	Mixed	Black	Indigenous	Not declared	Not informed	Total
Permanent employees + Young Apprentice	43 (1.7%)	1,068 (43.1%)	760 (30.7%)	239 (9.6%)	8 (0.3%)	30 (1.2%)	330 (13.3%)	2,478
Leader (Leader, Coordinator, Manager and Director)		170 (63.9%)	75 (28.2%)	21 (7.9%)				266

Percentage of employees by **job category** by **gender**<sup>12</sup> [GRI 405-1]

	Men	Women	Total	% Men	% Women
Number of employees	1,320	1,158	2,478	53.27	46.73
Number of permanent employees	1,257	1,133	2,390	52.59	47.41



## Strengthening the culture of inclusion

Our policies are based on human rights principles, ensuring that all employees are treated with respect, dignity and equal opportunities, in a work environment free of discrimination and harassment.

We have four Affinity Groups that make up the Program: women, LGBTQIAPN+, black people and the elderly. These groups receive support from the Diversity Committee, which is responsible for expanding the scope of actions and includes participation from the Executive Board. The committee meets periodically to establish strategies and monitor the action plan of the activities.

We recognize and value affinity groups as essential for promoting diversity and inclusion, providing a safe and supportive space to share experiences and play a role in seeking positive changes within the company. We are committed to supporting and strengthening these groups, ensuring adequate resources and giving an active voice in

promoting diversity and inclusion in our organizational culture.

Additionally, we invest in literacy and regular training for all team members, aiming to raise awareness about DE&I issues and to identify and address unconscious biases. We have established clear policies and guidelines that promote diversity, equity and inclusion in our workplace, and provide mechanisms to address cases of discrimination, harassment and exclusion.

We want to maintain a work environment in which every employee and potential employee is treated fairly and with dignity. We reject any unlawful discriminatory practice based on characteristics of race, color, gender, sexual orientation, age, religion, ethnicity, nationality or social origin, financial situation, physical and health characteristics, political opinion and other individual personal characteristics or situations of vulnerability.

In 2023, Grupo Elfa received four complaints of discrimination. All complaints were duly investigated by the

Compliance area and analyzed within the 60-day period, as established in our Ethics Committee regulations. Of all the cases investigated, three resulted in the application of disciplinary measures, and one was closed due to the withdrawal of the complaint. **[GRI 406-1]**



# Discrimination cases and corrective measures implemented [GRI 406-1]

	Number	Comments
1. The organization reviewed the case	4	All cases that arrive via Confidential Channel or any other means are subject to investigation by the Compliance area. All reports must be analyzed within a 60-day period, as provided for in the Ethics Committee regulations.
2. Repair plans are being implemented	0	All cases were investigated and disciplinary measures were applied.
3. Remediation plans were implemented and their results analyzed through routine processes of internal management review.	3	All cases were investigated and disciplinary measures were applied. The Compliance department routinely reviews the Confidential Channel for issues of discrimination, to capture action plans if necessary.
4. The case is no longer subject to corrective action	1	In one of the cases analyzed, in which the origin of the discrimination case was verified, the complainant called the Compliance area and informed that the situation had been resolved and that she would like to withdraw the complaint.

# In addition to training

Grupo Elfa has actions aimed at supporting employees, so that they are fully able to perform their activities, regardless of the position they occupy. This is because the company understands the importance of balancing personal and professional demands, so that women can invest in their careers without having to give up other personal projects.

An example of these initiatives is the availability of programs such as Renascer and Melhor Maternidade, part of the company's Health & Wellness initiatives, which aim to support pregnant women and mothers of babies (up to two years old). [GRI 403-6]

# Leadership engagement

We recognize the importance of being prepared to deal with the challenges and negative impacts that can arise in the workplace. To this end, we have implemented a comprehensive approach that includes the Leader's Handbook, Compliance actions, and ongoing training.

The Leader's Handbook, for example, serves as a guide, providing clear guidance on how to deal with situations and how to manage the team, offering insights on promoting an inclusive and respectful work environment, addressing issues such as diversity, equity and inclusion.

[Click here](#) to learn about Grupo Elfa **Diversity Manifesto**.





## Human Rights

**[GRI 2-23] 2-24[3-3 Human Rights & Diversity and Inclusion]**

We carry out a series of procedures to ensure the protection and respect for Human Rights across all operations of the Group, including the value chain, making this issue an integral part of our supplier evaluations.

We have a Human Rights Policy based on the Consolidation of Labor Laws (CLT), the Federal Constitution, the guidelines of the UN Global Compact and several other international agreements, standards, guidelines and conventions to which Brazil is a signatory, among which the following stand out:

- International Labour Organization (ILO) Declaration of Fundamental Principles and Labour Rights;
- International Covenant on Civil and Political Rights

- International Covenant on Economic, Social and Cultural Rights
- The United Nations Universal Declaration of Human Rights
- UN Global Compact;
- United Nation Guiding Principles on Business and Human Rights
- Sustainable Development Goals, more explicitly SDG 3 (Health and Well-being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth) and SDG 16 (Peace, Justice and Strong Institutions).

We are committed to respecting the rights of our employees, ensuring that labor relations follow the rules of the Consolidation of Labor Laws (CLT). We defend freedom of association and effective recognition of the right to collective bargaining.

Regarding labor practices, we do not tolerate child labor and adhere to the guidelines of the Statute of the Child and Adolescent (ECA) and international

conventions. We limit the hiring of young apprentices to the conditions required by law and the Statute. The goal is to provide knowledge and introduction to the labor market, respecting their studies, rest schedules, and developmental characteristics for all young apprentices benefited by the program.

[Click here](#) to learn about all our commitments related to guaranteeing and respecting human rights, in our operations and in the value chain.



# Health and safety [GRI 3-3 Occupational Health and Safety | GRI 403-2]



Safety is a non-negotiable issue for Grupo Elfa. We are committed to ensuring general well-being in the workplace, through our Health & Wellness Program.

Our Occupational Health and Safety System is managed through a team of technical Occupational Safety employees. We have an Occupational Health and Safety Management Policy that guides the conduct of all employees of the company.

In addition, we have service contracts with qualified companies, for the constitution of reports and mandatory programs, duly anchored in legal regulations. These companies operate under the highest quality standards for maintaining and safeguarding information related to employees' health. They hold the data contained in employees' clinical records, as well as the Occupational Health Certificate. **[GRI 403-3]**

Through the Occupational Health and Safety area, we have access to indicators, which allow us to direct efforts so that each one takes care of themselves, to take care of the health of millions of lives.

In addition, we carry out inspections in the work environments and, if potential risk situations are identified, they are properly reported so that corrective and/or preventive measures are implemented. The results of the processes are monitored and discussed in a specific forum in the People and Management Department.

Dangerous situations can also be reported directly to the Occupational Safety technicians or to the Cipa body. Once the situation is properly informed, the evidence is collected, recorded in a proper report and the negotiations are discussed with those responsible for the

Occupational Safety area or with the person responsible for the unit that had the risk pointed out.

Additionally, within our Compliance Program, we rely on duly qualified external support to address issues related to Occupational Health and Safety. This allows employees to make anonymous reports, aiming to preserve the identity of individuals in cases of potential non-compliance. We did not record accidents with serious consequences in the reporting period. **[GRI 403-9]**

Work-related injuries [GRI 403-9]	Number of worked hours	Rates based on 200,000 or 1,000,000 hours worked	Number of fatalities as a result of work accidents	Fatality rate as a result of work accidents	Number of workplace accidents with serious consequences (excluding fatalities)	Rate of accidents at work with serious consequence (excluding fatalities)	Number of Workplace Accidents registered	Rate of workplace accident registered
Employees	5,687,875	1,000,000	0	-	0	-	30	-
Non-employee workers	1,043,604	1,000,000	0	-	0	-	2	-

# Safety engagement and training

[GRI 403-5]

Upon joining the company, all employees go through the onboarding process, which includes two Occupational Health and Safety training courses. One of them presents explanatory information about the area, listing roles and responsibilities and explaining processes and flows.

The other guides the employee on topics related to the basics of safety and compliance with regulations, aiming

to guarantee minimum knowledge for everyone to develop their activities safely.

Within our annual calendar of events, we conduct the Sipat (Internal Week of Accident Prevention at Work), fully dedicated to workplace safety issues. We cover topics of general interest to employees and promote training in non-mandatory practical skills.

We also offer mandatory technical and safety training, relevant to the development of the activities of each employee. Among these, we can highlight:

**NR 05 – CIPA:** We carried out the constitution or designation of CIPA, according to the sizing of employees

for each unit, completing the entire process as guided by the legislation or designating an employee of the unit as a representative (a Cipa representative or "cipeiro");

**NR 11 – Forklift:** In units where there is cargo handling, we carry out – with the support of duly certified third parties – qualifying and/or recycling courses, in order to ensure that the operators of this equipment have the necessary knowledge to operate it.

**NR 18 Mobile Elevating Work – Platform (MEWP):** In units where we have activities that can be developed with the support of MEWP, employees are trained in order to ensure the safe operation of the equipment.

**NR 20 Flammable – Liquids:** In operations in which we store flammable liquid, employees are trained, with the support of duly authorized partners, so that they are able to act in cases of incidents and/or accidents.

**NR 23 Fire – Brigade:** In all units of the Group, we have teams of volunteer firefighters, to act when in emergencies and carry out the evacuation plan of the building.

**NR 35 – Work at Height:** In units that require work at height, from duly qualified third parties, we guarantee training and recycling, in order to ensure that we have employees able to perform activities according to legal regulations.





**Defensive Driving:** We offer a specific course for drivers in an online format, aiming to ensure that their performance adheres to the standards valued by the current national traffic legislation.

# Fostering health

[GRI 403-6]

We provide access to health through medical and dental care. We also have the Health &- Wellness Program, which includes all employees, addressing the physical, emotional, women’s health and financial pillars.

To manage our benefits and ensure the-  
- well-being of employees, we have a dedicated team that provides all the necessary support, ensuring that the processes run efficiently and with total confidentiality of information. We conduct periodic reviews to ensure that the benefits offered by contracted operators meet quality standards, providing

excellent service and offering a wide service network for employees.

In addition, we have a Benefits Policy and a page on the company’s intranet with detailed information. In this way, employees have easy access, allowing them, in situations of need, to understand and activate the parties involved in an efficient way to deal with any issue.

In 2023, we improved our health benefits, standardizing suppliers and ensuring service at the national level. In addition, we expanded the offer of the dental plan to seven companies in the Group, reaching 100% of employees with access to this benefit.

We also incorporated initiatives such as a pharmacy agreement and a completely free and confidential psychosocial support program. Until December 2023, we provided 735 services, of which 59% were related to the social support front, 21% related to mental health, 12% financial support and 8% legal.

Another highlight is the telemedicine app Dr. Alper, which allows for scheduling and conducting consultations 24 hours a day, seven days a week, at no cost to the beneficiary and without any co-payment requirement.





# Social responsibility

In 2023, we experienced significant moments in our journey, highlighted by two strategic partnerships established with non-governmental organizations: Cufa (Central Única das Favelas) and Gerando Falcões.

In addition, throughout the year, we have implemented a robust calendar of solidarity initiatives, covering events such as Menstrual Dignity, Solidarity Easter, Clothing Campaign, Children’s Day and Solidarity Christmas. These actions were fundamental to strengthen our commitment to social responsibility.

The positive impact extended to approximately 3,500 families living in the communities near our units.

In addition, we contribute to charities through donations from the Income Tax and donations via the Incentive Law (Sports Law, Children’s Fund Law, Elderly Law and Rouanet Law).

More than just being present in society, we develop initiatives aimed at our employees to generate tangible impacts. This approach reinforces our commitment not only to the communities with which we operate, but also to well-being and internal solidarity.

**Check out some of the institutions benefited through these incentives:**

- ADD - Associação Desportiva para Deficientes
- Instituto Constelação
- Hospital Pequeno Príncipe
- FMDPI - Fundo Municipal dos Direitos da Pessoa Idosa de Fortaleza
- Canto Cidadão

Through the Unielfa Comunidade initiative, we extend training to external groups, aiming to train those in situations of vulnerability. We focus our efforts on low-income young people, offering training to prepare- them for job interviews, as well as guidance on behavior and clothing. We also offer basic training in tools such as Excel and Word.

In partnership with Gerando Falcões, we held a course in Pacatuba (SE), certifying the participants and keeping a follow-up focused on supporting- them in entering future opportunities of our operations. This initiative reflects the constant maturation of our practices aimed at human development in the company. More than one hundred people had access to content aimed at the labor market through this initiative in 2023.



# GRI Content Index

6



**Statement of use:** Elfa reported the information cited in this GRI content summary for the period from January 1 to December 31, 2023 based on the GRI Standards.

**GRI Standard 1 used** GRI 1: Fundamentals 2021      **GRI Sector Standards applied:** Not applicable

Omission									
GRI Standard	Content	Page/Response	Omitted Requirement	Reason	Explanation	SDG	Global Compact	External assurance (Y/N)	
GRI 2: General Disclosures 2021									
The organization and its reporting practices	2-1 Details of the organization	Elfa Medicamentos S.A., a publicly traded corporation, with operations in Brazil and headquarters located at Rua Leopoldo Couto Magalhães Júnior, 758 -3º andar - Itaim Bibi, São Paulo - SP							
	2-2 Entities included in the organization's sustainability reporting	This report covers the operations of the 48 entities belonging to Grupo Elfa. The financial statements are consolidated, audited and published in the Official Gazette.							
	2-3 Reported period, frequency and point of contact	Page <a href="#">3</a>							
	2-4 Restatements of information	There was no restatement of information during the preparation of this report.							
	2-5 External assurance	No independent assurance has been conducted.							
Activities and workers	2-6 Activities, value chain and other business relationships	Pages <a href="#">8</a> , <a href="#">9</a> , <a href="#">10</a> and <a href="#">11</a> .							
	2-7 Employees	Page <a href="#">47</a> .							
	2-8 Workers who are not employees	The company has 43 interns and 128 third-party employees.							



Omission									
GRI Standard	Content	Page/Response	Omitted Requirement	Reason	Explanation	SDG	Global Compact	External assurance (Y/N)	
Governance	2-9 Governance structure and composition	Pages <a href="#">15</a> and <a href="#">16</a> .							
	2-10 Nomination and selection of the highest governance body	Page <a href="#">15</a> .							
	2-11 Chair of the highest governance body	Page <a href="#">15</a> .							
	2-12 Role of the highest governance body in overseeing the management of impacts	Page <a href="#">15</a> .							
	2-13 Delegation of responsibility for managing impacts	Pages <a href="#">17</a> and <a href="#">26</a> .							
	2-14 Role of the highest governance body in sustainability reporting	Page <a href="#">26</a>							
	2-15 Conflicts of interest	Page <a href="#">20</a> .							
	2-16 Communication of critical concerns	Page <a href="#">17</a> .							
	2-17 Collective knowledge of highest governance body	Page <a href="#">15</a> .The ESG strategy was presented to the Board, and the sustainability report, evolution of ambitions, collective goal and public commitments that we adopted during 2023 were shared. We conducted out the Compliance training, but no exclusive sustainability training was conducted for this audience.							
	2-18 Evaluation of the performance of the highest governance body	Page <a href="#">46</a> .							





Omission									
GRI Standard	Content	Page/Response	Omitted Requirement	Reason	Explanation	SDG	Global Compact	External assurance (Y/N)	
Governance	2-19 Remuneration policies	Page <a href="#">47</a> . The <i>Performance</i> Evaluation is applied to the team of employees at all levels of Grupo Elfa.							
	2-20 Process to determine remuneration	Page <a href="#">47</a> .							
	2-21 Annual total compensation ratio	Page <a href="#">47</a> .							
Strategy, policies and practices	2-22 Statement on sustainability strategy	Page <a href="#">4</a> .							
	2-23 Policy commitments	Pages <a href="#">18</a> and <a href="#">55</a> .							
	2-24 Embedding policy commitments	Pages <a href="#">17</a> , <a href="#">18</a> and <a href="#">55</a> .							
	2-25 Processes to remediate negative impacts	Pages <a href="#">17</a> , <a href="#">18</a> and <a href="#">20</a> .							
	2-26 Mechanisms for seeking advice and raising concerns	Page <a href="#">20</a> .							
	2-27 Compliance with laws and regulations	Page <a href="#">44</a> and <a href="#">47</a> .							
	2-28 Membership associations	Page <a href="#">18</a> .							
Stakeholder engagement	2-29 Approach to stakeholder engagement	Pages <a href="#">24</a> and <a href="#">26</a> .							
	2-30 Collective bargaining agreements	Page <a href="#">47</a> .							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page <a href="#">24</a> .							
	3-2 List of material topics	Page <a href="#">24</a> .							



Omission									
GRI Standard	Content	Page/Response	Omitted Requirement	Reason	Explanation	SDG	Global Compact	External assurance (Y/N)	
Anti-Corruption and Compliance									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">17</a> .							
GRI 205: Fighting Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Pages <a href="#">18</a> and <a href="#">19</a> .							
	205-3 Confirmed incidents of corruption and actions taken	Page <a href="#">20</a> .							
Transparency and ethical conduct in business									
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages <a href="#">15</a> and <a href="#">17</a> .							
GRI 2: General Disclosures 2021	2-9 to 2-28	Pagination in general content.							
Universal affordable health care									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">40</a> .							
Product Safety and Customer Well-Being									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">43</a> .							
GRI 416: Consumer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page <a href="#">44</a> / <a href="#">47</a> .							



Omission									
GRI Standard	Content	Page/Response	Omitted Requirement	Reason	Explanation	SDG	Global Compact	External assurance (Y/N)	
Human Rights & Diversity and Inclusion									
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages <a href="#">51</a> and <a href="#">56</a> .							
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	Pages <a href="#">47</a> , <a href="#">51</a> and <a href="#">52</a> .							
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pages <a href="#">53</a> and <a href="#">54</a> .							
Data security and privacy									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">39</a> .							
GRI 418: Customer Privacy 2016	418-1 Proven complaints concerning the violation of privacy and loss of client data	Page <a href="#">40</a> .							
Employee engagement and development									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">48</a> .							
GRI 404: Training and Education 2016	404-1 Average hours of training per year, per employee	Page <a href="#">50</a> .							



Omission									
GRI Standard	Content	Page/Response	Omitted Requirement	Reason	Explanation	SDG	Global Compact	External assurance (Y/N)	
Waste management and life cycle management									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">33</a> .							
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page <a href="#">34</a> .							
	306-2 Management of significant waste-related impacts	Pages <a href="#">34</a> and <a href="#">35</a> .							
	306-3 Waste generated	Page <a href="#">34</a> .							
	306-5 Waste directed to disposal	Page <a href="#">34</a> .							
Supply chain management									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">21</a> .							
GRI 308: Environmental Evaluation of Suppliers 2016	308-1 New suppliers that were screened using environmental criteria	Page <a href="#">21</a> .							
	308-2 Negative environmental impacts in the supply chain and actions taken	Page <a href="#">21</a> .							
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page <a href="#">21</a> .							
	414-2 Negative social impacts in the supply chain and actions taken	Page <a href="#">21</a> .							





Omission									
GRI Standard	Content	Page/Response	Omitted Requirement	Reason	Explanation	SDG	Global Compact	External assurance (Y/N)	
Resilience of the business model									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">11</a> .							
GHG emissions and climate change									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">30</a> .							
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page <a href="#">31</a> .							
	305-2 Energy indirect (Scope 2) GHG emissions	Page <a href="#">31</a> .							
	305-3: Other indirect (Scope 3) (GHG) emissions	Page <a href="#">31</a> .							
Energy Management									
GRI 3: Material Topics 2021	3-3 Management of material topics	Page <a href="#">29</a> .							
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page <a href="#">29</a> .							
	302-2 Energy consumption outside of the organization	Page <a href="#">29</a> .							



Omission									
GRI Standard	Content	Page/Response	Omitted Requirement	Reason	Explanation	SDG	Global Compact	External assurance (Y/N)	
Strategic indicators for the company, not related to material topics									
Economic Performance									
GRI 201: 2016 Economic Performance	201-1 Direct economic value generated and distributed	Page <a href="#">22</a> .							
Occupational Health and Safety									
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment and incident investigation	Page <a href="#">56</a> .							
	403-3 Occupational health services	Page <a href="#">56</a> .							
	403-5 Worker training on occupational health and safety	Page <a href="#">57</a> .							
	403-6 Promotion of worker health	Pages <a href="#">54</a> and <a href="#">58</a> .							
	403-8 Workers covered by an occupational health and safety management system	All employees and workers who are not employees are covered by the occupational health and safety management systems according to legal regulations and duly audited internally by the company.							
	403-9 Work-related injuries	Page <a href="#">56</a> .							
Water and Effluents									
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page <a href="#">32</a> .							
	303-2 Management of water discharge-related impacts	Page <a href="#">32</a> .							
	303-5 Water consumption	Page <a href="#">32</a> .							



# Credits

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