

**2019
Corporate
Social
Responsibility
Report**



Transform Health

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Dear Stakeholders,

As this report goes to press, the outbreak of COVID-19 has changed the way we live and operate our business. The CVS Health® Emergency Response & Resiliency Team and Infectious Disease Response Team have been actively monitoring the current international and domestic environment for coronavirus-related risks and we have responded accordingly through investments to local communities, support for rapid COVID-19 testing, and many more. [You can learn about our COVID-19 response here.](#) We remain committed to improving the health and safety of our stakeholders, our communities, and our planet. The remainder of this report describes these efforts.

Our goal is to be the front door to health care and CVS Health remains focused on helping people on their path to better health by making health care more local and simpler. We have four strategic priorities that drive our work to transform the way health care is delivered across the U.S.: grow and differentiate our businesses; deliver transformational products and services; create a consumer-centric technology infrastructure; and modernize enterprise functions and capabilities. We advanced all four of these priorities in the past year.

As we integrate with Aetna®, we have evaluated how CVS Health could make the strongest impact and best move forward as health care innovators. To that end, we focused on six strategic imperatives to create unmatched human connections and transform the health care experience:

- Be Local
- Lead the Change
- Make It Simple
- Improve Health

- Attract and Inspire
- Optimize Performance and Service

Making health care local and meeting people where they are, continues to be vital parts of our business. In 2019, we launched more than 50 HealthHUB® locations, offering individuals customized support from our “Care Concierges” and providing space for health services solutions and community gatherings.

Our Corporate Social Responsibility (CSR) strategy is integral to how we deliver on our purpose of helping people on their path to better health. Our leadership team and Board of Directors work closely together on the advancement of our CSR roadmap. We also proactively engage with key stakeholders to better understand their priorities. As we look to the future, we have an opportunity to transform health care for our patients, members, customers, clients and colleagues. To do this, we are investing in community health at the local level to improve outcomes, supporting the economic and

professional development of our colleagues and partners and utilizing our scale and expertise as a health care leader to improve the health of our environment.

In this report, we are excited to introduce our new CSR strategy, *Transform Health 2030* — with four pillars that will guide our efforts over the next decade: *Healthy People, Healthy Business, Healthy Community* and *Healthy Planet*. Our vision for the future is bold and we ask you to join us on our journey to transform health.

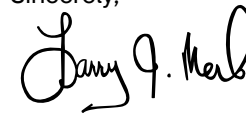
Over the next year, we will be developing and sharing our goals to deliver on our *Transform Health 2030* CSR roadmap. Over the next year, we will develop key performance targets and commitments to advance our roadmap. This and other commitments are aimed to build on our strong performance, as evidenced by our position on the Dow Jones Sustainability World Index (DJSI World) last year. This honor is shared by only 317 companies worldwide and just one

of the accolades that demonstrates our commitment to leadership in CSR.

In the pages that follow, you’ll read more about how our commitments continue to build on our customer-centric approach to health care and support healthier communities.

In 2020 and beyond, we welcome the opportunity to collaborate with our partners, stockholders and other stakeholders to deliver better health to our customers, patients, colleagues and the communities we serve.

Sincerely,



Larry J. Merlo
President and Chief Executive Officer



David W. Dorman
Chair of the Board

Dear Stakeholders,

We are thankful for your continued support of our CSR efforts. This year concludes a decade of hard work and bold commitments and we are excited to start the next phase of the journey with our new CSR framework: *Transform Health 2030*.

Transform Health 2030 is centered on four priority areas: *Healthy People, Healthy Business, Healthy Community and Healthy Planet*. These priorities emerged as a result of our robust stakeholder engagement process and materiality assessment conducted in 2019, including the addition of Aetna. In this, our 13th annual CSR Report, we're introducing the key material topics that will chart our course for the future. In 2020, we're working toward developing the big, bold goals we know we'll need to deliver on our *Transform Health 2030* strategy and roadmap. Throughout this report, you'll see how we continue to advance our commitments to build healthier communities, mitigate our environmental impacts and support the economic health of communities, as well as foster the growth and development of our colleagues.

It's important to note that as we launch this report, we are also actively working to address the current public health challenge. Through our company and our foundations, we donated nearly \$50 million to support key priorities, including addressing food insecurity among vulnerable populations, access

to telehealth for the underserved, personal protective equipment and mental health support for front-line workers and investments in community resilience funds. In addition, we're working to support our own colleagues during these unprecedented times. You can learn more about our ongoing COVID-19 Community Response, [here](#).

In 2019, we announced our commitment to improving community health and wellness with *Building Healthier Communities*. Through strategic relationships and community support, we and our charitable foundations are investing \$100 million over the course of five years to improve access to affordable health care and positively impact public health issues like chronic disease and smoking cessation, especially among underserved populations. More than five years after our commitment to the *Be The First* initiative, we are as dedicated as ever to tackling youth tobacco use and reducing vaping and e-cigarette usage.

Throughout the past year, we continued to influence positive health outcomes in the communities

in which we live and work by, among other things, addressing the misuse of prescription drugs and expanding our education of individuals on potential health risks. Our Pharmacists Teach program connected with new communities thanks to our collaboration with Discovery Education. In addition, through *Project Health* and other programs, CVS Health continues to address the social determinants of health with local wellness campaigns, free health screenings and by helping to break down barriers for people so they can live fulfilling, healthy lives.

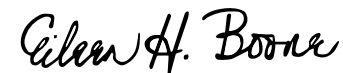
We know the health of the planet is inextricably linked to human health. CVS Health continues to be recognized for our efforts to reduce environmental impacts and I'm proud to share that CVS Health is part of the Carbon Disclosure Project's (CDP) 2019 Climate A List and has been recognized as a Supplier Engagement Leader.

Our positive impacts are possible because of the tremendous work of our CVS Health colleagues. Every day, our colleagues are living our purpose by

giving back their time to improve the health of their communities and they donated more than \$12 million worth of volunteer time in 2019. In our commitment to them, we continue to invest in their health and professional development through comprehensive benefits and robust training programs. We want to provide the best opportunities possible for colleagues to grow their careers with CVS Health.

Thank you for taking the time to learn about our 2019 accomplishments as we continue on our journey of helping people on their path to better health.

Sincerely,



Eileen Howard Boone
Senior Vice President,
Corporate Social Responsibility
and Philanthropy and Chief
Sustainability Officer

CVS Health colleagues are united around a common goal of becoming the most consumer-centric health company in the world.

We're evolving based on changing consumer needs and meeting people where they are, whether that's in the community at one of our nearly 10,000 local touchpoints, in the home, or in the palm of their hand. Our newest offerings — from HealthHUB® locations that are redefining what a pharmacy can be, to innovative programs that help manage chronic conditions — are designed to create a higher-quality, simpler and more affordable experience.



Our Footprint

Headquarters: Woonsocket, RI

Approximately 290,000 colleagues in 50 states, the District of Columbia and Puerto Rico

Our Operations and Supply Chain

Retail and Walk-in Clinics

9.9K

retail locations

1.1K

walk-in medical clinic
(MinuteClinic®) locations

Front Store Revenues

~22%

sales from store and
proprietary brands

78%

sales from national
brand suppliers

2019 Financial Results and Economic Impact

Our employees earned

\$15.6B

in wages

\$2.7B

in benefits

Economic impact

\$256.8B

in total revenues

\$5.6B

to providers
of capital

\$4.4B

in income, property and
employer taxes in the U.S.

\$150M+

in charitable contributions,
employee giving, in-store
fundraising and in-kind
donations

We are health care innovators



Our Purpose
Helping people on their path to better health

Our Strategy
Creating unmatched human connections to transform the health care experience

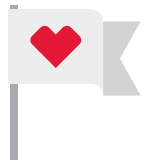
Our Values
Innovation
Collaboration
Caring
Integrity
Accountability

Our strategic imperatives

Be local
Engage people with the care they need where they need it



Lead the change
Challenge the status quo with new technologies, business models and partnerships



Make it simple
Make a complicated system easier for all



Attract and inspire
Unlock the power of our people to transform health care



Improve health
Help people achieve better health at a lower cost



Optimize performance and service
Ensure our people, processes and technology enable our strategy



A photograph of a woman and a young child holding hands outdoors. The woman is on the right, looking up and smiling broadly. The child is on the left, looking down at the woman's hand. They are in a grassy area with green foliage in the background. A red rectangular overlay covers the left side of the image, containing white text.

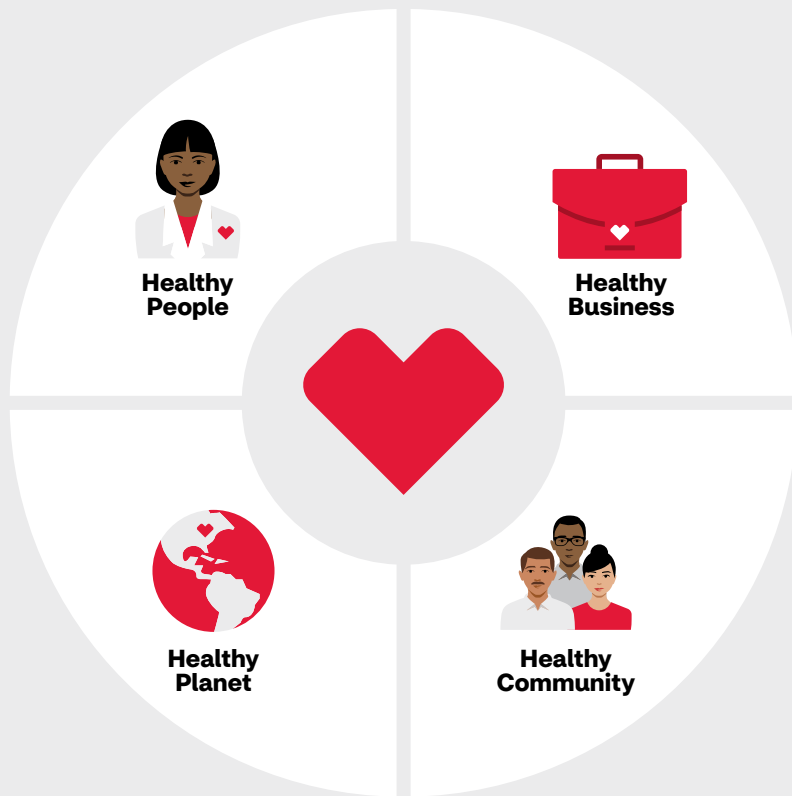
CSR Strategy

Transform Health 2030

At CVS Health, we share a single, clear purpose: Helping people on their path to better health. At the beginning of this new decade, we are reinforcing our commitment through *Transform Health 2030*, our new strategy to impact the health of the people and communities we serve and to support the health of our business and the planet.

Grounded in four pillars — *Healthy People, Healthy Business, Healthy Community and Healthy Planet* — *Transform Health 2030* is more inclusive of our broader enterprise and the impact we can have as a health care leader. It conveys our mission to effectively utilize our scale, expertise and innovative spirit to transform the health care experience and invest in community health at the local level. We're developing a new suite of goals and performance targets to support the vision of *Transform Health 2030*, which will be introduced in the coming months. Moving forward, we will report on our progress against these performance targets annually in this report.

Transform Health 2030 charts our course for the future in four key areas:



Healthy People

How we're delivering on our purpose of helping people on their path to better health across all our touchpoints.

Material topics aligned with this pillar:

- Access to Quality Health Care
- Chronic Disease Prevention and Management
- Employee Health and Safety
- Medication Adherence
- Patient and Customer Safety
- Prescription Drug Misuse
- Pricing of Drugs and Services
- Public Policy
- Responsible Marketing and Advertising
- Social Determinants of Health

Healthy Business

We are committed to fostering a business that creates value for our colleagues, shareholders, partners and supply chain. Material topics aligned with this pillar:

- Employee Health and Safety
- Diversity, Equity and Inclusion
- Data Protection and Privacy
- Supply Chain Responsibility
- Human Rights
- Wages and Benefits
- Public Policy
- Ethics and Compliance
- Workforce Development
- Governance
- Risk Management
- Transparency
- Responsible Marketing and Advertising

Healthy Community

We are delivering significant social impacts to support the health of communities across the U.S. and improve health outcomes in the communities we serve. Material topics aligned with this pillar:

- Access to Quality Health Care
- Community Investments
- Smoking Cessation
- Social Determinants of Health

Healthy Planet

The health of our environment is inextricably linked to human health and we're committed to doing our part as a health care leader. Material topics aligned with this pillar:

- Product Quality and Ingredients
- Supply Chain Responsibility
- Climate Action
- Packaging
- Sustainable Operations
- Waste
- Water

An aerial photograph of a white wind turbine standing in a vast, green agricultural field. The turbine's three blades are spread out, and the surrounding landscape is a patchwork of different shades of green, suggesting various crops or field types. The sky is not visible, as the image is dominated by the greenery and the structure of the turbine.

CSR Strategy

Creating Impact for the United Nations Sustainable Development Goals

Our *Transform Health 2030* CSR strategy is aligned with the [United Nations Sustainable Development Goals \(SDGs\)](#), 17 aspirational goals to create global change by 2030. The SDGs aim to serve as a catalyst for companies, governments and non-governmental organizations to achieve a better, more sustainable future. We believe we can most meaningfully contribute to the SDGs that closely align with our business impact and our CSR initiatives. In addition to the five goals toward which we have pledged to drive impact, we are announcing our commitments to three additional SDGs as a part of *Transform Health 2030*: Goal 2: Zero Hunger, Goal 5: Gender Equality and Goal 12: Responsible Consumption and Production.

In supporting the below eight SDGs, we know we cannot achieve progress on our own. We work to continually strengthen the relationships that extend our CSR programs. CVS Health is the only U.S. pharmacy chain to hold membership in the [United Nations Global Compact](#), confirming our commitment to the Compact's 10 principles with respect to human rights, labor, the environment and anti-corruption. Our annual Communication on Progress can be found in the [Appendix](#).

Contributing to the United Nations Sustainable Development Goals



Goal 2: Zero Hunger

As a retailer offering both perishable and shelf-stable food products, CVS Health has a responsibility to use our national footprint to combat food insecurity in local communities. Our *Project Health* initiative (also a part of our work related to Goal 3: Good Health and Well-Being), includes new health assessment criteria to provide access to fresh, healthy food. In an effort to combat food waste, our California stores donate unsold food to local charities and food banks, with more than \$19 million worth of food products donated. Read more in the [Healthy Planet](#) section on page 93.



Goal 3: Good Health and Well-Being

CVS Health's new \$100 million commitment to affordable, quality care and combating public health challenges, *Building Healthier Communities*, uses our company's strengths as a local community member. In addition to the \$100 million financial commitment to local and national nonprofits, we have pledged that our colleagues will share \$10 million per year in value of volunteer hours to support the initiative. Over time, we plan to see an increase in patient engagement and improved health outcomes in communities across the U.S. Learn more in the [Healthy Community](#) section on page 70.



Goal 4: Quality Education

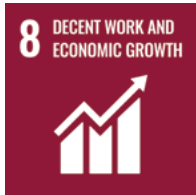
Our workforce development initiatives inspire the next generation of health care innovators. Through our Workforce Innovation and Talent Centers (WITC), we invest in building knowledge, skills and abilities to prepare community members for health care careers, including hands-on experience in our mock pharmacy. WITCs align with community workforce agencies to help jobseekers who are underserved have access to our programs. In 2019, nearly 2,000 community members participated in a WITC development program, with many joining CVS Health as pharmacy technicians and store associates following their training. Find out more in the [Healthy Business](#) section on page 45.



Goal 5: Gender Equality

As a foundation of gender equality, our representation of female colleagues at every level of our business, including senior management, is improving every year. At the manager level, our employees are nearly evenly split, with 52 percent women. In addition, 36 percent of individuals at vice president and above are women. Our diverse supplier program, focused on creating economic impact for women- and diverse-owned businesses, drove a total economic impact of \$2.95 billion and supported more than 35,000 jobs across the country in 2019. To drive additional impact, we are working toward a goal to increased spending with Tier II diverse- and woman-owned suppliers in order to reach our goal of \$1 billion. Learn more in the [Healthy Business](#) section on page 45.

Contributing to the United Nations Sustainable Development Goals



Goal 8: Decent Work and Economic Growth

As a Fortune 500 leader, our business decisions have far-reaching impacts on the economic mobility of thousands of local communities. In 2019, we hired nearly 90,000 new colleagues, paid \$15.6 billion in wages, \$2.7 billion in benefits and \$4.4 billion in income, property and employer taxes in the U.S. Find out more in the [Healthy Business](#) section on page 45.



Goal 12: Responsible Consumption and Production

The United Nations' definition for Responsible Consumption and Production is broad and we're supporting it in a variety of ways. For example, CVS Health has completed our journey to reformulate nearly 600 store brand beauty and personal care products. We also complied with state laws to remove oxybenzone and octinoxate ahead of the dates the laws require. Read more in the [Healthy Planet](#) section on page 93.

Another approach to responsible consumption is making it easier for our customers to properly dispose of unused medications. The nearly 3,000 safe medication disposal units we have installed or donated nationwide have collected nearly 1.35 million pounds of unwanted medication. Read more in the [Healthy People](#) section on page 24.



Goal 13: Climate Action

We believe better health is being threatened by the human impacts of climate change. As a large company, we encourage our suppliers to evaluate their climate progress. We collaborate with CDP's Supply Chain Project to collect supplier data; in 2019, 90 percent of the suppliers we requested participated. Of course, we continue to work toward our science-based greenhouse gas emissions reduction targets and in 2019 achieved an absolute emissions reduction of 35 percent of scope 1 and 2 emissions, representing progress toward our 2030 target at the time of this report's publication. In 2020, we are exploring re-stating our Science-Based Target to align with a 1.5 degree reduction. Learn more in the [Healthy Planet](#) section on page 93.



Goal 15: Life on Land

Sustainable use of resources remains a central part of our work to protect the planet. In 2019, 96 percent of the paper we procured across the enterprise was sustainably sourced, and 100 percent of our store brand suppliers had either become members of the Roundtable on Sustainable Palm Oil or obtained Rainforest Alliance certification. Learn more in the [Healthy Planet](#) section on page 93.

CSR Governance

Governance of our CSR framework is led by our Board of Directors and our President and Chief Executive Officer. The Nominating and Corporate Governance Committee of the Board of Directors is formally charged with oversight of CSR strategy and performance, and reviews our annual priorities and CSR Report along with our President and Chief Executive Officer.



Our Senior Vice President of CSR and Philanthropy and Chief Sustainability Officer shares relevant CSR-related impacts, risks and opportunities with the Nominating and Corporate Governance Committee annually. In 2019, the Nominating and Corporate Governance Committee was engaged on topics such as: climate change reporting, including science-based targets; embedding sustainability into our business, especially in retail; philanthropy and community health, including social determinants of health, opioid misuse and more; and our approach to investing in local communities. At these presentations, requests were made for approval to act on a selected issue or for funding to support a new initiative.

Our Senior Vice President of CSR and Philanthropy and Chief Sustainability Officer also leads progress against our strategy and performance targets. She and her team regularly work with company leadership to align our strategy with business imperatives and collaborate with colleagues throughout the company on key initiatives. She also serves as the Co-Executive Sponsor of our GreenTeam Colleague Resource Group, alongside our Executive Vice President and President of CVS Caremark.

Colleagues with direct oversight of areas within our four CSR pillars are responsible for driving performance and meeting established targets as part of their business plan. These internal partners are regularly engaged by the CSR team to provide progress updates and identify emerging risks and opportunities. Remuneration of leaders, colleagues, as well as business unit and facility managers, is partially linked to performance against these business plans.

We regularly evaluate more than 100 risks through an on-going process managed by our Enterprise Response and Resiliency (ERR) program. These include immediate risks such as severe weather events and long-term risks that can influence elements of our business and value chain. Based on these key risks, we put Business Continuity Plans (BCP) in place for our colleagues and our customers for risks of all types — natural, technological, human-caused and others.

We have also established several policies that govern our approach to issues of importance to our business and our stakeholders, including our [Climate Change Policy](#), [Human Rights Policy](#) and [Privacy Commitments](#), all located in our online [Resource Library](#).



Board Diversity

Diversity of background and experience make our Board of Directors strong. Following our Annual Meeting of Stockholders in May 2020 our Board will consist of 13 members, with 31 percent women and 69 percent men. Board members of diverse ethnicities will comprise 31 percent of total Board membership.

Ratings, Rankings and Recognition



World's Most Admired Companies (#39)

Fortune Magazine

100 Best Corporate Citizens (#26)

Corporate Responsibility Magazine

Dow Jones Sustainability Index

DJSI North America, 7th Year

DJSI World, debuted in 2019

Civic 50

Points of Light Institute's 50 most community-minded companies

CDP Climate A List and Supplier Engagement Leader

Top 50 Companies for Diversity (#27) and Top Companies for Supplier Diversity (#10)

DiversityInc

Best Place to Work for Disability Inclusion (100%)

Disability Equality Index, American Association of People with Disabilities and Disability:IN

Billion Dollar Roundtable

Companies spending more than \$1 billion annually with diverse suppliers

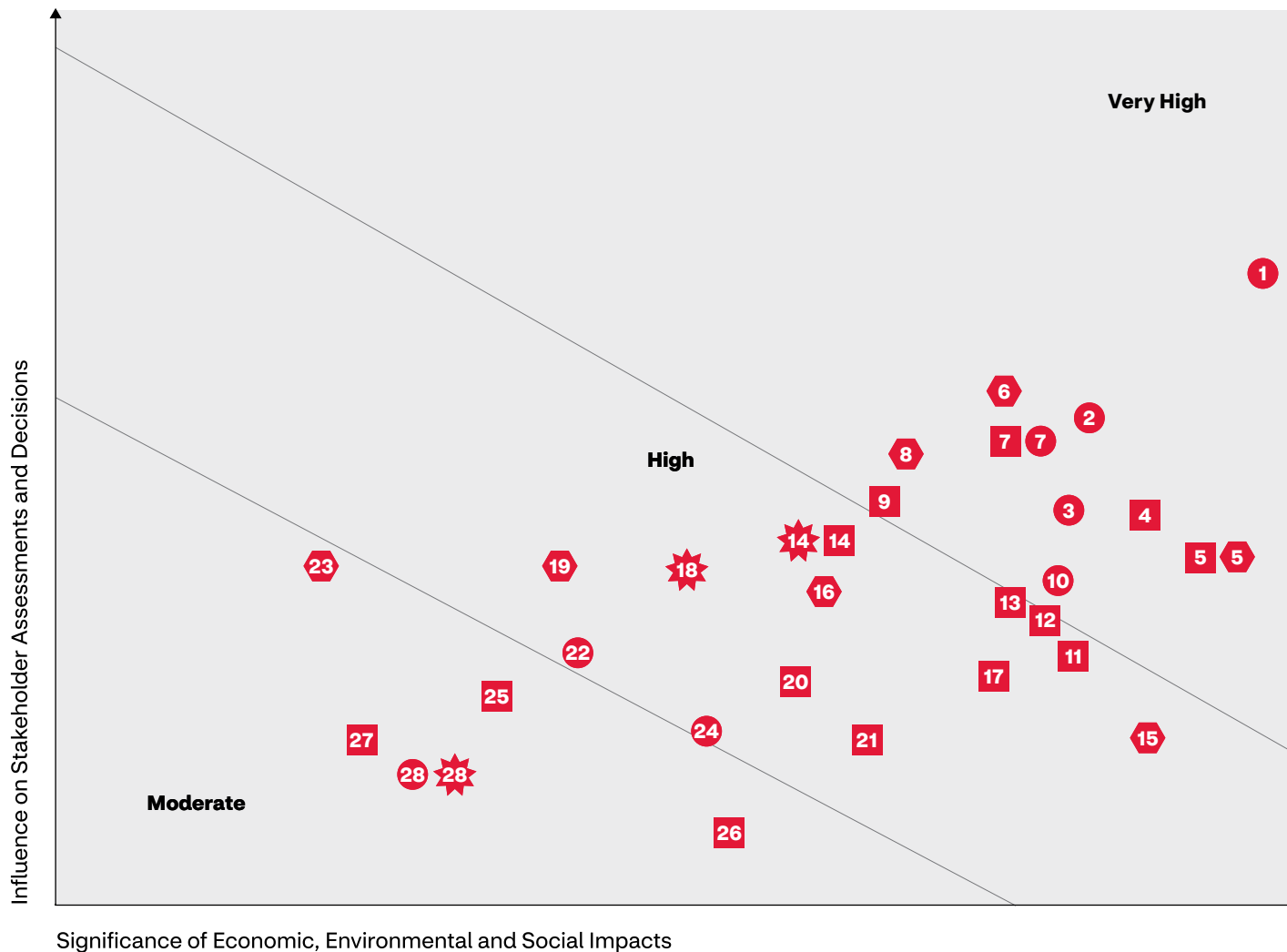
CSR Material Topics

In 2019, we conducted a comprehensive materiality assessment, in accordance with the Global Reporting Initiative (GRI) Standards, to reflect our growing business, strategy and stakeholder expectations. The assessment

evaluated the 23 topics from our materiality assessment in 2017. Additionally, it reflected our Aetna integration activities through internal and external stakeholder feedback, competitive benchmarking, an industry landscape and assessment

of emerging issues. Ultimately, the 2019 materiality assessment drove the development of our *Transform Health 2030* strategy and its pillars: *Healthy People, Healthy Community, Healthy Business* and *Healthy Planet*.

- **Healthy People**
- **Healthy Business**
- ★ **Healthy Community**
- ⬠ **Healthy Planet**



Very High

1. Access to quality health care
2. Pricing of drugs and services
3. Patient and customer safety
4. Data protection and privacy
5. Supply chain responsibility
6. Product quality and ingredients
7. Employee health and safety
8. Climate action
9. Diversity, equity and inclusion
10. Prescription drug misuse

High

11. Public policy
12. Wages and benefits
13. Human rights
14. Community investments
15. Sustainable operations
16. Packaging
17. Ethics and compliance
18. Smoking cessation
19. Waste
20. Governance

Moderate

21. Workforce development
22. Medication adherence
23. Water
24. Chronic disease prevention and management
25. Transparency
26. Risk management
27. Responsible marketing and advertising
28. Social determinants of health

Stakeholder Engagement

We are committed to maintaining regular, open communication with a broad range of stakeholders who help us advance our purpose of helping people on their path to better

health. We are proud of our work to establish a two-way dialogue with advocates, policymakers, shareholders, customers and patients. Their insights and feedback support

the development and advancement of our CSR strategy. On the following pages, we have detailed how we engage with stakeholder groups and highlighted some of the notable

outcomes that resulted from engagements. More information on recent collaborations can be found on the [“Stakeholder Engagement” section of our website.](#)

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2019
<p>Patients and customers</p>	<ul style="list-style-type: none"> • In-person interactions • Focus groups • Customer relations hotline • Surveys • Social media • Websites • Mail/email 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Patient and customer safety • Prescription drug misuse • Chronic disease prevention and management • Medication adherence • Data protection and privacy • Smoking cessation • Product quality and ingredients • Packaging • Community investments • Diversity, equity and inclusion • Responsible marketing and advertising • Social determinants of health 	<ul style="list-style-type: none"> • We expanded our relationship with Discovery Education and our <i>Pharmacists Teach</i> program. Since 2015, our pharmacists have volunteered their time and delivered curriculum to more than 570,000 teens and parents across the country. We are on track to meet our goal of reaching 750,000 people by the end of 2020 with this program. The relationship expanded to include <i>Dose of Knowledge</i>, a suite of digital resources for pharmacists, educators and students grades 9 through 12 on the importance of healthy lifestyle choices, the facts about prescription and illicit drug misuse. • We fully implemented our “Tested to Be Trusted” program, increasing transparency regarding ingredients and third-party testing for vitamins and dietary supplements sold in-store and online. We require third-party testing of all vitamins and supplements to confirm all dietary ingredients are listed on the supplemental facts panel of dietary supplements. We have completed testing on samples of more than 1,400 vitamins and supplements from 152 brands across 11 categories, including diet and nutrition, pain relief and digestive aids. • To gain a better understanding from customers and employees about what CVS Health can do to further its sustainability strategy, we surveyed 500 customers and more than 2,600 colleagues. We conducted 500 interviews among customers to gauge how important different sustainability issues were to them, which companies are addressing these issues and how their behavior has changed with respect to these companies. We used these findings as a key input in our robust materiality assessment in 2019.

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2019
<p>Colleagues</p>	<ul style="list-style-type: none"> • Meetings and interviews with subject matter experts • Engagement surveys • Training and professional development opportunities • myLife (CVS Health intranet) • Colleague Resource Groups (CRGs) 	<ul style="list-style-type: none"> • Employee health and safety • Wages and benefits • Diversity, equity and inclusion • Workforce development • Community investments 	<ul style="list-style-type: none"> • Our <i>Stamp Out Stigma</i> initiative in collaboration with the Association for Behavioral Health and Wellness (ABHW) worked to reduce the stigma surrounding mental illness and substance use disorders for our colleagues. Colleagues shared stories of how mental illness or substance use disorder has impacted their lives on our intranet and we provided resources, including access to face-to-face counseling sessions with a licensed mental health professional for all colleagues. • More than 23,000 colleagues participated in our Colleague Resource Groups (CRGs). Bringing colleagues together based on shared interests and affinities allows us to more deeply connect with, listen to and respond to colleague ideas and engagement opportunities throughout the year. • As part of our colleague and customer research this year, we surveyed more than 2,000 CVS Health colleagues who expressed how engaged they are personally with sustainability in their lives, as well as at work. Colleagues were asked what initiatives they can and do take in their day-to-day jobs to be more sustainable and where they see opportunities, even if not directly part of their job function, to incorporate sustainability. The findings from this research were used as a key input in our robust materiality assessment in 2019. • Each year, CVS Health conducts internal engagement surveys to understand how committed our colleagues are to their work, their teams and their company. We believe our engaged employees go above and beyond and recognize the key values of CVS Health. In 2019, 81% of our workforce responded they were actively engaged. Of those respondents, 81% of females and 79% of males responded favorably.
<p>Investors and Stockholders</p>	<ul style="list-style-type: none"> • Annual Stockholder Meeting • Quarterly earnings calls • Phone briefings • Email correspondence • Response to ratings and rankings • Conferences 	<ul style="list-style-type: none"> • Climate risks and action • Prescription drug misuse • Product quality and safety • Access to quality health care • Pricing of drugs and services • Diversity, equity and inclusion • Human rights • Risk management 	<ul style="list-style-type: none"> • We conducted more than 80 shareholder engagement meetings during the fall off-season and engaged with shareholders who proposed resolutions for inclusion in our proxy statement. • Throughout the year, we responded to investor inquiries on a broad range of CSR topics, most often through phone briefings and email correspondence. We also convened a group of stakeholders during our June 2019 Investor Day and shared our progress around key ESG issues with the group.

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2019
<p>Suppliers</p>	<ul style="list-style-type: none"> • Meetings • Phone briefings • Conferences and events • Factory audits • Human Rights Policy • Code of Conduct • Trainings and workshops 	<ul style="list-style-type: none"> • Supply chain responsibility • Diversity, equity and inclusion • Human rights • Wages and benefits • Climate action • Sustainable operations • Ethics and compliance • Risk management 	<ul style="list-style-type: none"> • This year we launched a collaboration program with United Parcel Service (UPS) to develop a prescription drug delivery service using UPS drones. This program builds on CVS Health’s commitment to provide convenient access for our customers to lower-cost, more efficient delivery models. The first deliveries of prescriptions to customers with this new technology occurred in November 2019. In 2020, we will continue to explore drone delivery models through this relationship. • Each year, we recognize our suppliers for their efforts across our four key CSR pillars, as well as their collaboration with us on advancing our sustainability priorities. In 2019, we honored L’Oréal with our annual sustainable supplier award to recognize our shared commitment to supporting the CVS Beauty Mark initiative. • We earned a place on the Dow Jones Sustainability World Index (DJSI World) for the first time and were named to DJSI North America for the seventh time, recognizing our commitment to sustainability leadership. We also were recognized by CDP, earning a place on the CDP A List and recognition as a CDP Supplier Engagement Leader.
<p>Government and regulators</p>	<ul style="list-style-type: none"> • Briefings and meetings • Phone briefings • Email correspondence • White papers and other briefing materials • Trade organizations • Participation in coalitions • Roundtable discussions • Public events • Sponsorships of events • Speaking engagements • Conferences • Media engagements 	<ul style="list-style-type: none"> • Pricing of drugs and services • Ethics and compliance • Prescription drug misuse • Public policy • Access to quality health care • Workforce development • Supply chain responsibility • Waste • Climate action 	<ul style="list-style-type: none"> • We continued to focus our public policy work on engaging policymakers around the important role of the Pharmacy Benefit Manager (PBM) in controlling drug costs. By lending our voice to policy conversations on drug pricing, we hope others will work with us to put patients first. Learn more about how we’re helping to reshape public policy in Healthy Business on page 63.

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2019
<p>Nonprofit organizations and NGOs</p>	<ul style="list-style-type: none"> • Conferences • Roundtables • Strategic relationships • Participation on boards and advisory councils • Attending annual meetings • Virtual and in-person engagement meetings • Webinars 	<ul style="list-style-type: none"> • Diversity, equity and inclusion • Access to quality health care • Chronic disease prevention and management • Climate action • Supply chain responsibility • Packaging • Pricing of drugs and services • Prescription drug misuse • Product quality and ingredients • Waste 	<ul style="list-style-type: none"> • We continue to engage with stakeholders around key environmental issues. We engaged with Green America to find more sustainable solutions to our receipts, including reducing the length of receipts, providing digital receipt opt-in prompts at the register for customers and switching receipt paper to phenol-free paper that can be recycled. • Additionally, we continued our work with Ocean Conservancy and are members of its Trash Free Seas Alliance. These memberships support our commitment to making responsible packaging decisions that respect our planet and meet the needs of our customers. Each year, CVS Health colleagues across the country join in Trash Free Seas Alliance's International Coastal Cleanup.
<p>Industry groups and forums</p>	<ul style="list-style-type: none"> • Conferences • In-person meetings 	<ul style="list-style-type: none"> • Diversity, equity and inclusion • Climate action • Product quality and ingredients • Patient and customer safety • Access to quality health care • Pricing of drugs and services • Packaging • Waste • Sustainable operations 	<ul style="list-style-type: none"> • We joined Sustainable Brands' Brands for Good initiative and participated in a session in New York with representatives from other brands.

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2019
<p>Local communities</p>	<ul style="list-style-type: none"> • Community engagement programs • Volunteering • Board memberships • Event participation 	<ul style="list-style-type: none"> • Access to quality health care • Community investments • Prescription drug misuse • Workforce development • Social determinants of health • Smoking cessation 	<ul style="list-style-type: none"> • We proudly launched <i>Building Healthier Communities</i>, a \$100 million commitment to make community health and wellness central to our charge for a better world. <i>Building Healthier Communities</i> represents a major part of our philanthropic investment focus at CVS Health, using our company's strengths to maximize our local impact. This initiative combines funds from all of our charitable investment vehicles — CVS Health, the CVS Health Foundation and the Aetna Foundation — over five years. • <i>Building Healthier Communities</i> will emphasize support of nonprofit organizations and local and national initiatives in three categories: improving local access to affordable quality care, impacting public health challenges and working with local communities on the most pressing health issues.
<p>Clients</p>	<ul style="list-style-type: none"> • In-person meetings • Phone • Email correspondence • Surveys • Disclosure requests 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Prescription drug misuse • Medication adherence • Chronic disease prevention and management • Smoking cessation 	<ul style="list-style-type: none"> • We measure the satisfaction of our PBM clients twice per year through a web-based survey and use their feedback to improve our services and client relationships. Our approach to quality improvement has resulted in year-over-year improvement in PBM client and member satisfaction: in 2019, 96 percent of clients and 95 percent of members were satisfied. • In 2019, 86 percent of health care benefits members were satisfied and 95 percent of Aetna Medicare members were satisfied.
<p>Media</p>	<ul style="list-style-type: none"> • Direct outreach • Website • Responses to inquiries 	<ul style="list-style-type: none"> • Smoking cessation • Access to quality health care • Pricing of drugs and services • Prescription drug misuse • Public policy • Data protection and privacy 	<ul style="list-style-type: none"> • We joined the Quit Big Tobacco (QBT) initiative, pledging to cut ties with any marketing agency that has tobacco or e-cigarette companies as clients.

Healthy

People



Healthy People

To truly improve health outcomes, CVS Health needs to be innovative and connect with people where they are — online, in their workplaces and in their neighborhoods and communities.



Material topics aligned with this pillar:

- Access to Quality Health Care
- Chronic Disease Prevention and Management
- Employee Health and Safety
- Medication Adherence
- Patient and Customer Safety
- Prescription Drug Misuse
- Pricing of Drugs and Services
- Public Policy
- Responsible Marketing and Advertising
- Social Determinants of Health



UN SDGs:

- Good Health and Well-Being (3)
- Zero Hunger (2)

Through physical and virtual interactions, we provide convenient, personalized and integrated access to health care support and services. We continue to implement and expand initiatives that build on our innovative health care model, with the ultimate aim to transform the health care experience for every person we reach.

We interact with our customers and patients more often than any other health care provider — research shows that people see their pharmacist up to 24 times each year, while they see a physician only four-to-six times in the same period.

And, when customers and patients can't come to their local CVS Pharmacy, we are combining technology, new business models and the power of collaboration to help ensure patients and providers are able to receive affordable, accessible, simplified and seamless care where they need it. Our scale, capabilities and resources are putting health and wellness at the heart of what we do, not just for our customers but for our colleagues and the communities we serve.

Healthy People

Transforming the Health Care Experience

Our goal is to be the front door to health care. Our customers can find us where they live and work: in our approximately 9,900 retail locations, approximately 1,100 walk-in clinics and through our pharmacy benefit plans, health care plans and other services across the country. We help people manage their health and well-being by simplifying a complex health care system and ensuring customers have easier access to quality, more affordable care, right in their own neighborhoods. Because we know a person's ZIP code, as does their genetic code, can have an impact on their health, we're especially focused on reaching those who have been traditionally underserved, including women, people of color, people with disabilities, veterans and those from low-income backgrounds. This includes our efforts to address the social determinants of health, which are defined as a person's physical, social and economic environment, as well as individual behaviors around diet, exercise and alcohol and drug use.



By listening to our patients and working with members of our communities, we are identifying the best ways to improve their health by introducing programs and services that span from acute care to chronic disease management, to everyday self-care and wellness. We believe highly personalized experiences are most effective in preventing and managing costly health challenges, so we are striving to make the health care system more connected and manageable, while expanding access to skilled providers.

MinuteClinic Shifts Care from Transactional to Transformational

With approximately 1,100 MinuteClinic locations, we are the largest provider of walk-in clinics in the country. Today, more than 50 percent of the U.S. population lives within 10 miles of a MinuteClinic and millions of patients depend on our providers for their care. We are committed to bringing accessible and affordable care to our customers by offering evening and weekend hours and by reducing costs, with most services estimated at less than \$100 — up to 40 percent less expensive than urgent-care centers and 80 percent less expensive than similar services in a hospital emergency department.

As we work to transform health care, we remain focused on expanding services offered at MinuteClinic and improving the patient experience. We are filling the gaps in our patients' care, building long-term relationships and making us a trusted health care destination.

Virtual Care Expands Our Impact

MinuteClinic's Virtual Care platform provides patients with quality, affordable, convenient care through a mobile app or web browser. Since launching Virtual Care in 2018, we now offer MinuteClinic video visits in 40 states and the District of Columbia. Through Virtual Care, we connect patients ages two years and older to certified health care providers through video-enabled consults that are available 24 hours per day, seven days per week.

The MinuteClinic Virtual Care program extends access to care by providing video-enabled visits delivered with the same quality of care as at MinuteClinic by health care professionals who follow evidence-based guidelines. If a prescription is determined to be appropriate as part of the treatment plan, the provider can submit a prescription to the patient's preferred pharmacy. In some cases, a patient

may require a more comprehensive exam in person, which can take place at a nearby MinuteClinic if appropriate. Or the provider can help the patient identify a health care provider in his or her area. More than 30,000 video-enabled health visits have been completed since August 2018. In 2020, we will continue to grow and implement the program in every state where telehealth is permitted, including expansion to rural areas where care can be more difficult to access.

Caring for Veterans Across the Nation

We believe we have an ability to make a meaningful difference in the lives of America's 19 million veterans. Since 2016, we have provided our nation's heroes with high-quality care through a strategic agreement with the U.S. Department of Veterans Affairs (VA). Through the enactment of the VA MISSION Act, we were able to expand that care to all of our MinuteClinic locations nationwide in 2019.



MinuteClinic Receives Pathway to Excellence Designation

In 2019, MinuteClinic became the first retail health care organization to receive the Pathway to Excellence® designation from the American Nurses Credentialing Center, which recognizes our efforts to enhance quality of care, patient and nursing safety and the future of health care delivery.



MinuteClinic
Statistics

1.1M+

flu shots administered

6.5M

patient visits

94%

patient satisfaction rate

VA MISSION ACT Expands Veteran Care at MinuteClinic



For three years we have worked with the VA to connect veterans with care. Through this program, veterans could also receive care for minor illnesses and injuries at participating MinuteClinic locations.

In August 2019, we expanded this relationship to all MinuteClinic locations nationwide for veterans to access treatment of acute, minor conditions, such as ear infections, sinus infections and coughs. MinuteClinic has now provided care to more than 11,000 veterans. The care our nation's veterans receive at MinuteClinic provides them with the services they need, when they need it and where it is most convenient to them. The average in-clinic wait time for veterans remains under 30 minutes and veterans report positive MinuteClinic experiences in post-visit quality surveys. Our integrated information technology applications also allow MinuteClinic practitioners to make patient data available to the VA through the eHealth Exchange™, a health information network connecting federal agencies to the private sector.

“Our participation in the VA MISSION Act provides veterans across the country greater access to the quality health care they need and deserve, when and where they need it. This ensures their care remains linked into the Veterans Health Administration, and we are proud to support the VA on such a meaningful and impactful program,” said Sharon Vitti, President, MinuteClinic.



Caring for Individuals of All Ages

Through MinuteClinic, we are expanding our footprint and impact. To do so, we are focused on meeting a spectrum of needs for individuals of all ages. We have added several new services, including those customized for older adults. By 2030, there will be 70 million people age 66 and older in the U.S. We know older adults can have specific health concerns, including managing multiple medications, complex conditions or mobility restrictions.

To respond to the health care needs of older adults, MinuteClinic began a strategic collaboration with [Case Western Reserve University's Frances Payne Bolton School of Nursing](#), [The John A. Hartford Foundation](#) and the Institute for Healthcare Improvement (IHI). Through this relationship, all MinuteClinic nurse practitioners and physician assistants will receive training on the use of the "4Ms," a set of four essential elements for caring for older adults: mobility, medication reduction, mentation (mental and cognitive health) and what matters to the patient.

In our health care services business, we consolidated [SilverScript®](#), our Medicare Part D prescription drug plan, into the Medicare Annual Election Period (AEP). With this update, it's now easier for our more than 5 million members to continue their care with the coverage, confidence and

consistency America's seniors and people with disabilities deserve.

In addition to expanding services for older adults, we are building new health care options for adults ages 18–39 across the enterprise. We are actively working to ensure adults have broad health care access, including providing reproductive health services, screenings and treatment for sexually transmitted infections at MinuteClinic locations. Aetna is also working with colleges and universities to help make MinuteClinic visits part of the insurance packages available to young adults.

Access to Vaccinations

We recognize that CVS Pharmacy and MinuteClinic have a unique role to play, not just in the health of individuals, but in the health of the communities we serve. We play a key role in helping people on their path to better health by providing access to vaccinations in CVS Pharmacy and MinuteClinic locations nationwide. Additionally, we offer a variety of CDC-recommended vaccines, administered by an immunization-trained pharmacist of MinuteClinic nurse practitioner for children through seniors. Through our 9,900 retail locations we offer convenient access to patients in need of vaccinations beyond the seasonal flu, including Pediatric Shingles, Pneumonia, HPV, MMR, Tdap, Meningitis, Hepatitis A, Hepatitis B, Polio [and more](#).

[The U.S. Centers for Disease Control and Prevention \(CDC\)](#) estimates flu-related illnesses affect between 9 and 45 million Americans each year. In 2018, we piloted Flublok® at 100 MinuteClinic locations. Flublok is a new flu vaccine proven to be more effective for patients ages 50–64. In 2019, we built on Flublok's success by offering it at MinuteClinic locations nationwide. In 2019, we vaccinated a total of 1.1 million people using Flublok and other flu vaccines.

Since older adults are more susceptible to shingles, CVS Health has expanded access to the SHINGRIX vaccine, which protects against shingles and postherpetic neuralgia (PHN), the most common complication from shingles. SHINGRIX is available in all MinuteClinic locations, and in 2019 we vaccinated more than 100,000 patients with SHINGRIX.

Our vaccination program grew more than 20 percent in 2019, with MinuteClinic meeting critical demands for vaccination during outbreaks of hepatitis A and measles, mumps and rubella (MMR). MinuteClinic will also introduce a varicella (chickenpox) vaccine in all locations in 2020.



Colleagues Leading with Heart

Each year, CVS Health recognizes our most engaged colleagues through our Paragon Awards, which celebrate excellence and honor colleagues who embody our core values. This year, Pablo Heredia was one of our 10 Paragon Award recipients. Pablo is a Training Store Manager in San Diego, CA. Born in Mexico, Pablo was raised with a commitment to family and community. When he was just 20 years old, his sister passed away of an illness and Pablo stepped in to raise his young niece and nephew. Regarding how his personal experiences have influenced his role, Pablo says, “I’ve been around a lot of illness. I remind my team that most of our patients are people [for whom we] don’t know what they’re dealing with. You don’t know the pain they have. That’s why we have to empathize with them 100 percent — more than any other industry.” His CVS Health colleagues see him as someone driven and kind, who helps all people — customers, fellow colleagues and the community — on their path to better health. Watch Pablo tell his story [here](#).

Supporting Patients with Chronic Disease

Patients with chronic conditions often need to interact with health care providers more frequently and require a more robust approach to managing their treatment. We are especially connected to these patients and continue to invest in developing solutions to address the escalating costs and health impacts of chronic disease. Our efforts include expanding preventative care and treatment for chronic conditions and working to improve medication adherence with patients. We are also committed to engaging with patients to help them coordinate their care across the health care system, offering products and services across our business to make their health journey an easier one.

Redefining Access with HealthHUB®

To support people with chronic disease, we focus on meeting their needs — in their neighborhood and on their schedule. We believe that our new HealthHUB locations will help redefine the way people access health care, offering daily support for chronic conditions in convenient, local locations. Our clinician-led teams, Care Concierges and on-site and virtual efforts offer coordinated, personalized care, extending beyond a doctor's visit. HealthHUB locations bring together our most effective and scalable solutions, including pharmacy, nutrition, MinuteClinic and other resources, products and services

tailored for patients managing chronic conditions. In addition, HealthHUB locations serve as neighborhood destinations for local health initiatives, events and community gatherings.

Our HealthHUB pilot launched in Houston, TX, and after seeing initial success, we expanded to several additional service areas including Philadelphia, New Jersey, Florida and Georgia, with more than 50 HealthHUB locations in operation in 2019. By the end of 2020, we expect to have 600 to 650 locations and reach a total of about 1,500 HealthHUB locations nationwide by the end of 2021.



Pilot for Colorectal Cancer Screenings

To help our patients proactively monitor their health, we launched a pilot program in 2019 at a small number of HealthHUB and MinuteClinic locations to provide convenient, high-quality early-detection testing for colorectal cancer. Currently being piloted at select HealthHUB and MinuteClinic locations, patients work with their MinuteClinic provider to complete a risk assessment and screening. In 2019, 171 patients completed screening, with the results complementing the patient's existing or future primary care. Our primary target patient population for screening are those ages 50–64 that are not up-to-date on colorectal cancer screening.

Serving Patients at HealthHUB

The success of our HealthHUB model of local care is evident in our patients' experiences.

At one of our HealthHUB locations, a patient met with a nurse practitioner after experiencing abdominal pain. The nurse practitioner recognized that beyond abdominal pain, the patient was diabetic and not currently receiving treatment. Based on the patient's symptoms, in a short, 40-minute visit, the HealthHUB team connected him to a dietitian and an eye doctor — both important resources for people with diabetes. He left with a strong treatment management plan in place.

At another HealthHUB, a Care Concierge working in our Home Health Care Program met with an individual experiencing difficulty caring for an elderly parent. The Care Concierge offered CVS Pharmacy and HealthHUB resources to make caregiving less stressful, including ScriptSync, ReadyFill® and CarePass™. The Care Concierge also provided educational materials and guidance around durable medical equipment. At the HealthHUB, this individual found a support system to manage her new caregiving role.





Medication Adherence Solutions

We understand the challenges that some patients face managing chronic conditions, following varying dosing instructions and tracking side effects. We are designing solutions that simplify complex medication regimens and help patients better manage their health. These solutions improve medication adherence overall and reduce the costly and detrimental effects of non-adherence in patients across the country. Results of these interventions include:

- Support from the CVS Specialty® CareTeam, including pharmacists and nurses who are specially trained in chronic conditions. Proactive support from CareTeams shows an 11.4 percent improvement in medication adherence and an 11 percent overall decrease in health care costs for these patients.
- Specialty Connect® enables specialty prescription drop-off or pick up at CVS Pharmacy locations or by mail. Being able to choose how medications are obtained means patients are 17.5 percent more likely to refill their first prescription.

Through ScriptSync®, a program that prepares patients' eligible prescriptions for pick up on the same day each month, we have seen a 6 percent improvement in adherence after enrollment.

Investing in Community Support to Improve Outcomes

We are committed to addressing the social determinants of health because we know this can result in lower health care costs and increased worker productivity for employers. We are determining the best way to use the presence of CVS Pharmacy locations in the community, piloting programs and testing interventions with several large employers.

Through our commercial health insurance business, we launched a new platform, Destination: Health, with a focus on addressing the social determinants of health for our members. Our first major collaboration within this platform is Unite Us, a technology company standardizing how health care providers communicate and track outcomes. This relationship helps some of our most vulnerable Medicaid and dual-eligible members more easily access social services in their communities. Members can use the Unite Us technology to find service providers and receive referrals to providers or Aetna nurse case managers. The program launched in Louisville, KY in 2019 and is also available to Aetna's Dual-Eligible Special Needs Plan members (those eligible for both Medicaid and Medicare) in Tampa, FL and Southeastern Louisiana.

We are also investing in affordable housing across the country to provide support for underserved and at-risk populations. In Orlando, FL, we provided \$8.7 million to build a new 116-unit affordable housing community that is expected to begin construction in 2020 and be ready to welcome families in 2021. This new apartment community will include 20 permanent supportive housing units, combining affordable housing assistance with additional support services to address the needs of the homeless community in Orlando.

“Out of about 6,000 waking hours in a year, most people only spend a handful in a doctor’s office or hospital — you spend the vast majority of your time in your community. We are a part of thousands of communities across the country, so by addressing social determinants of health through significant philanthropic support, products and programs, we have an unprecedented opportunity to improve the health of individuals and communities across America.” – Karen S. Lynch, Executive Vice President, CVS Health and President, Aetna.

Personalized Solutions Through Transform Care®

Our Transform Care® programs are tailored to the millions of CVS Caremark® members managing chronic conditions, making care more effective and cost-efficient by combining patient health and pharmacy data with drug cost management strategies.

For the past three years, our Transform Diabetes Care® program has provided a comprehensive, insights-driven solution to help reduce the complexity of self-management and improve health outcomes for plan members. Diabetes affects 31 million Americans and can be especially challenging to manage. Preventing complications and adverse health events requires patients to manage complex medication regimens, control blood glucose levels, closely monitor symptoms and practice healthy behaviors.

Through Transform Diabetes Care interventions, patients in the program experienced:

- 1.2 percentage point improvement in blood sugar tests achieved at six months and sustained at 12 months
- More than 50 percent of members with uncontrolled diabetes were moved to controlled status
- Thirty-one percent enrollment in cellular connected glucose meters among all eligible members with diabetes

In 2019, Transform Diabetes Care was utilized by 175 CVS Caremark clients, representing 4.5 million members and more than 300,000 members with diabetes. We also added diabetes prevention and hypertension programming to enhance Transform Diabetes Care and build on the successful clinical outcomes the program is generating for our members with diabetes.

In addition, our new Transform Oncology Care® program, launched in late 2019, strategically utilizes the latest genomics science to help providers identify and start patients on the best cancer treatment.

Solutions for More Affordable Prescription Drugs

We know rising prescription prices present a major barrier to helping people on their path to better health. As a leading health care company, we are concerned about prescription drug costs and how they affect our customers, patients and communities. We have led the way in advocating for stronger regulations to bring down drug pricing and help customers reduce out-of-pocket expenses. In CVS Pharmacy locations around the country, as well as through the solutions we provide to CVS Caremark, Aetna® and Omnicare® members, we are investing in technology and solutions that put customers' needs first.

The CVS Pharmacy Rx Savings Finder allows our 30,000 retail pharmacists to seamlessly evaluate savings opportunities for patients at the pharmacy counter. Pharmacists can see whether the recommended medication is the lowest-cost option available under the patient's existing pharmacy benefit plan. If available, the pharmacist can advise the patient on equivalent treatment options that reduce costs. The Rx Savings Finder also identifies options for uninsured patients, where allowed by applicable laws and regulations. Patients using this tool save an average of \$420 per year.

Physicians are also a key partner for patients in reducing prescription drug costs. Our Real-Time Benefits tool allows doctors to check in real time if the drug they are prescribing will be covered for their patient. The database also shows up to five lower-cost, clinically appropriate alternatives or therapeutically equivalent generics that are specific to the member's formulary and pharmacy benefit plan. The program is available through electronic health record (EHRs) systems for physicians of CVS Caremark members. Real-Time Benefits can be accessed online, by mobile app, at the pharmacy counter or at the time of prescribing.

Nearly 180,000 prescribing physicians are using Real-Time Benefits within their EHRs today.

In addition to the tools, technologies and programs we use to help keep drugs affordable for CVS Health patients, we use our leadership to support government policies that reduce the cost of prescription drugs. We advocate for transparency of out-of-pocket prices, enabling the public to make smarter choices about their treatments and providers. We know an estimated one-third of prescriptions are never filled, and unexpected costs contribute to that figure. Increased transparency in drug prices and options for patients can increase medication adherence and have a significant effect on public health.

We know there is more that can be done to help improve the affordability of prescriptions and health care services. As we work to transform health, we support proposals in both state and national legislatures focused on improving competition, enhancing ability to negotiate discounts with manufacturers, incentivizing lower list prices and lowering out-of-pocket costs for patients. Learn more about how we're advancing public policy on key issues in the Healthy Business section on page 63.

Ready, Set, PrEP

In 2019, we participated in Ready, Set, PrEP, a new nationwide program established by the CDC and U.S. Department of Health and Human Services (HHS). Ready, Set, PrEP provides pre-exposure prophylaxis (PrEP) medications at no cost to thousands of individuals across the country.

PrEP medications reduce new HIV infections and are expected to work toward ending the HIV epidemic in the United States. CVS Health pharmacists are now educated about the program and can provide information and access to PrEP from our pharmacies.



Affordability Solutions for Diabetes Patients

We invest in comprehensive solutions to support the conditions that impact our patients. Drug prices often make up a significant portion of the cost of treatment and consumers are shouldering a greater portion of out-of-pocket health care costs. For those with diabetes, much of the discussion surrounding affordability is focused on insulin.

More than 30 million Americans live with diabetes — a number that is estimated to have doubled over the past two decades. Our research shows that average out-of-pocket costs for CVS Caremark members taking branded diabetes medications is \$467.24 per year, with nearly 12 percent spending more than \$1,000 per year. Although insulin is an important component of many patients' treatment, we know the entire range of diabetes care drugs must be made more affordable for patients.

Our new RxZERO™ diabetes plan eliminates out-of-pocket costs for all categories of diabetes medications — without raising costs for the patient or increasing premiums or deductibles. Offered through CVS Caremark, RxZERO allows employers and health plans to use formulary and plan design approaches to offer all categories of diabetes medications at zero dollars out of pocket for their members without raising costs for the plan sponsor or increasing premiums or

deductibles for all plan members. We believe that by removing barriers posed by costs, we can help improve adherence for patients managing diabetes.

Safety and Quality in Products and Services

Patient and customer safety is the bedrock of trust at CVS Health, and we earn it every day through the work of colleagues who take that responsibility with the utmost seriousness and dedication. Across our enterprise, we are dedicated to continuously improving and adopting new safety and quality processes and technologies.

Through engagement with independent industry experts and our internal Patient Safety Organization (PSO), we regularly evaluate our quality and safety procedures, performance metrics and safeguards. It is this commitment to ongoing evaluation that pushes us to lead in safety and quality for our products, our services and the people who work in our business.

Ensuring Quality and Safety in the Pharmacy

Safety is central to the success of our pharmacies and begins with clinical quality assurance. Every prescription we dispense goes through a multi-step process with a pharmacist. All of our pharmacy operations follow the same comprehensive quality assurance processes for prescription safety.

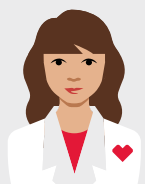
These include:

- Quality assurance training for all pharmacy staff
- On-screen computer prompts
- Bar-coded prescription labeling
- Electronic prescribing
- Automated prescription filling
- Electronic pill imaging
- Quality procedures for compounded prescription items
- Drug utilization reviews

As our pharmacists deliver prescriptions to patients, key messages and pop-ups on their computer terminals provide additional safety information. Important messages, such as those related to potentially serious drug-to-drug interactions, are reviewed by pharmacists during this process. In addition, pharmacy staff utilize a two-step verification process to separate the data entry and drug utilization review from product verification steps.

Creating and adhering to strong processes and procedures in our pharmacies contributes directly to keeping our patients safe. We are committed to a safety-first culture and implement monthly safety campaigns and trainings with field leaders to reinforce our culture of patient safety across the business.

"There are more than 30 million Americans living with diabetes, and far too many of them are struggling to manage their diabetes because of the high cost of diabetes prescription medications. The American Diabetes Association is committed to helping those living with diabetes thrive, and accessing the medications they need is critical. We are hopeful that by eliminating out-of-pocket costs for diabetes medications, CVS Health will remove one of the barriers many people face that prevent them from managing their diabetes successfully." – Kelly Mueller, Vice President of Community Impact for the American Diabetes Association



Pharmacists Teach Achieves Success in Houston-Area Schools

Our pharmacy team in the Houston area achieved especially exciting results for participants in Pharmacists Teach in 2019. CVS Health pharmacists in the Houston area provided a customized lesson titled “One Choice Changes Everything” to middle and high schools, educating students on the dangers of prescription drug misuse and the actions they can take to respond to these situations. In addition, professional development is offered to teachers throughout the year. As Thea Jackson, a District Leader for Pharmacists Teach, noted, “I will never forget having the opportunity to return to my old high school and deliver the One Choice presentation. The students entered the classroom with excitement and anticipation. Not even 20 minutes in, you could hear a pin drop! The looks of concern, curiosity and worry on their faces confirmed for me ... that we as pharmacists have a duty in helping to prevent prescription drug misuse happening across our country today.” Our Houston program reached more than 4,000 students in 2019 and we’re committed to growing the reach of this powerful program.

Addressing Prescription Drug Misuse

CVS Health is committed to addressing the misuse of prescription drugs. We collaborate with community leaders, policymakers, law enforcement and health care professionals to expand educational resources related to opioid misuse. We take a multi-pronged approach that includes education and awareness, drug disposal and patient counseling. Our [Pharmacists Teach](#) program educates teens about the dangers of misusing opioids and other prescription drugs. Both independently and with local organizations, we are working to create safe prescription drug disposal sites, expand access to life-saving antidotes and advocate for targeted and effective policies, locally and nationally. Our dispensing practices are also aligned with the [Guideline for Prescribing Opioids for Chronic Pain](#) issued by the CDC. [Learn more about our opioid response here.](#)

We also expanded Aetna’s 2018 pilot program “[Guardian Angel](#),” which provides Aetna members who recently experienced an opioid overdose with support from a clinician. As specialists in substance misuse disorders, the clinicians connect with these members to provide them with support to prevent a future overdose. Since the program’s launch, nearly 1,000 patients have successfully engaged with clinicians who connected them with treatment options, identified community resources and encouraged

them to seek support with their primary care physician. In 2020, we are collaborating with an analytics provider to identify members at risk of a future overdose, enabling us to reach out to those members with substance misuse support.

The Front Lines of Educating Through Pharmacists Teach

Our pharmacists consistently work to help reduce prescription drug misuse across the country. Through our Pharmacists Teach program, pharmacists have the opportunity to go beyond their day-to-day responsibilities, bringing their expertise to classrooms to educate teens and parents on the dangers of the misuse of prescription drugs.

In 2019, Pharmacists Teach aligned with [Discovery Education](#) to create [Dose of Knowledge](#), a suite of digital resources for pharmacists and educators on the importance of healthy lifestyle choices. Dose of Knowledge gets pharmacists into classrooms to deliver the facts about prescription and illicit drug misuse to students in grades 6 through 12. According to Lori McFarling, Senior Vice President and Chief Marketing Officer, Discovery Education, “Public health is of the utmost concern to Discovery Education, and we look forward to continuing the work of helping students to prepare to make health choices that benefit their long-term goals and future success.”

Our work with Discovery Education expands on the inspiring results of Pharmacists Teach. Since 2015, our pharmacists have volunteered their time and delivered curriculum to more than 570,000 teens and parents across the country. We are on track to meet our goal of reaching 750,000 people by the end of 2020 with this program.

Safe Medication Disposal

We're helping patients manage their prescriptions and conditions — from the moment they step into our stores, to when their medication is dispensed and also by making it easier to properly dispose of unused medications. Proper disposal prevents any opportunities for misuse of medications and protects our waste stream and water supplies from contamination. Access to safe medication disposal in local communities helps reduce these risks. Our CVS Pharmacy program for safe medication disposal sites added 1,000 in-store disposal units in 2019 to the nearly 1,000 units already existing in retail locations nationwide. We also expanded this program to two new states, Hawaii and Missouri. At select CVS Pharmacy locations in Target stores in Alaska, Idaho, Oregon and South Dakota, we added additional disposal kiosks.

Our work with [The Partnership™ at Drugfree.org](#) provides drug collection units to law enforcement agencies.

Through this program, we have donated more than 1,000 disposal units to police departments across the country. In total, the nearly 3,000 safe medication disposal units we have installed or donated nationwide have collected more than 1.35 million pounds of unwanted medication.

Beginning in 2020, all CVS Pharmacy locations without a safe medication disposal kiosk will offer free DisposeRx packets to patients filling an opioid prescription for the first time. DisposeRx allows for at-home disposal of small quantities of unwanted prescription medications.

Continued Quality and Safety Emphasis at Coram

Our commitment to safety and quality extends across all our business areas. Our [Coram infusion pharmacy](#) is a leading provider of home infusion and tube feeding therapy for more than 60,000 patients each month. We know how complex it can be for patients to manage infusions and medications. To alleviate this, we're simplifying this process through education and management strategies. For example, our transition coaches work directly with patients to provide education and connect the patient with resources during the first 30 days of transition to infusion care. Initial results of the transition coach program are positive. In 2019, we achieved a patient satisfaction rate of 93.7 percent.

Emphasizing Product Quality and Transparency

In addition to excellence in pharmacy care, we are committed to ensuring every product we sell or distribute is safe and efficacious for customers and patients. Our commitment to quality in our products and transparency with ingredients and labels is one of the main ways we are instilling confidence in customers who need these products.

Our store brand products are consistently high in terms of quality and transparency. By using tools like PurView and WERCS, we are able to monitor store brand product ingredients, label claims and specifications to help ensure compliance with regulations and CVS Health policies. Across all store brand products, we conduct regular tests and assessments to promote adherence to the guidelines set forth in our restricted substances list and to confirm that selected suppliers are adhering to requirements.

More information about the ingredients in our products and our responsibility related to our supply chain can be found in the [Healthy Planet section on page 110](#).



Promoting Safe Medication Disposal with Google



To offer digital solutions for safe medication disposal, in 2019 we worked with Google to make it easier for customers to find disposal kiosks and locate naloxone, the lifesaving opioid overdose-reversal drug. As part of this program, people can search for “drug drop-off near me” in Google Maps to locate nearby disposal locations, including CVS Pharmacy kiosks or those in government buildings, such as units donated to law enforcement agencies. This collaboration builds on the success of National Prescription Drug Take-Back Day biannual events hosted by the [U.S. Drug Enforcement Administration \(DEA\)](#).

Nearly 200 CVS Pharmacy locations joined other community sites across the country to host law enforcement take-back events in April and October of last year, allowing the public to safely dispose of unwanted medications.

Creating a Better Customer Experience

Millions of Americans visit our CVS Pharmacy locations each day, and we know their expectations of a retail experience are changing every year. Customers today want to spend time in stores that are interactive, transparent and accessible. As we transform the health care experience, our customers expect our stores to bring to life our purpose of helping people on their path to better health.

An innovative new approach to meeting customers' health needs whenever, wherever and however they want is through the [CarePass® program](#). Piloted in Boston in 2018, for a monthly membership of \$5 or \$60 per year, CarePass offers our customers an additional level of benefits and services that make it easy to save time, save money and receive access to on-demand pharmacy care. In 2019, we expanded CarePass nationally, bringing simplified value to our customers, while making it easier for them to care for themselves and their families.

CarePass members receive several key benefits when they become members:

- Free 1–2 day delivery on qualifying prescriptions and most CVS.com purchases
- 20 percent discount on eligible CVS Health Brand products in-store

and online at CVS.com, including over-the-counter medications, vitamins and supplements, as well as personal care items

- Access to a 24/7 pharmacist helpline
- As a thank you, members also receive a monthly \$10 CarePass promotional reward that can be used in-store and online at CVS.com

Following the national launch of CarePass in August 2019, the program grew to 1.9 million members in the first six months alone, 24 percent of whom are new or previously unengaged customers and 20 percent of whom are Millennials.

CVS Health Continues Our Commitment to Trust and Transparency

We believe in the importance of safety and transparency initiatives. In keeping with our increasing focus on self-care products, CVS Health became the first retailer to establish and begin implementation of guidelines and processes to promote the quality of our vitamin, nutrition and energy supplement selection. Through our [Tested to Be TrustedSM program](#), samples of all vitamins and supplements sold in our retail locations and on CVS.com® were tested by a third party to confirm the accuracy of the ingredients on the label and to confirm that the test products were free from any harmful additives and

ingredients. We've completed testing on more than 1,400 vitamins and supplements from 152 brands across 11 categories, including diet and nutrition, pain relief and digestive aids.

In addition to ensuring trust and transparency in our product ingredients, we're also striving to increase transparency within marketing. As one of the largest and most trusted beauty retailers in the country, we are passionate about beauty and the important role it plays in overall health. [Our CVS Beauty Mark™ initiative](#) provides customers with a more authentic and diverse representation of beauty images that appear in our retail locations, marketing materials, websites, mobile apps and social media. To date, more than 85 percent of beauty imagery in CVS Pharmacy locations nationwide features either the Beauty Mark to indicate an image has not been materially altered or a label marked "digitally altered." By the end of 2020, 100 percent of the imagery in our retail locations will have these transparency markers.

Expanding Our Well-Being Offerings

CVS Pharmacy locations are an established self-care destination for our customers, focusing on overall wellness and prevention. We understand that emotional and mental well-being is as important as physical well-being on our customers'

health journey. With new offerings including weighted blankets, expanded wound care and customizable vitamins, we support customers every step of the way.

In 2019, we launched an online access point for CVS Caremark plan members with Sleepio, a sleep app offering techniques shown to help users overcome long-term insomnia. In 2020, CVS Caremark will expand this system to include companies whose products improve mental and emotional well-being for our clients.

Cosmetics formulated for people of color can be difficult to find, and CVS Health is committed to increasing product options in our stores to better meet the needs of our customers. Through the Beauty Mark initiative, we partnered with YouTube beauty guru and influencer Nyma Tang. With more than 1 million subscribers on YouTube and Instagram, Nyma is a trusted voice in inclusive beauty. Nyma joined CVS Health at the Black Women's Congressional Alliance (BWCA) Week in Washington D.C. to host "Making Your Mark in Beauty."

Investing in Colleague Health

We know that to truly transform health care, we need to invest in the health of all people, and that begins with our colleagues. As a leading health care company, we have always used our position to provide a comprehensive colleague benefits program, which reflects our commitments to making health care more affordable, accessible and simple for all of our colleagues and their family members. As one of the first steps taken to integrate the Aetna and CVS Health business, we designed a new, cohesive Total Rewards program that reflects what our colleagues value most, competes with companies of similar size and complexity and showcases all of our company's products and services. This was a critical step in integrating two unique, well-established companies and cultures with a new, best-in-class program. This new program aims to deliver a personalized and holistic health and well-being experience through programs that engage colleagues and their families to achieve their personal health ambitions.

CVS Health is investing \$100 million over the next two years to make health care more affordable for our colleagues, a key step in our journey to transform health. We are using our program as an opportunity to identify pain points in the delivery system,

improve processes and learn the best ways to help members navigate the complexities of the health care system, with the benefit of using these insights to improve the overall health care experience for our customers, clients and patients.

Our program is centered on six dimensions that focus on key elements of well-being:

- **Physical health:** One of the most important elements of one's overall health is physical health and we're providing our colleagues with resources to help them manage their health today and into the future. We provide our colleagues and their families with free flu shots, comprehensive health screenings, weight management tools and tobacco cessation services. We also have on-site fitness and wellness programs, wellness coaching programs, discounted gym memberships, on-demand fitness, yoga, cooking video resources and clinical support programs.
- **Purpose:** We are helping colleagues live out their purpose by providing them with resources that can help them succeed not just in their roles at CVS Health, but across all aspects of their lives. This includes providing support for colleagues who serve as caregivers through digital advice platforms, as well as providing opportunities for

colleagues to give back to their local communities through volunteerism and charitable giving.

- **Social connectedness:** To foster a strong sense of community, we encourage our colleagues to have close, meaningful and supportive relationships. We offer educational resources like parenting webinars, fitness and cooking videos that support our culture of well-being, engagement and self-directed activities.
- **Emotional health:** We are committed to supporting our colleagues' whole health, and that includes ensuring they take care of their mental and emotional health. Our EAP program provides six in-person counseling sessions, per issue, per year for colleagues and their family members, or unlimited telephonic counseling, including legal and financial services, and tools to improve emotional health and overcome depression, anxiety, stress, substance misuse and chronic pain. We offer personalized wellness coaching online, telephonically or on-site and massage services in some facilities, as well as mindfulness programs — including Midday Mindfulness sessions hosted by our FitClub CRG in select facilities.
- **Character strengths:** We are supporting colleagues in having consistent thoughts and actions that

contribute to the good of themselves and others. Through our LEARNet accessible online training systems, we are sharing courses on gratitude and character strengths.

- **Financial security:** To help colleagues address their health holistically, we know it's important to ensure they have access to the financial resources necessary to pursue their life goals and live comfortably. We provide colleagues with educational resources and actionable steps to assess and advance their individual financial well-being and provide financial rewards for colleagues who perform healthy activities in support of our well-being dimensions. You can learn more about these programs in the [Healthy Business section on page 59](#).

To help colleagues achieve their best health, we offer nine state-of-the-art fitness centers in key facilities across the country and host on-site fitness classes in select locations. To help colleagues achieve their fitness goals and make wellness accessible where they live and work, in 2019 we launched a membership program offering discounted memberships to gyms and fitness boutiques nationwide.

Aetna One Advocate

We know navigating the complex and evolving health care system is challenging and we have an opportunity to simplify processes and guide our colleagues on their path to better health. To help our colleagues with holistic care plans and support, we are providing anyone enrolled in our health plan access to an Aetna One Advocate (A1A) team.

The A1A team provides a personalized, proactive approach to care so patients can understand their health and benefits and anticipate potential issues. As a critical member of a patient's care team, the A1A team helps patients understand their benefits, save money, stay on the right care plans, simplify their pharmacy regimens, support appointment scheduling, find programs and resources to help them manage a condition, as well as help find local labs and physicians. Patients who engage with the A1A team have:

- 50 percent decrease in unnecessary ER use
- 14 percent increase in refill rates and 17 percent increase in six-month sustained adherence achieved for members who take maintenance medications
- 3 percent estimated reduction in medical costs — an average savings of \$495 a year for a family of four



Stamping Out the Stigma of Mental Illness in the Workplace

We know how important it is to provide offerings that support the comprehensive health and well-being of our colleagues, including mental and behavioral health. Furthering our commitment to emotional well-being, in 2019 we were proud to launch an enterprise campaign to champion *Stamp Out Stigma*, an initiative spearheaded by the Association for Behavioral Health and Wellness (ABHW), which aims to change perceptions of mental illness and substance use disorders.

We believe awareness is a powerful way to change the conversation. *Stamp Out Stigma* allows colleagues the opportunity to share stories of how mental illness or substance use disorder has impacted their lives and make a pledge to support those who live with mental illness or substance use disorder. We know that even individuals who don't live with these challenges can make a difference by speaking out for those who do. We're also providing resources for those impacted, including access to face-to-face counseling sessions with a licensed mental health professional



Colleagues Share Their Stories to Transform the Conversation Around Mental Health

Chris (name changed to protect privacy), a CVS Health colleague, today values what many of us take for granted: a home, a job and hope for tomorrow.

Chris has bipolar schizoaffective disorder and chronic anxiety, conditions he was diagnosed with more than 20 years ago. “It’s been a long road to get where I am now. I was homeless on and off for eight years, bouncing from shelter to shelter, to the hospital and then the streets.” Finally, Chris was able to get counseling, obtain medication that worked and start the healing process. He found a steady job at CVS Health and says, “CVS Health has been a godsend because [the company seems] to understand the complexities of mental illness and treat it with parity to other illnesses,” he says.

For people who work with someone who has a mental illness, Chris says that understanding — not fear — is the best approach. Thanks to colleagues like Chris who share their stories through *Stamp Out Stigma*, we are changing the mental health narrative by encouraging an honest and open dialogue built on education and understanding.



Healthy

Business

Healthy Business

Our purpose is helping people on their path to better health. We understand that the way we do business is a big part of how we can affect the health of millions of Americans.



Material topics aligned with this pillar:

- Employee Health and Safety
- Diversity, Equity and Inclusion
- Data Protection and Privacy
- Supply Chain Responsibility
- Human Rights
- Wages and Benefits
- Public Policy
- Ethics and Compliance
- Workforce Development
- Governance
- Risk Management
- Transparency
- Responsible Marketing and Advertising



UN SDGs:

- Quality Education (4)
- Gender Equality (5)
- Decent Work and Economic Growth (8)
- Responsible Consumption (12)

Our role as one of the nation's largest employers and a leader in the *Fortune 500* provides us with an exceptional opportunity to drive economic growth through job creation and across our supply chain. As we work to transform health care, we are committed to operating a healthy business for all our stakeholders, including our patients, customers, shareholders, clients, partners, communities and colleagues. That means being a valuable employer, committed business partner and an active member of the communities we serve.

Our colleagues are the force behind CVS Health's transformation of the health care experience. Our commitment to them includes a best-in-class rewards package, an inclusive workplace and programs that support our diverse range of colleagues in healthy, fulfilling careers at CVS Health.

We also know that our continued success depends on our commitment to doing business with honesty, integrity, transparency and accountability. We remain steadfast in our commitment to doing the right things in the right way, complying with laws and regulations and never compromising our standards.

Throughout our large operational footprint and including our supply chain, we are committed to acting responsibly with respect for human rights, privacy, information security, public policy, marketing and advertising.

We reach more than 100 million people annually through our multiple touch points:

~4.5M

customers served by approximately 9.9K CVS Pharmacy locations, daily

102M+

pharmacy benefit plan members

23.5M

medical benefit members

Approximately

290K

colleagues

Healthy Business

Inspiring Health Care Innovators

As we work to inspire the next generation of health care providers, we believe that best-in-class workforce development initiatives are essential. Starting with strong recruitment initiatives and education programs, we are bringing the leaders of tomorrow to CVS Health. To ensure these new leaders thrive here, we are committed to fostering a safe and inclusive workplace, providing them with the programs, resources and tools they need to succeed at every step in their career.

CVS Health supports our colleagues with development opportunities that strengthen and enhance their skills so they can build meaningful careers within the company. This allows us to provide quality employment opportunities for people of all ages and abilities.

Since 1999, more than 115,000 people have transitioned from public assistance and into meaningful employment opportunities.



Throughout our large, national footprint we have exceptional talent in our local communities. We invest in communities and colleagues by providing opportunities for education and career training. This includes programs for members of the military, youth, mature workers and individuals with disabilities. We collaborate with state and federal agencies, schools, universities, faith-based institutions and community organizations in delivering locally based career training and workforce development programs, helping drive economic development and building a future workforce.

As a best-in-class employer, CVS Health invests in our colleagues to support their own career growth. We embrace a culture of learning from a colleague's first day of employment. This is demonstrated through a robust online orientation program that pairs new hires with seasoned colleagues and continues throughout a colleague's career with online and in-person curriculum for skills enhancement, mentorship programs and leadership development opportunities.

Enterprise-Wide Leadership Development Initiatives

In 2019, we worked diligently to incorporate best practices in training and development as part of our Aetna integration activity. Our goal was to

create a best-in-class experience for colleagues across the enterprise. New and updated programming supports colleague development, executive development, organizational design, talent planning and the success of our business. All of CVS Health's leadership development programs were redesigned to support colleagues and meet their learning needs.

In 2019, we launched *developU* as our enterprise brand for career development. Professional skills workshops were offered each month, with updated course schedules published quarterly. Workshops focus on best practices and practical application of interpersonal and workplace skills for developing key capabilities and building career potential. Courses are instructor-led, held virtually and range from 60–90 minutes in length. More than 13,000 colleagues took a *developU* workshop in 2019.

We also created a new department to provide business immersion experiences for colleagues. Business immersion experiences are innovation tournaments, strategy execution workshops or visits to other companies, all designed to provide insights and develop outside-in thinking as participants work

collaboratively to create new ideas and engage with leaders from across business units and industries. In 2019 more than 1,000 colleagues participated in a business immersion experience.

As part of the Aetna integration, we launched a cross-functional center of excellence to support leadership development, working closely with leaders across all areas of our business. We developed a suite of tools that can be tailored for learning needs across the enterprise. This approach keeps our high-potential colleagues engaged through a journey that combines on-the-job training with results-based learning and models including in-person and online mentoring.



Workforce Innovation and Development

In 2019, we hired:

Nearly

10.5K

colleagues through workforce innovation programs and recruitment strategies

1.2K+

youths for full- and part-time summer positions

Offering Best-in-Class Training Programs

Similar to our approach to leadership development, we offer training and education for colleagues that meet them where they are with accessible, on-demand resources for skills enhancement. We work to ensure our training practices consider updated, tech-enabled tools and keep our colleagues informed of new developments in our industry that are relevant to their roles.

Key 2019 training and education programs included:

- Enhancing our cultural competency training for all MinuteClinic nurse practitioners and physician assistants, helping to improve outcomes when serving Hispanic and African American patients, as well as the LGBTQ community. We offered two cultural competency trainings per month, with more than 3,000 MinuteClinic colleagues participating in 2019.
- Growing our collaborations between MinuteClinic and the [National Association of Hispanic Nurses](#) and the [National Black Nurses Association](#) to infuse these organizations’ best practices into our internal training programs.
- Launching a Language Learning Initiative to better serve our Spanish-speaking patients in retail pharmacies and clinics located in Hispanic communities. Language

Learning curriculum is now available to colleagues who wish to enhance their language skills with medical Spanish. Together with Rosetta Stone® and Canopy Learn, we are training our retail pharmacists and MinuteClinic practitioners with tailored Spanish language learning programs.

- Continuing our implementation of getAbstract, a library of leadership talks, book summaries, videos and other interactive content colleagues can access on any device. In 2019, more than 12,000 colleagues used this service.

Investing in Job Training

Developing Meaningful Career Paths for Military Community

Transitioning to post-military careers can be a challenge for thousands of veterans and their families. CVS Health is dedicated to recruiting, hiring, training and retaining veterans to ease this transition and utilizing their valuable skills and expertise.

We continued the expansion of our work with the [Department of Defense SkillBridge Initiative](#) at four military bases: Fort Bragg and Camp Lejeune in North Carolina, Norfolk Naval Base in Virginia and Schofield Barracks in Hawaii. As part of this initiative, members of the military who are transitioning into civilian life connect with a CVS Health colleague to learn about job opportunities and explore how their skills can translate to

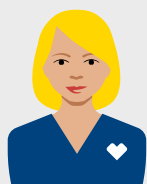
a career within the company. Participants receive classroom training and complete a 12-week internship at a nearby CVS Pharmacy, followed by a virtual job tryout. Following the completion of their service, veterans are eligible to apply for any position at CVS Health.

In addition to CVS Health’s participation in SkillBridge at Fort Bragg, the base hosts our company’s Talent Connect Center (TCC), a training and employment facility. The TCC guides veterans and their spouses through CVS Health career opportunities nationwide, providing assistance throughout the application process, including support with resumes and virtual interviews. Since 2016, we have trained 175 service members in our store manager training program, which is run in part by CVS Health colleagues who are also veterans. In addition to the training provided at the TCC we are also providing training to transitioning service members in Virginia and Hawaii as part of the Department of Defense SkillBridge program. Our Military Community Initiative Program provides access to the store manager training program through the Hire Our Heroes Fellowship Program. In addition, we work with transitioning service members, veterans and military spouses to help connect them to opportunities throughout our business — including as store associates and managers, pharmacists, MinuteClinic nurse practitioners and leaders in our corporate offices. In 2019, we

expanded [Heroes2Careers](#) to a total of 10 bases, with new locations including Fort Bliss, TX; Shaw Air Force Base, SC; Joint Base McGuire-Dix in New Jersey; and the USS Carl Vinson, a U.S. Navy ship that ports in Bremerton, WA. Since 2015, we have hired nearly 18,000 colleagues with military experience and more than 7,000 military spouses.

In addition to supporting veteran colleagues and ensuring veterans can transition from service to careers at CVS Health, our commitment to America’s 19 million veterans includes providing access to high-quality, affordable health care. In 2019, CVS Health expanded its relationship with the Department of Veteran Affairs under the MISSION Act. Read more about our work with the VA to provide veterans with accessible and affordable care in the [Healthy People](#) section on page 26.





Employee Spotlight

Celia Lichtman, an associate at a CVS Pharmacy in Rockville, MD, was honored by the Jewish Social Service Agency (JSSA) in Rockville, with the agency's consumer award for her outstanding work and performance at CVS Health. Celia was part of the work readiness training program for people with disabilities provided in collaboration with JSSA. She advanced rapidly, starting as an extern at the store, hired as a cashier in 2017, promoted within one year to overnight shift, then daytime shift supervisor. Today, Celia is pursuing her pharmacy technician license. Along the way, Celia has been named Employee of the Month and has received additional awards for her attendance and outstanding customer service.

Our Commitment to Workforce Innovation and Talent

At the forefront of our workforce development programming are our Workforce Innovation and Talent Centers (WITCs, formerly referred to as Regional Learning Centers). At our WITCs, we invest in building knowledge, skills and abilities for community members and cultivating new talent, including apprentices. Our centers in Boston, Cleveland, New York City and Washington, D.C. partner with community workforce agencies to provide underserved individuals with the resources to help them grow their careers in health care. The WITCs provide a supplement to classroom training, offering hands-on learning in a simulated CVS Pharmacy with the support of colleagues who specialize in these roles.

In 2019, nearly 2,000 community members participated in a WITC development program, with many joining CVS Health as pharmacy technicians and store associates following their training. Retention rates among CVS Health colleagues who have participated in a WITC program are 35 percent higher than for colleagues who have not. Current colleagues also receive training at the WITCs, including nearly 9,000 in 2019. In 2020, we will launch a new WITC in Philadelphia, co-located on the Orleans Technical College campus.

Additionally, our involvement with the [U.S. Department of Labor Registered Apprenticeship program](#) for pharmacy technicians has expanded to 20 states, with a total of 8,500 registered apprentices hired since it launched in 2005.

Part of our commitment to providing hands-on training and learning opportunities to our future pipeline of colleagues includes removing barriers to training for people of all abilities. Our nationally recognized program for individuals with intellectual and development disabilities and visual impairments, [Abilities in Abundance](#), provides the support such individuals need to discover new career paths. Abilities in Abundance offers skill development, job training and placement opportunities.

We set a goal to hire 8,000 registered pharmacy technician apprentices by 2022 and provide these new colleagues with classroom and online instruction. In 2019, we surpassed that goal, hiring more than 9,000 registered apprentices.

Since 2012, Abilities in Abundance has worked with more than 600 partners and engaged more than 4,300 participants. As part of Abilities in Abundance, we work with the National Consortium of State-Operated Comprehensive Rehabilitation Centers (NCSOCRC) and the [Council of State Administrators of Vocational Rehabilitation](#) to operate training centers inside rehabilitative facilities. By the end of 2019, CVS Health had established more than 50 training centers, in conjunction with various community partners across the country, with 26 geared toward individuals with disabilities. People with disabilities bring valuable and diverse life experiences to our workforce, and we've hired 32 as colleagues since 2015.

Investing in Job Candidates of All Ages

Our perspective on strategic diversity management to build a diverse and inclusive workforce includes the belief that mature workers hold untapped potential. With an aging population in the U.S., we are exploring new strategies to attract this growing employee base and support the evolving needs of our customers.

Through our *Talent Is Ageless* program, we collaborate with industry thought leaders and organizations including federal, state and local government agencies. We have

ongoing alliances with organizations such as the [American Society on Aging](#), the [National Caucus and Center on Black Aging](#) and the [Network of Jewish Human Service Agencies](#).

CVS Health also supports youth just beginning to explore their future by introducing them to meaningful health care career paths. Our STEM-enriched, nationally recognized program, myCVS Journey Pathways to Health Care Careers, builds age-appropriate awareness, exploration and preparation for health care careers, reaching 2,600 youth in 2019. From pharmacy store visits for elementary school students to job shadowing and mentorships for high school students, the program provides a firsthand introduction to opportunities in pharmacy and health care.

To support Hispanic students interested in health care careers, LEAD by CVS Health works with the [Hispanic Heritage Foundation](#) and the [National Hispanic Medical Association](#) to reach elementary and middle school students in communities across the country.

The CVS Health Foundation donated nearly \$1.4 million in 2019 to help aspiring pharmacists and nurse practitioners achieve their educational goals.



Removing Barriers to Employment

Our commitment to provide training and career opportunities extends to all communities, and in 2019, we partnered with the [NAACP](#) to launch the organization's national One Million Jobs campaign to hire from the formerly incarcerated population. This program recognizes that a steady job is key to supporting individuals in successfully reintegrating into society. Prior to our participation in One Million Jobs, CVS Health had established best practice policies and procedures for the second chance community, enabling us to provide thousands of meaningful career opportunities.

Enhancing Community Health through Faith-Based Organizations

An emerging area of opportunity in local communities is through involvement with faith-based organizations and houses of worship. These serve as strong centers of gathering and CVS Health can meet community members where they are, to make quality health care services and career opportunities more accessible. CVS Health's national engagement with the Christian Methodist Episcopal (CME) Church, which began as a pilot with several churches in Memphis, emphasizes our shared goals of eliminating health care disparities, addressing the needs of caregivers and breaking cycles of poverty through meaningful employment. Together, CVS Health and the CME Church have reached into local communities to address social issues related to health care and are introducing workforce programs including apprenticeships, internships, job shadowing, clinical experience, direct hire and on-the-job training for mature workers, veterans and youth. The program is expected to expand to reach 1.2 million CME congregations nationwide.





Delivering Pharmacy Care to the Hispanic Community

In 2019, we and the National Hispanic Medical Association helped to launch the National Hispanic Pharmacy Association (NHPA), creating a national association that provides education on how to deliver pharmacy care to the Hispanic community and provide awareness of pathways to pharmacy schools for Hispanic middle and high school students.



Championing Strategic Diversity Management

We want to attract and support a diverse workforce that reflects the many customers, patients, members and communities we serve. To do this, we engage colleagues across our enterprise supported by the governance of a senior leadership team who believe that a diverse workforce creates a healthier, stronger and more sustainable business. Our Diversity Management Leadership Council (DMLC), a cross-functional group of senior leaders, appointed by our CEO, works with our Strategic Diversity Management leadership team to embed diversity across all facets of our business. For our efforts, CVS Health has been recognized as a [DiversityInc Top 50 Company](#), named to [Bloomberg's 2019 Gender-Equality Index](#) and earned a 100 percent score on the [Disability Equality Index](#), meaning the company is recognized as a “Best Place to Work for Disability Inclusion.”

Our strategic diversity management strategy emphasizes workplace representation, inclusion and belonging, talent management and a diverse marketplace. Our strategy comes to life in many ways, from Colleague Resource Group (CRG) activations and supporting business impact to community events.

Growing Colleague Resource Groups

Through our CRGs, colleagues have the opportunity to connect with one

another through a shared interest or affinity, while also supporting our workforce representation goals and business objectives. In 2019, a key priority was integrating our CRGs across the enterprise. Through these efforts, we now have 15 CRGs, with more than 23,000 colleagues currently participating in at least one CRG.

Each CRG identifies opportunities to support business initiatives by providing key insights and solutions that use the unique perspective of its members. Our DRIVEN CRG provides members of all generations with opportunities to grow with CVS Health by focusing on development, mentorship and networking, while providing strategic input to the company on how to best communicate with all generations. In 2019, DRIVEN partnered with the Movember Foundation to host men's health awareness events for colleagues, while also partnering with the merchandising team to sample shaving and facial hair care products from our brand partners. Additionally, DRIVEN promoted the availability of CVS Health's myEAP (Employee Assistance Program) to raise awareness of resources available to colleagues and hosted dedicated training sessions.

The Women Inspiring Success and Excellence (WISE) CRG supported marketing and merchandising efforts around the CVS Beauty Mark™ initiative, which provides a more

authentic and diverse representation of beauty. In 2019, WISE members provided their perspective on how to engage colleagues across the enterprise through marketing and communications about CVS Beauty Mark. Learn more about the CVS Beauty Mark initiative in the [Healthy People section on page 40](#).

Most people know that barbershops and salons are gathering places within the African American community. There are often opportunities to have honest conversations about health; recent studies have shown these spaces can be influential in connecting patients to screenings and treatment. At a Las Vegas heart health event hosted at a local barbershop, individuals received health screenings, including blood pressure, cholesterol, weight and glucose monitoring, with a local MinuteClinic practitioner on site to help patients navigate potential concerns.

The Strategies for Success Multicultural Women's Program

The Strategies for Success Multicultural Women's program is an eight-month virtual leadership program for women of color, developed with Bonnie St. John, a Paralympian, author, leadership expert and founder of the Blue Circle Leadership Institute. To date, nearly 200 high-potential multicultural women from our company have completed this program.



Colleague Resource Groups at CVS Health



ANative

Celebrates the rich and diverse cultures, traditions and histories of American Indians and Alaska Natives, while also acknowledging the important contributions of Native people in the past and present.

Asian Professional Network Association (APNA)

Dedicated to the personal and professional development of Asian American colleagues. Development is achieved through blend of vehicles, such as peer mentorship, community outreach, philanthropic achievements and cross-CRG involvement.

Black Colleague Resource Group (BCRG)

Dedicated to the personal and professional interests of colleagues who self-identify as African, African American, Black, Cape Verdean, West Indian or being of African descent. Membership is open to all colleagues, regardless of race or ethnicity, and the group promotes inclusion, networking, community outreach and mentorship.

BRAVE

Engages colleagues to support programs that honor veterans and their families, while leading the way in making CVS Health an industry-recognized employer of veterans and active members of the National Guard and Reserve.

Capabilities

Increases awareness of the important role played by customers and colleagues with disabilities in our workforce, workplace and marketplace by taking action to foster, at all levels of CVS Health, an inclusive, supportive environment that empowers all individuals with differing abilities and their allies.

DRIVEN

Provides members of all generations with opportunities to grow with CVS Health by focusing on development, mentoring and networking, while providing strategic input to the company on how to best communicate with all generations.

Faith

Helps colleagues on their path to better health by building awareness and educating about religious diversity, increases employee engagement by demonstrating the value of diversity and supports faith-based alliance opportunities that advance enterprise growth initiatives.

Family and Caregivers (FC)

Empowers colleagues to become informed, successful and engaged in the workplace by convening colleagues who are parents/caregivers to provide mutual support. FC supports the growth and development of healthy families by working with community organizations.

Colleague Resource Groups at CVS Health (continued)



FitClub

Embodies the CVS Health purpose of helping people on their path to better health, through group activities — including running, yoga and healthy eating — that help colleagues live a healthier, more active lifestyle.

GreenTeam

Promotes environmental awareness, while making environmental sustainability a relevant part of every colleague's role and responsibility through education and volunteer opportunities.

Juntos

A multicultural organization composed of members of Latin ethnicities. The group cultivates a positive ecosystem, where Latin cultural awareness promotes inclusivity through collaboration opportunities in our Latin communities, reinforced through colleague empowerment.

Outliers

Connects analytics professionals, both current and aspiring, within the organization to promote thought diversity and data-driven decision making.

Pride+

Builds and facilitates inclusion for Lesbian, Gay, Bisexual and Transgender colleagues and their allies. Open to everyone, this group has a national focus and structure.

Virtual

Addresses the needs of a growing virtual workforce, promoting connections, engagement and collaboration across the enterprise, while helping to enable CVS Health to attract and retain the best talent, regardless of location.

Women Inspiring Success and Excellence (WISE)

Provides colleagues, especially women, at CVS Health with educational, mentoring and volunteer opportunities that will promote empowerment to develop leadership and networking skills for continued industry success.



2019 Diversity Recognition

Top 50 Company for Diversity by *Diversity, Inc.*
(ranked 27th)

#1 Company for Supplier Diversity by
Diversity, Inc.

Diversity Plus Top 30 Champions for Diversity

2019 Women Worth Watching: Maly Bernstein,
Karen Lynch and Mayra Boitel

2019 *LatinaSTYLE* Top 50 Company

2019 *LatinaSTYLE* Top Employee Resource Group
of the Year (for our CRG, Juntos)

2019 *Providence Business News* Diversity
& Inclusion Award – Health Care Category

Greater New England Minority Supplier
Development Council – National Corporation
of the Year and Buyer of the Year

WE USA Magazine, 2019 Best of the Decade

WPEO Commitment to Success of Women's
Business Enterprise

Meeting the Needs of Diverse Customers

In addition to our workforce, we are focused on reflecting the diversity of the communities we serve across our business operations.

At CVS Pharmacy, the [CVS Beauty Mark](#) initiative, detailed in the [Healthy People section on page 40](#), provides customers with a more authentic and diverse representation of beauty in the imagery located throughout our stores, marketing materials, websites, mobile apps and social media.

To meet broader customer and patient needs, Aetna Industry Solutions offers benefits solutions to companies that meet the needs of specific workforces. For example, the benefits package for the hospitality industry offers features that make health care easier and more accessible for hospitality workers, such as preventive and wellness care available at employees' worksites. In an industry in which 24 percent of workers are Hispanic, member enrollment materials in Spanish, dynamic online educational content and bilingual customer service support are critical elements to the customized care approach.

Total Rewards for Colleague Health and Well-Being

As we transform the consumer health care experience, we are focused on supporting our colleagues on their health care journey. With nearly

300,000 colleagues across the country, we have an opportunity to use their experience to impact the way we approach a person's overall health and well-being across our business. As a health care innovation company, we are investing in our colleagues to create a best-in-class suite of programs and offerings to help them — and their families — achieve their best health.

In 2019, we developed our new compensation and benefit program, Total Rewards. This new, transformative program blends the offerings of two organizations with a shared commitment to help colleagues on their path to better financial and physical health, delivered through a comprehensive compensation and benefits package that helps us attract, retain and engage our talent. Learn more about all our offerings to help colleagues on their holistic health care journey in the [Healthy People section on page 41](#).

Our investment in colleague health extends beyond physical, mental and emotional well-being. We are supporting people at all the different stages of their life while they are with CVS Health — from supporting the advancement of their education and personal development to navigating the addition of a new family member, we are providing colleagues with a suite of resources to help them every step of the way.

To support colleagues and their families in career and personal development goals, we offer several college partnerships that allow our colleagues to pursue an undergraduate degree with no upfront out-of-pocket costs, as well as graduate degree and non-degree programs that allow our colleagues to take full advantage of our tuition reimbursement annual limit. We also offer services for dependent college planning, including 529 and other tuition planning resources and online educational programs. Our education assistance provides up to \$3,000 per year for both full- and part-time colleagues for degree programs at accredited institutions and up to \$1,500 for job-related certificates and certifications. Through the CVS Health Foundation, we also offer scholarships to children of colleagues — including \$600,000 in scholarships to more than 200 students in 2019.

Through our financial education program, we are helping colleagues achieve better financial health. Launched in early 2020, the program includes access to personalized, one-on-one financial planning sessions, online assessment tools to gauge understanding financial goals, debt management and plans for retirement and other life events like purchasing a home. Colleagues are incentivized to take a financial wellness assessment and build their own personalized financial management plan.

Ensuring Colleague Safety

A holistic view on colleague health begins with a strong commitment to health and safety; our robust safety program has earned the trust of our colleagues and helps reduce risks. In 2019, we implemented Safety Service Plans (SSPs) in multiple business units, analyzing data and concentrating on key areas of risk to reduce the chance of incidents. We began this process at our retail locations in March 2019, expanding to distribution centers throughout the year. Our safety metric dashboard provides a detailed overview of where we see best-in-class safety performance and where we may have an opportunity to reduce risk. We focus on identifying causes and improving performance when workplace incidents occur.

Through the implementation of SSPs in 2019, we also engaged leaders in promoting a culture of safety. With safety task forces in place at each distribution center, we empowered leaders and safety business partners to identify policies, procedures and processes that could improve their own operations. In 2019, our Occupational Illness Frequency Rate (OIFR) for our retail business was 3.52, well below the national average of 4.0.

Stepping Up for Safety

We started using step ladders in our stores to assist with activities such as stocking shelving units, with the goal of reducing colleague injuries. These injuries decreased by nearly 40 percent in 2018 and an additional 25 percent in 2019. Through the implementation of this program, CVS Health has seen more than \$3.2 million in cost reductions and more importantly, made a safer and more efficient workplace for our retail colleagues.

40%

reduction in injuries
in 2018, plus and additional
25% in 2019



Healthy Business

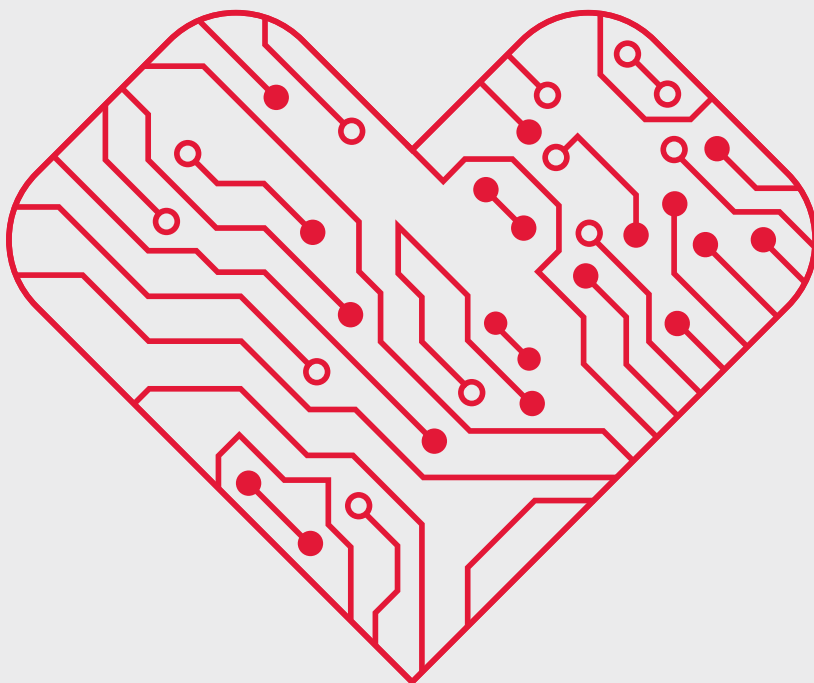
Continuing Best-in-Class Governance Practices

As a leader in health care, we are committed to being among the best companies from a governance standpoint. Through the leadership of our Board of Directors and senior leaders, we maintain transparency and integrity across all of the ways we govern our business, including compliance, privacy, information security, public policy and supply chain responsibility.

It is the responsibility of our Board of Directors to guide our policies and practices. Board members work closely with our senior leaders to ensure we deliver on our purpose, while executing on our business strategy. Our [Corporate Governance Guidelines](#) provide this framework, outlining performance expectations of our Board of Directors and its relationship with management, while also meeting the needs of our stockholders.



Information Security Achievements in 2019



A strategic approach to risk mitigation.

Completed a functional inventory across the organization, allowing us to measure maturity of global security functions as part of our Aetna integration activities. Important components include identifying internal and external risk factors and priorities for our integration process.

Best practice design and standardization.

Aligned strategy across the organization by establishing consistency in processes and procedures, yielding more mature security practices throughout the enterprise.

Comprehensive third-party risk management.

Evaluated third-party risks through IT, information security, procurement and key business functions. We completed a comprehensive risk management process in 2019 to evaluate and qualify third parties that store, process, transmit or destroy data.

Protection from phishing attacks.

Reinforced good email hygiene to reduce the impact of phishing attacks against both colleagues and customers. In 2019, we performed both phishing and vishing (voice phishing) assessments enterprise-wide and continued to provide colleagues with phishing tools and alerts.

Using data analytics to monitor threats.

Continued to effectively utilize data science tools and techniques to monitor for threats to our business. Our data scientists will continue to pursue innovative security management techniques in 2020.

Promoting a Strong Culture of Compliance

Our commitment to compliance starts at the highest levels — with our CEO and Board of Directors. Our program promotes the importance of compliance across our business and incorporates the seven elements of an effective compliance strategy as outlined in the [Federal Sentencing Guidelines](#). Our compliance program and policies apply to all colleagues, the Board of Directors and certain vendors.

CVS Health colleagues demonstrate this commitment through our annual [Code of Conduct](#) training, which 99.9 percent of colleagues completed in 2019. We also continued to enhance course design and streamline content to be timely and relevant for our colleagues with the help of a new Compliance Training Steering Committee.

CVS Health has maintained a [voluntary arbitration program](#) that provides for the efficient and fair resolution of employment-related claims. In addition, colleagues, business partners, patients and any other individuals with concerns about our company can call our anonymous and confidential [Ethics Line](#). Each call to our Ethics Line is investigated and the company promptly addresses any verified compliance issues.

Protecting Data Privacy and Information Security

Responding to the needs of an increasingly digitally focused society,

CVS Health continuously works to elevate our protection of personal and patient health information. Our patients, customers and colleagues trust us with their valuable personal information, and it is our responsibility to safeguard it.

In 2019, we maintained and renewed our independent certification of essential security practices and completed audits of our information security controls, in accordance with guidelines established by the [American Institute of Certified Public Accountants \(AICPA\)](#).

We assess and test our security processes on an annual basis.

Advancing Public Policy

On both a national and state level, we remain focused on advocating for legislation to improve access to quality, affordable health care for clients, members, patients and consumers. We collaborate with federal and state policymakers, industry peers, the business community, nonprofit and civic partners to ensure people get the right care at the right time, in the right setting.

In 2019, we focused our efforts on engaging policymakers around improving health outcomes, protecting consumers from surprise medical bills and lowering high prescription drug costs. Additionally, we were central players in the policy dialogue on social determinants of health, the

opioid crisis and our vision for the transformation of health care. We advocated legislative solutions where necessary and for solutions that could be easily implemented within the existing statutory and regulatory framework to reduce costs for consumers, patients and clients. By lending our voice to policy conversations on access and affordability, we remained focused on putting patients' health first.

CPA-Zicklin Index score of 92.9 percent (Trendsetter) in 2019. This annual, non-partisan study is used as a resource for those seeking to understand which public companies lead in transparency and accountability.

Responsible Marketing and Advertising

We are committed to the highest ethical standards in our business operations and our marketing practices, and it is our goal to communicate about our business transparently and responsibly to our customers, colleagues, clients and patients. In 2019, we released our [Commitment to Responsible Marketing Practices](#), which demonstrates these beliefs and aligns to our business strategy.

Our focus on transparency and ethical standards is brought to life through the CVS Beauty Mark. Launched in 2019, the Beauty Mark is a watermark



Expansion of Preventive Care Benefits

In July 2019, the Internal Revenue Service (IRS) announced it would add certain medical care services for a range of chronic conditions to the list of preventive care benefits that may be covered by a high deductible health plan with a health savings account prior to satisfaction of the deductible. CVS Health urged the Administration to take this step and had long advocated for an expansion of preventive care benefits to include drug coverage for chronic conditions. This action will improve health outcomes and help make drugs more affordable at the pharmacy counter.

that signifies imagery advertising beauty and personal care products has not been digitally altered. This commitment to authentic, unaltered images includes the imagery created for our stores, marketing materials, websites, apps and social media. For more information on Beauty Mark, please see the [Healthy People section on page 40](#).

A key component of our approach to responsible marketing is being intentional about the messages we send to our customers and patients and how those messages impact their health. In our health care services business, we invested in significant improvements in marketing operations and technology in 2019. We developed a governance model for member communications, streamlined member messaging and implemented plain language initiatives to simplify what can often be complex topics. We also introduced automated communications tools to build compliant editorial, business and advertising materials. These investments ensure clarity and consistency in our messaging and improve our members' experience.

Supply Chain Responsibility

With an operational footprint in the U.S. and a global supply chain presence, we can generate positive economic and social impact throughout the world. By responsibly working with our supply chain, we can create a positive impact

on the communities and ecosystems on which our supply chain relies. Our [Responsible Sourcing Standard](#), which we introduced in 2019, outlines our vision and aspirations for responsible sourcing, as well as the principles that we expect to guide our suppliers.

We work closely with our suppliers to ensure the companies we work with are sharing our commitments to operating a healthy business.

Investing in Diverse Suppliers

Our commitment to diversity extends into our supply chain and we're proud to be recognized as a leader supporting the economic growth of diverse suppliers. As we invest in diversity, we're supporting the communities in which we live and work. We collaborate with our own business leaders to ensure diversity is a priority in how we source goods and services, including those from enterprises owned by women, people of color, veterans and service-disabled veterans, people with disabilities and LGBTQ people, as well as businesses owned by people who are socially and/or economically disadvantaged.

With a leading supplier diversity program, we have set bold targets to ensure our processes to meet those targets are transparent. We continue to refine our tracking systems, and this year, we underwent a process to better monitor our spending in order to report the full picture of our supplier diversity

across our business. In 2017, we reached more than \$1 billion of spend with diverse suppliers and have maintained our status as a member of the [Billion Dollar Roundtable](#), with more than \$2.2 billion spent with small and diverse suppliers in 2019. We also continue to work toward our 2020 goal to spend \$1 billion with diverse Tier II suppliers, having spent more than \$750 million in 2019.

We work closely with our suppliers to ensure diverse- and women-owned entities maintain their certification and have access to important programs to build their businesses. In collaboration with Roger Williams University in Providence, RI, we offer a professional development program, the [CVS Health Executive Learning Series for Diverse Suppliers](#). Offered both online and in-person in a flexible format for busy small business owners, the program provides practical education in topics including leadership, human resources and how to work with a large company. In 2019, 13 graduates completed the program.

We believe we have a responsibility as a leader to use diverse suppliers in other areas of our business. In 2019, we launched the Merchandising Accelerator Program, a pilot allowing diverse suppliers to present their products to our merchandising teams to consider offering these products at CVS Pharmacy. Through this program, 18 suppliers applied and six were

selected to present to our Executive Leadership team. [Healthy Crunch](#) was chosen for a test-and-learn program at CVS Pharmacy in early 2020, in which we will sell product at select stores and evaluate results to determine success.

Safeguarding Human Rights

Our commitments and policies related to human rights align to internationally recognized standards and are aimed at preventing adverse impacts in our direct operations. We require all colleagues to review and acknowledge our [Human Rights Policy](#) annually, which outlines our commitment to respecting and supporting these rights, including basic labor principles. The policy applies to all our colleagues, including the Board of Directors, as well as our supply chain and other companies with which we do business.

We also ensure compliance with our Human Rights Policy and improvements to CVS Health's supplier factories through our social compliance program. As part of our ethical sourcing efforts working with the [Customs-Trade Partnership Against Terrorism \(CTPAT\)](#), we address critical risks in supply chain manufacturing, including (but not limited to) health and safety, chemical management, environmental sustainability, recognizing forced labor and corrective action planning. Learn more in the [CSR Report Appendix](#).

CVS Health Recognitions for Supplier Diversity

GNEMSDC – National Corporation
of the Year and Buyer of the Year

WE USA Magazine, inclusion of
CVS Health in the magazine's 2019
Best of the Decade

WPEO Commitment to Success of
Women's Business Enterprise

WBENC, 2019 Top Corporations for
Women's Business Enterprises – Silver

Thank You Letter from Rev. Jackson
for participation in Wall Street Project

Diversity Plus Top 30 Champions
for Diversity

Diversity Inc. – Top 50, #1 for
Supplier Diversity



CVS Health
Supplier Diversity
2019 Impact

\$5.6B

in economic impact

35K

jobs supported

\$1.9B

in wages created



Ruby Award Winners: Awards for CVS Health Diverse Suppliers



Each year CVS Health recognizes diverse suppliers who have exhibited a strong commitment to our mission and values and demonstrated exemplary performance, industry leadership, business success, economic impact and community involvement.

This year, we are proud to recognize:

Star of the Year
Hollingsworth LLC

Rising Star of the Year
New Normal Life

Rising Star of the Year
UHC Construction Services

Collaborator of the Year
Don McKneely, *MBN USA Magazine*

Collaborator of the Year
Mae Gammino, Gammino Creative Group

Procurement Buyer of the Year
Jim Sullivan, Senior Contracts Manager

Procurement Buyer of the Year
Timothy Crandall, Senior Consultant, Strategic Sourcing

Advocate of the Year
Bryant Spencer, Senior Director, Merchandising

Leader of the Year
Maly Bernstein, Vice President, Merchandising

Growth and Development Champion of the Year
Roger Williams University College

Ten Years with WEI

Minority-owned WEI provides IT solutions to CVS Health across our business, including digitized scales for prescription inventory, CVS Pharmacy location digital signage and mobile solutions for colleague training and more. Part of our commitment to generating economic impact is providing opportunities for our suppliers to grow their business and expand their own network of diverse suppliers. “Our longstanding relationship has created what I believe is the ultimate trickle-down effect,” said Leslie Rosas, Co-Founder and Vice President of WEI. “An organization like CVS Health that chooses to partner with a diverse supplier like WEI allows us to use more diverse suppliers in our supply chain and create a more diverse workforce.”





Healthy

Community

Healthy Community

On our journey to transform health care, CVS Health's commitment to supporting the communities we serve remains a driving force in building healthier communities.



Material topics aligned with this pillar:

- Access to Quality Health Care
- Community Investments
- Smoking Cessation
- Social Determinants of Health



UN SDGs:

- Zero Hunger (2)
- Good Health and Well-Being (3)
- Quality Education (4)

By working with other community-focused organizations and through innovative programs that can be executed in a variety of communities, we are driving positive health outcomes and reducing overall costs.

The strength of our business, and the strength of those businesses and organizations with which we work, help us address key public health challenges, while maximizing local impact. Our work centers on being local and engaging people with the care they need, where they need it. We think about how we can improve the health of the communities we serve through strategic philanthropic investment opportunities — but also by using the inherent strengths across our business. From *Project Health*, our initiative to detect risks for chronic conditions among underserved populations, to providing free heart health screenings at MinuteClinic to support the American Heart Association, we are helping increase availability of accessible, affordable care.

Our roadmap for transforming community health is demonstrated through *Building Healthier Communities*, a \$100 million commitment we made in 2019 to make community health and wellness central to our charge for a better world. *Building Healthier Communities* showcases how our best-in-class national organizational efforts, along with our deep local community relationships, directly improve health outcomes through customized approaches in communities across the country.

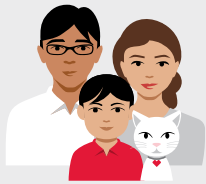
Healthy Community

Investing in Community Health

With nearly 10,000 local touchpoints in communities across the country, CVS Health is delivering on our purpose of helping people on their path to better health through strategic community investments. Our approach to philanthropy starts with a look at key health disparities in cities and states. Our goal is to very specifically invest in the programs that will help alleviate these disparities, while also filling the gaps left in our commercial business.

We support communities in a variety of ways — most notably through the more than \$100 million invested annually through our company and the [CVS Health](#) and [Aetna Foundations](#). In 2019, we donated more than \$150 million in community support through philanthropic investments, in-kind donations, colleague volunteerism and giving, and in-store fundraising and cause marketing.





We focus our giving in three key areas:

- Increasing access to health care to ensure that all Americans, especially those that are more at-risk, have access to affordable, quality health care. Our goal is to support even more patients, particularly in underserved areas, to engage in improving their personal health.
- Impacting key public health challenges, including chronic disease, prescription drug misuse and abuse, food insecurities and tobacco use. Helping to alleviate these challenges helps us fulfill our commitment to improving health outcomes for all Americans.
- Working with local communities on identifying and addressing their most pressing health issues. This includes everything from being responsive during times of disaster to helping address the key social determinants of health — especially in locales with fewer favorable health outcomes.

Increasing Access to Health Care

At the heart of our purpose of helping people on their path to better health is our commitment to breaking down the barriers for people to access quality and affordable care. Through key community organizational efforts and programs, we are investing in health care for underserved populations at the local level and improving outcomes for those managing chronic conditions.

Expanding Healthcare Services with Project Health

Our *Project Health* campaign connects multicultural communities with large numbers of uninsured or underinsured residents to free, comprehensive health assessments that detect early risks for chronic conditions. Following a biometric screening of blood pressure, cholesterol and glucose levels, participants meet with a nurse practitioner and CVS Pharmacy pharmacist, who provide referrals for treatment and advice on follow-up care. For uninsured and underinsured patients, we provide information on low- and no-cost provider options. We also offer an Individual Health Access Plan for all patients undergoing screenings, with suggestions related to target numbers, nutrition and fitness.

Project Health's work expanded meaningfully in 2019, reaching 17 service areas across the U.S. and in Puerto Rico, and providing more than \$6.4 million of free medical services. Our expansion in California stretched across the state with more than 300 events, serving nearly 25,000 individuals. As we expand this program, it will also include more screenings related to social determinants of health, including family, education, housing and access to fresh, healthy food.

Since its inception in 2006, *Project Health* has delivered more than \$133 million in free health care services to more than one million Americans. In 2019, 45 percent of patients reported they would change their diet or exercise based on information from their screening, and 27 percent noted they would follow up with their primary care provider following the screening. Looking into 2020, *Project Health* plans to host hundreds of events across 16 cities in the United States and Puerto Rico.



Project Health
in 2019

838

events

70,000

participants

215K

biometric screenings

2,113

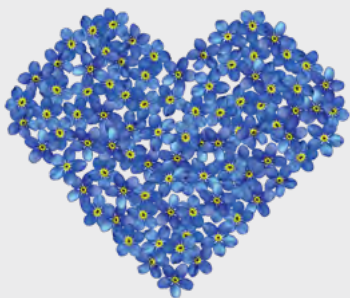
smoking cessation
counseling sessions

2,672

referrals for flu shots

\$6.4M

worth of free
medical service



A Future Without Alzheimer's

“The Alzheimer's Association is grateful for the commitment and enthusiasm CVS Health brings to the fight against Alzheimer's. The funds raised through our collaboration will bolster our efforts to support families facing Alzheimer's and advance much needed research that will one day change the future for millions.”

– Donna McCullough, Chief Development Officer, Alzheimer's Association

Helping Communities Tackle Chronic Disease

As the largest retail pharmacy in the U.S., we are working every day to help patients manage their chronic conditions and improve health outcomes. Six-in-every 10 adults eventually suffer from heart disease, cancer, lung disease, stroke, Alzheimer's, diabetes or kidney disease, the leading causes of death and disability and the primary drivers of the nation's \$3.5 trillion in annual health care costs. We are working with some of the nation's most respected organizations to make a difference in the fight against these devastating conditions.

In 2019 we launched a new, three-year \$10 million collaboration with the Alzheimer's Association to help build a future without Alzheimer's and other dementias. More than 5.7 million Americans live with Alzheimer's or other dementia-related illnesses today — a number that is expected to grow to 14 million by 2050. And more than 16 million family members and friends currently serve as Alzheimer's caregivers. Our support of the Alzheimer's Association provides care and support services for patients, their families and caregivers, while advancing research toward treatment, prevention and ultimately, a cure.

Our collaboration with the Alzheimer's Association includes an annual in-store fundraising campaign at CVS Pharmacy during the month of November (National Family Caregiver Month), national sponsorship of the *Walk to End Alzheimer's* events across the country and engagement with local Alzheimer's Association chapters for our colleagues and communities. Funds raised through this campaign will also be used by the Alzheimer's Association to develop a new caregiver education program for in-person and online delivery in English and Spanish.

As the national sponsor of the *Go Red for Women* movement, we work closely with the American Heart Association to advance research and awareness for heart disease and stroke, the leading killer of women in the U.S. Heart disease causes one-in-three deaths of women annually, and 90 percent of women have one or more risk factors for developing heart disease. Through our support of Go Red for Women, we host an annual in-store fundraising campaign at CVS Pharmacy and engage our colleagues in supporting women's heart health through events in local communities throughout the year.

Together, we are also empowering women to take charge of their heart health by knowing the five personal health numbers that can help determine their risk for heart disease: total cholesterol, HDL (good) cholesterol, blood pressure, blood sugar and body mass index. In 2019, we hosted free health screenings at MinuteClinic every Thursday throughout the month of February for patients to know their numbers.

One-in-three people in the U.S. will be diagnosed with cancer at some point in their lives. As a long-standing collaborator with the [American Cancer Society](#), we are working together to attack cancer from every angle, including reducing tobacco use, the leading cause of cancer, to positively impact cancer outcomes, reduce the prevalence of tobacco-related cancer incidences and help more people on their path to better health.

We have worked with the American Cancer Society and the [Truth Initiative](#) to deliver more than \$5 million in grants to more than 225 institutions of higher learning to help accelerate and expand the number of 100 percent smoke- and tobacco-free college and university campuses, as well as community colleges and historically black colleges and universities through our [Be the First](#) initiative. The grants help institutions take a comprehensive approach to implement tobacco-free campus policies, including cessation,

education and support services for students. And through an annual in-store fundraising campaign each August, we are raising critical funds to support cancer patient services programs, breakthrough research and cancer prevention efforts, including tobacco control, the number one cause of cancer.

Since 2014, we have worked with the [National Association of Free and Charitable Clinics \(NAFC\)](#), to support the needs of nearly 1,400 free and charitable clinics nationwide. Together, we are able to support clinics to increase access to quality care and support the management of chronic disease, provide more wraparound services to address the social determinants of health and support treatment and prevention of substance abuse, including opioid and tobacco. Patients served by NAFC member clinics who receive these services are typically uninsured, underinsured or otherwise unable to access health care services. Since 2014, the CVS Health Foundation has awarded more than \$9.7 million in grant funding to NAFC in 45 states across the country to serve those with the greatest need in our local communities. This support has allowed NAFC's member clinics to provide care to tens of thousands of additional patients, added thousands of hours of operations and helped save more than \$12 million in avoided emergency room costs.



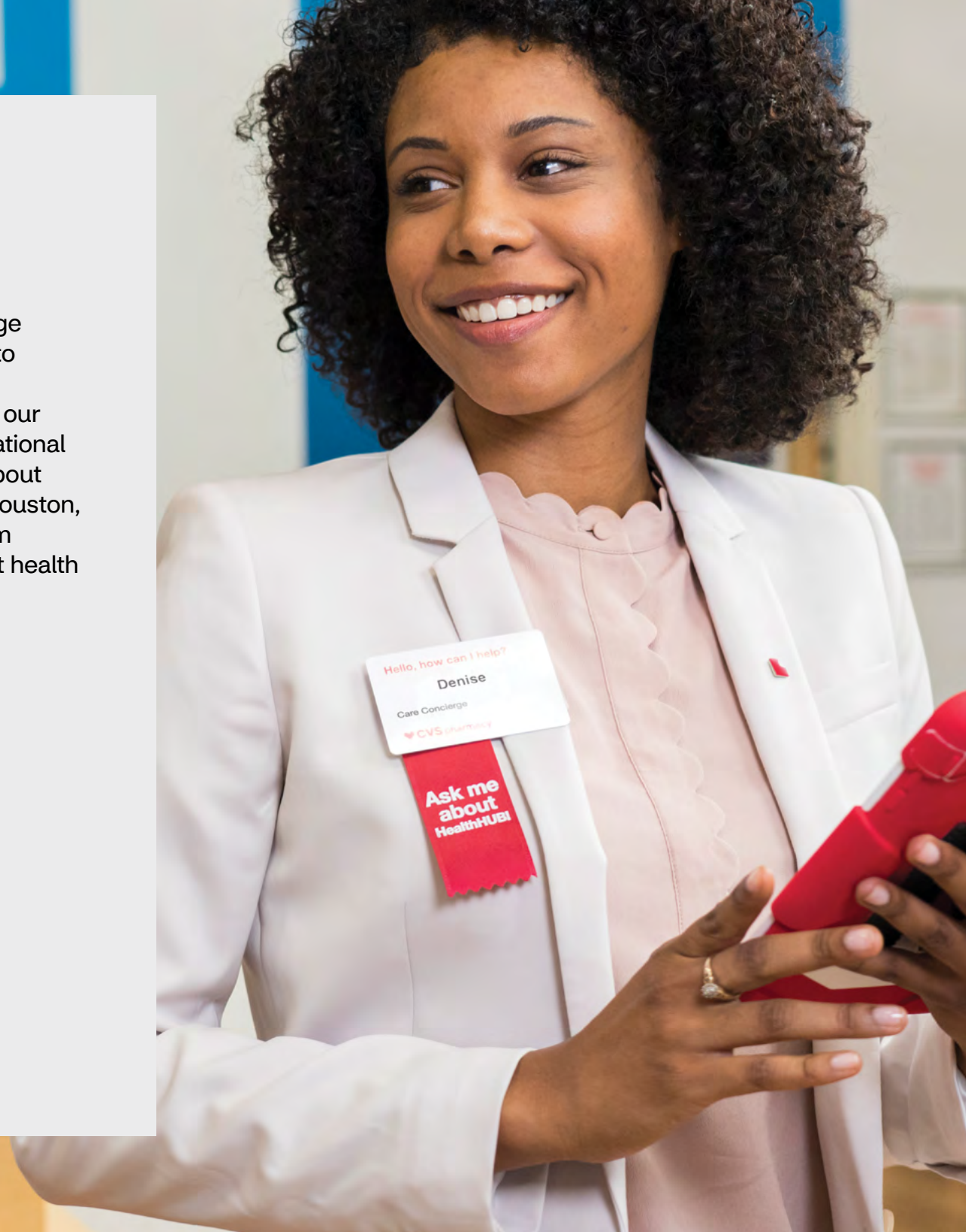
Affordable, Accessible Health Care to the Medically Underserved

The National Association of Free & Charitable Clinics (NAFC) presented Eileen Howard Boone, Senior Vice President of Corporate Social Responsibility and Philanthropy and Chief Sustainability Officer for CVS Health and President of the CVS Health Foundation, with the NAFC 2019 Safety Net Health Care Champion Award. This annual award highlights the important work being done across the country to provide affordable, accessible health care to the medically underserved. It honors an individual who through their actions has made an extraordinary impact on the organization, the free and charitable clinic and charitable pharmacy community, and most importantly their patients.

“Under Eileen Howard Boone’s leadership, our member organizations have grown in their ability to support their communities and their patients. Her personal commitment to the medically underserved in our country is evident; she is a thought leader when it comes to philanthropy, enhancing collaborations and expanding health care access to the medically underserved in the country.” – Nicole Lamoureux, NAFC President and Chief Executive Officer

HealthHUB Community Rooms

Our new HealthHUB locations include a community room where our care concierge teams work with customers and patients to provide health and well-being resources. These rooms are also a great resource for our community partners to host on-site educational events for patients to share information about programs and disease management. In Houston, the local American Heart Association team utilized our community room to host heart health education sessions for local patients.



Tackling Public Health Challenges

A critical component of the opportunity we have to transform community health is taking on some of our nation’s most pressing public health challenges. We are committed to protecting and improving the health of people and their communities. Through investments in education, prevention and improvements in environmental and social factors that support a healthy lifestyle, we are having a positive impact on community health.

Be the First: A Tobacco-Free Generation

Our most important work to improve the health of individuals and communities is our vision for a tobacco-free world. As we support patients managing chronic conditions, one of the best ways we can advance our purpose of helping people on their path to better health is to help those who smoke to quit and ensure those who don’t smoke never start.

We were proud to be the first — and continue to be the only — national pharmacy chain to remove tobacco products from our store shelves. In addition to investing in cessation programs for people of all ages, we have made significant investments in tobacco prevention initiatives for youth. *Be the First*, a five-year, \$50 million commitment by CVS Health and its charitable foundations that aims to deliver the first tobacco-free generation, brings together the nation’s

leading anti-tobacco and youth-serving organizations to support education, advocacy, tobacco control and healthy behavior programming. This initiative not only focuses on the use of combustible cigarettes, but also addresses the skyrocketing rate of e-cigarette use and vaping among youth.

To help combat these alarming trends, CVS Health and the CVS Health Foundation awarded more than \$16 million in grants in 2019 to organizations that provide an array of tobacco-free programs, including:

- Expanding youth tobacco and e-cigarette prevention curriculum in classrooms and communities across the country
- Supporting clinicians with trainings and resources on screening youth for tobacco and nicotine use
- Helping youth become tobacco-free advocates in their own communities
- Creating more smoke-free college campuses across the country

This year marked the five-year anniversary of removing tobacco from our stores. Although we are proud of our progress, we know we have additional work to do. We collaborate with the following organizations to help combat the rise of e-cigarette use among youth across the country:

- **American Academy of Pediatrics: Providing comprehensive education and clinical training on e-cigarettes.**

Together, we developed a tool designed for pediatricians and other children’s health professionals interested in effective tobacco counseling techniques, including approaches to discuss cessation treatments and properly document e-cigarette use during medical visits.

- **Discovery Education and the CATCH Global Foundation: Equipping educators with resources to counter the vaping trend.** *Be Vape Free* provides online e-cigarette prevention resources at no-cost to educators teaching grades 5–12. The CVS Health Foundation committed \$3 million to fund this multi-year collaboration that uses the evidence-based program, *CATCH My Breath* and the best-in-class distribution model through Discovery Education.
- **DoSomething.org: Engaging youth to spread the word.** DoSomething.org is a global organization motivating youth to take action around social change through campaigns that make an impact. *The Hit We’ll Take* campaign worked with YouTube sensation *Silentó* to share a guide for youth to teach friends about the dangers of e-cigarettes.

Since 2014, we have proudly served as national presenting sponsor of the American Lung Association’s LUNG FORCE initiative. Every five minutes in the U.S., a woman is diagnosed with lung cancer, yet in the last 41 years, the rate of new lung cancer cases

has fallen 35 percent among men while increasing 87 percent among women. Although anyone can get lung cancer, the number one risk factor for lung cancer is smoking. With the American Lung Association (ALA), we are supporting programs that allow smokers in select communities across the country free access to ALA’s proven-effective Freedom From Smoking® program. Support for these programs is provided through *Be The First* and gets us closer to the American Lung Association’s vision of a world free of lung disease.

“The spread of e-cigarette use among youth jeopardizes the progress made in reducing smoking over the last two decades. By collaborating with experts and aggressively investing in innovative strategies, we believe that we can help reverse this disturbing trend.”
– Troy Brennan, M.D., M.P.H. and Chief Medical Officer for CVS Health.

Though research from the CDC shows the percentage of high school students who are current cigarette smokers decreased in 2019, e-cigarette use is a growing concern. More than 5 million middle and high school students reported using e-cigarettes, an increase from 3.6 million in 2018 and 1.5 million in 2017. Youth who use e-cigarettes are also using them more frequently and are using flavored products more year-over-year.

Tobacco Free Rhode Island



Across the country we are seeing a surge in the rates of e-cigarette use among youth. We have partnered with many different stakeholders to bring education, advocacy and health behavior programs to students in local communities. In 2019, a key collaboration in our home state of Rhode Island helped advance this work through our support of Tobacco Free Rhode Island (TFRI), a program of the American Lung Association. In 2018, Rhode Island passed a law prohibiting e-cigarette smoking in all public schools and as a result, TFRI received many requests from administrators, faculty and staff who were looking for ways to raise awareness and comply with the law.

Through a \$30,000 grant from CVS Health, TFRI began a year-long process of gathering stakeholders in an effort to create a recommended policy for Rhode Island Schools that would ensure compliance with the new smoke-free school requirement. This dedicated group comprised of school administrators, state agencies, medical professionals, prevention specialists, students, school resource officers, student assistance counselors and parents, who provided insights, expertise and research to develop the Tobacco Free Rhode Island model school policy. TFRI then provided trainings and technical assistance to schools across the state to help them implement this new model policy, reaching more than 12,000 students.



CVS Health Joins the Quit Big Tobacco Initiative

In 2019, CVS Health joined the Quit Big Tobacco (QBT) initiative, pledging to cut ties with any marketing agency that has tobacco or e-cigarette companies as clients. CVS Health added this requirement to all master service agreements and existing contracts with agencies.

In March 2020, CVS Health's Chief Marketing Officer, Norman de Greve, was to join leaders from the QBT initiative at South by Southwest® 2020, prior to its cancellation, to discuss purpose-driven marketing and how ethical, health-conscious business decisions contribute to a healthier world.



Supporting Partners to Address Opioid Misuse

We recognize the importance of tackling opioid misuse at the local level, with local solutions. We've launched education programs for teens and parents and support organizations across the country to support prevention, treatment and recovery efforts.

The National Association of Community Health Centers (NACHC) is a long-standing collaborator, supporting hundreds of community health centers across the country in chronic disease management and opioid misuse and treatment. The CVS Health Foundation's more than \$3 million commitment to NACHC helps develop more efficient and effective systems for screening, identifying, engaging and coordinating care for patients using and misusing prescription drugs or other substances. Our commitment increases access to medication-assisted treatment and other recovery services. These programs create safe, non-judgmental environments for patients and emphasizes safe, clear and effective protocols for prescribers.

The NACHC in collaboration with the CVS Health Foundation will be publishing a white paper, as well as a spotlight video, focused on how the partner organizations from the first and second NACHC cohort worked to mitigate and prevent opioid misuse in underserved populations; what

systems were used to screen, identify, engage and coordinate care for patients with SUD and OUD; protocols for prescriber practices, with an emphasis on clarity, safety and effectiveness; and best practices for cohort participant organizations.

Through our company and the CVS Health and Aetna Foundations, we have invested more than \$7 million to support mitigating and preventing prescription drug misuse and abuse over the last three years. This includes an innovative relationship with America's Essential Hospitals — the national association of safety-net hospitals — to build a program to address the issue of opioid misuse, dependency, overdose and treatment. Through a \$3 million investment from the CVS Health Foundation, we will fund more than 30 safety-net hospitals to add the Office-Based Addiction Treatment (OBAT) model. We'll also use the insights from those hospitals to build a learning collaborative on the protocols and successes which will be disseminated to the broader 300-member safety net hospitals.

As part of our *Building Healthier Communities* initiative, we are investing in community partners that are improving the health and wellness of communities impacted by prescription opioid misuse and abuse. The Harm Reduction Coalition (HRC) promotes the health and dignity of individuals and communities affected by drug misuse and provides a critical

voice for those in the most vulnerable communities. Support from CVS Health, totaling \$750,000 over the next three years, will support HRC as they tackle critical health issues faced by residents in California related to prescription opioid misuse and abuse. This critical funding will also support HRC's Community Engagement Network to Expand Resources (CENTER) Initiative, a three-year, state-wide effort designed to expand, develop and deepen harm reduction services throughout California, which will convene diverse stakeholders to address drug-related stigmas, supporting syringe services programs with training and technical assistance, hosting state and national conferences and developing culturally relevant resources as a means to be better equipped to respond to the needs of people who misuse and abuse prescription drugs, their families and impacted communities in California.

In 2020, we introduced two new collaborations through the CVS Health Foundation — focused on preventing prescription drug misuse and helping people manage addiction. With Young People in Recovery, we will support peer-to-peer recovery models — a best-in-class approach to support patients seeking treatment from prescription drug addiction. Through a nearly \$100,000 investment, we will support Young People in Recovery to launch *My Recovery is EPIC (EPIC)*, a digitized version of YPR's innovative and peer-tested life-skills curriculum.

This includes improving access to housing, education and employment. EPIC is informed by the four dimensions that the [Substance Abuse and Mental Health Services Administration \(SAMHSA\)](#) has identified as being critical to a successful life in recovery: health, home, purpose and community.

We are also increasing access to safe disposal methods of prescription medication in local communities. Since 2014, we have donated more than 1,000 medication disposal units to local police departments to provide safe, public places where patients can dispose of unwanted medications. Learn more about our work to provide safe disposal in local communities in the [Healthy People section on page 38](#).

Our pharmacists bring our purpose of helping people on their path to better health to life by donating their time to go into classrooms to educate teens and parents on the dangers of misusing prescription drugs. Through [Pharmacists Teach](#), we have delivered more than 13,000 presentations across 48 states, the District of Columbia and Puerto Rico to nearly 570,000 teens and parents.

Addressing Social Determinants of Health

Approximately 60 percent of a person's life expectancy is influenced by social and environmental factors, such as access to proper housing or water and air quality, combined with individual behaviors like one's dietary choices and screen habits. As a leader in health care, we understand that we have an unprecedented opportunity to improve the health of individuals and communities across the country, which is why we're addressing the social determinants of health and helping people improve their health outside the clinical setting.

Research shows that among social determinants of health, education has an outsized influence. CVS Health supported the development of the SMART model for student health, which stands for [School Health Model for Academics Reaching All, Transforming Lives](#). A public-private partnership, this innovative school health solution brings quality, affordable care to students. In the six years since SMART was launched, participating schools have experienced increases in graduation rates and school attendance, while rates of chronic absenteeism and suspensions declined.



Making Pharmacists Teach a Success

District Leader Ilesh Gorasiya is responsible for overseeing CVS Pharmacy locations for a portion of the Houston, TX service area. Upon hearing about the opportunity to get pharmacists volunteering their professional expertise in the community through Pharmacists Teach, Ilesh sprang into action and launched the program in only three months. Today, Ilesh has a goal to reach each school district in the greater Houston area. Of the program's impact, Ilesh says, "I'm extremely proud to lead Pharmacists Teach in our region and impact so many lives. I want every kid in the Houston area to know CVS Pharmacy as a place that teaches kids about substance misuse disorder."

"Four years, six schools and about 3,000 students later, I am convinced that every child, with the proper guidance and tools, can make the choice to live a healthier life and obtain their full potential." – Nurat Allison, RPh, Pharm.D. Pharmacist in Houston, TX area

"I commend the collaborative work of CVS Health pharmacists. It is essential to equip our students with the knowledge to make healthy life choices and do everything we can to make them aware of the dangers associated with misusing prescription drugs and opioids." – Lori Sartain, Assistant Director of Health and Wellness, Fort Bend Independent School District, Houston, TX



Our Investments in Affordable Housing

Our investments in affordable housing, totaling \$50 million as of the end of 2019, help provide support for underserved and at-risk populations nationwide. Specific populations include those who require behavioral health services, are homeless or at risk of homelessness, have HIV/AIDS diagnoses, substance abuse issues or long-term chronic health conditions. We are also working with community organizations to provide access to services that help increase independent living skills, such as cooking and nutrition, financial literacy, health information classes, resident outreach and engagement, client-centered treatment plans and social support. Learn more about our investments in housing in the [Healthy People](#) section.

\$50M

in investments have been
made in affordable housing
as of the end of 2019

Helping to Address Opioid Abuse in Virginia



In 2017, there were more than 70,000 deaths in the U.S. from opioid overdoses reported — the largest number in a single year to-date, according to the CDC. In Virginia, the Department of Health declared the state’s opioid epidemic a public health emergency in 2016. Emergency department visits for heroin overdoses from January to September 2016 increased more than 85 percent compared to the same timeframe in 2015.

A \$1 million grant from the Aetna Foundation to the Northern Shenandoah Valley Substance Abuse Coalition (the Coalition) will allow the Coalition to build an innovative model that will help law enforcement serve as a community resource for overdose victims and save more lives. By building a collaborative team of key community stakeholders, including law enforcement, case managers and counselors, the Coalition will connect non-fatal overdose victims with a support system before they are discharged from local hospitals.

“Virginia has made progress in combating the overdose crisis over the last several years, but we know there is more work to be done,” said Dr. Carey. “Tapping into one of our best resources, our men and women in local law enforcement, will move our efforts even closer to the frontline and will allow us to help save more lives moving forward.”

The Healthiest Cities and Counties Challenge



Rates of chronic disease and other health outcomes vary greatly in communities that have access to affordable, healthy foods, and quality health care services. Average life spans can vary by 20 to 30 years between communities that are just miles apart. To support health equity in local communities across the country, the Aetna Foundation has worked with the American Public Health Association and National Association of Counties to invite city- and county-level teams to participate in the *Healthiest Cities and Counties Challenge*.

In 2019, the *Healthiest Cities and Counties Challenge (HCCC)* awarded two grand prizes to city- and county-based teams that had outstanding impacts on the health of their communities. This was the culmination of a two-year competition among 50 teams chosen for HCCC. Community leaders in Bridgeport, Connecticut, received a \$250,000 prize in the small city category for their work in developing the East End NRZ Pop-Up Market, the first healthy food retail establishment in the neighborhood in over 40 years. In Mecklenburg County, North Carolina, the Village HeartBEAT project was awarded a \$500,000 prize in the mid-sized county category. Village HeartBEAT, launched by the County's Public Health Department, brought together over 60 participating churches and cross-sector partners to reach over 24,000 members of the community with activities that ultimately decreased smoking and obesity rates among high-risk populations. Governors Ned Lamont (Connecticut) and Roy Cooper (North Carolina) participated in the award ceremonies for each winner.

Supporting Local Communities

We are making communities stronger in our journey to transform health. With nearly 10,000 touchpoints in local communities that reach one-in-three Americans each year, we are committed to improving the health of the communities we serve for our patients, customers, clients and colleagues. Our approach to community health is rooted in our strategic community investments. We closely analyze the health disparities in specific communities to understand what the needs are and how we can have an impact in improving outcomes.

We know that the most effective and innovative solutions to improve health are consistently developed by addressing the needs of each specific community. In collaboration with U.S. News & World Report, the Aetna Foundation supports the *Healthiest Communities* rankings, a groundbreaking report that evaluates the health of nearly 3,000 communities nationwide across 81 health metrics in 10 categories, from education and population health to infrastructure and the environment. This interactive tool includes longitudinal data illustrating where health outcomes have improved or declined in key areas. This collaboration is one of many that emphasizes the integral role social factors play in the health of both individuals and communities.

For 2019, the top five *Healthiest Communities* score above the national

average in all 10 categories measured. Of the 81 metrics included in the analysis, diabetes prevalence and smoking rate have the strongest correlation to life expectancy. Research also found that poor self-reported mental health has nearly the same negative impacts to life expectancy as diabetes, smoking and physical inactivity, as well as linking to higher rates of poverty at the community level.

“Through our support of organizations across the country, we know that the most effective and innovative solutions to improve health are consistently developed by addressing the needs of each specific community. The *Healthiest Communities* rankings continue to provide the insights that are essential to identify key issues and support community organizations, leaders and residents who are tackling the unique social determinants of health that impact their respective neighborhoods.” – Larry Merlo, President and CEO of CVS Health.

We are also dedicated to supporting community-based organizations to ensure they have the most effective tools, resources and solutions to accelerate the improvement of health care for individuals and families across the country. By strengthening our local support and community engagement,

we can help further improve the health of our communities. Launched in 2019, our *Building Healthier Communities* initiative is making community health and wellness central to our charge for a better world.

Supporting Communities in Times of Disaster

Over the last several years, we have seen an unprecedented number of natural disasters. When a disaster strikes, we’re committed to supporting relief and recovery efforts in local communities within the first 48 hours. We work with national, state and local entities first to understand the needs in the local community and then provide financial support, product donations and employee volunteers. Our priority is to ensure that first responders have the resources they need most to help their community recover and rebuild.

In times of disaster, we work with and support local organizations and key national organizations like Direct Relief, the American Red Cross and the Salvation Army to improve the health of people affected by emergencies. In 2019, we supported communities recovering from the devastating impacts of Hurricane Dorian in the Bahamas and earthquakes in Puerto Rico.

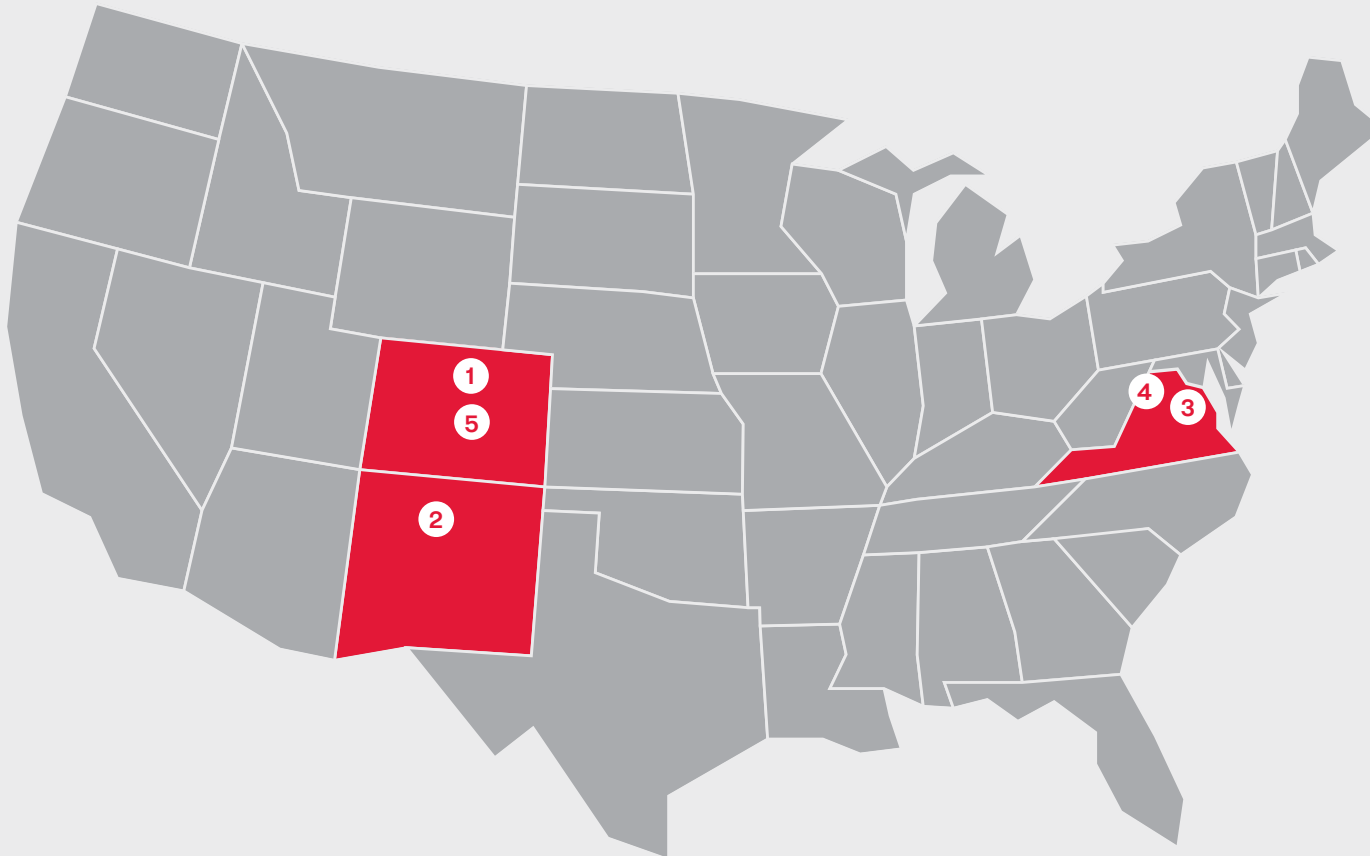
- **Bahamas:** We donated more than \$125,000 worth of product through our alliance with Direct Relief and in conjunction with NEMA of the

Bahamas. Additionally, through the Aetna Foundation we made a \$35,000 donation to World Central Kitchen, an organization that provides fresh, healthy meals to survivors of disaster. Our donation provided them with nearly 12,000 meals providing hope and comfort to those impacted.

- **Puerto Rico:** We worked with the Hispanic Federation to assess the immediate needs of the community, resulting in a donation of \$100,000 in product to residents and first responders. Our logistics and distribution center teams then worked through the night to stock a barge for departure the next morning with personal care products for residents (including diapers, baby wipes, sunscreen, tooth brushes, bug repellent, etc.), as well as clean-up products (gloves, trash bags, face masks, etc.) for first responders.

Depending on the nature of the disaster and the needs of the community, we may also staff storm shelters with MinuteClinic nurse practitioners to provide basic health care services and write prescriptions for those who have lost their medications. We can also set up mobile pharmacy trailers to fill prescriptions and offer supplies, deliver prescriptions to those unable to leave their homes and waive prescription copayments and deductibles for those in the hardest-hit communities.

Top 5 Healthiest Communities



1
Douglas County,
Colorado

2
Los Alamos County,
New Mexico

3
Falls Church,
Virginia

4
Loudoun County,
Virginia

5
Broomfield County,
Colorado

Community Development in Texas

BakerRipley is among the largest community development organizations in Texas, serving nearly 600,000 children, youth, adults and seniors each year at more than 65 service sites, with a very large presence in the Houston market. Through wellness programs, including health education and physical fitness, patients are provided with connections to primary care and resources for healthy behaviors, including nutrition.

A \$25,000 grant from CVS Health in 2019 helped BakerRipley expand three programs focused on care self-management for chronic diseases, diabetes and chronic pain. Through this relationship and our expansion efforts in the Houston area, we were also able to use our HealthHUB services for BakerRipley patients.





Employee Relief Fund

The CVS Health Employee Relief Fund (ERF) is a public charity designed to support CVS Health colleagues during times of unforeseen hardship. Primarily funded by donations from colleagues, the ERF provides tax-exempt grants of up to \$3,000 to colleagues in need due to personal emergencies including natural disasters. The ERF has provided more than \$2.8 million to colleagues in need since its inception.

\$2.8M+

has been provided to colleagues
by the Employee Relief Fund

American Heart Association®



Extending Our Impact Through Collaborations and Innovation

We have big, audacious goals for transforming health in our local communities and rely on the power our partners can bring in helping advance our impact. Together, we can reach more consumers and make a greater difference for those who need it most.

Engaging Consumers for Social Impact

We are engaging key stakeholders in our journey to transform health — most notably, our customers at CVS Pharmacy. We use our size and scale to support the country's leading experts in tackling key public health challenges. Through our in-store fundraising campaigns, we raised more than \$20 million in 2019 to raise awareness for critical causes. Collaboration with stakeholders — including our suppliers — strengthens our commitments to community health.

Through our four annual in-store fundraising campaigns, we raise support and awareness of key chronic health conditions affecting all Americans — especially our customers. Each campaign underscores our commitment to advancing community health and improving outcomes. With these organizations, we are advocating for a cure for these devastating diseases:

- **Heart disease:** The leading killer of women in the U.S. We are a national sponsor of the *Go Red for Women* movement, a signature campaign of the American Heart Association, which takes place in February.
- **Lung cancer:** The number one cancer killer claims more lives each year than breast, prostate and colon cancer combined. With the American Lung Association, we are helping to build healthier communities free of tobacco — the leading cause of lung cancer.
- **Cancer:** We've joined forces with the American Cancer Society to attack cancer from every angle to impact cancer outcomes for the millions of patients affected throughout their lifetime.
- **Alzheimer's:** More than 5.7 million Americans live with Alzheimer's or other dementias. We're working with the Alzheimer's Association to help build a future without Alzheimer's for all patients, families and caregivers.

In 2019, we worked with a number of key suppliers to extend our support for community health through campaigns at CVS Pharmacy. Through these creative campaigns, we raised much needed funds to advance programs and awareness of the impactful work of organizations in our local communities.

We also work closely with organizations across the country to use our expansive reach to promote their causes. By hosting public service announcements to promote health care causes and campaigns, we are raising awareness with our customers and providing valuable in-kind marketing and communications resources including in-store radio, social media promotion and signage.

Giving Back Through Colleague Volunteerism

Each and every day, our colleagues bring our values of caring and collaboration to life by donating their time and talents to the communities we serve. Through *Building Healthier Communities*, we are committed to driving \$10 million in value of colleague volunteer time to build healthier, more sustainable communities. Through a robust volunteer platform, colleagues can identify volunteer opportunities and engage with local organizations to address unmet health and social needs.

In 2019, our colleagues donated more than \$12 million in volunteer time to supporting thousands of organizations in the communities we serve. From team service projects, to serving on boards or as mentors and company-hosted volunteer activities, our colleagues participated in thousands of volunteer events, representing CVS Health in their local communities.

Through the CVS Health Foundation Volunteer Challenge Grant program, we support the nonprofit organizations for which our colleagues volunteer and fundraise. We are proud to enhance this program in 2020 with an additional \$1 million in support for our colleague's volunteer efforts.

We recognize that volunteerism can be a powerful addition to any employee's leadership development training. Through our skills-based volunteer program, we invest in offerings for colleagues to put their professional skills to use. From IT support and strategic planning to marketing and HR guidance, we help the nonprofits we align with to expand their reach, while also providing our colleagues with an opportunity to enhance their own talents.

- Through [CareerVillage.org](https://www.careervillage.org), a crowdsourcing platform that provides personal career guidance to students at massive scale, our colleagues offer virtual career advice to underserved youth related to pharmacy education, medical issues, work-life balance and more.

- Legal professionals working within our Aetna business unit used their professional skills to support people struggling to pay their gas and electricity bills. At *Keep the Power On*, a pro bono legal clinic on utilities, lawyers advocated for residents by working directly with utility agencies. *Keep the Power On* also connected residents to community resources that provide ongoing assistance.
- Through *Pharmacists Teach*, CVS Health colleagues use their health care knowledge to share information in communities, with topics ranging from understanding conditions like asthma and diabetes to self-care for cold, flu and allergies. Learn more about how the *Pharmacists Teach* program educates teens about the dangers of misusing opioids and other prescription drugs in the [Healthy People](#) section on page 24.
- Our *Nurses Board Service Program*, facilitated by the [Nurses on Boards Coalition](#), allows our nurses to develop leadership skills and address the health priorities of the communities they serve.



Colleague Volunteerism

Willie Dunnam, a member of the CVS Pharmacy team in Mobile, AL, began volunteering at the [University of South Alabama Student-Run Free Clinic \(USA SRFC\)](#) to support the underserved in his local community. As the Community Outreach Coordinator, Willie is responsible for coordinating clinic schedules and managing suppliers and other clinic resources. He also led the USA SRFC's involvement in a local community event to support the homeless population in Mobile.

In addition to donating his time, in 2019 Willie received a Volunteer Challenge Grant from the CVS Health Foundation for his services, which provided key resources for the patients supported by the USA SRFC.

“Everyone has a chance to volunteer. It shows what you can do to have an impact.”

Community Health Campaigns

In 2019, we worked with a number of key suppliers to extend our support for community health through campaigns at CVS Pharmacy. Through these creative campaigns, we raised much needed funds to advance programs and awareness of the impactful work of organizations in our local communities.



Girls Inc.

To celebrate the launch of the CVS Beauty Mark in early 2019, our suppliers joined us in supporting Girls Inc. through a robust cause marketing campaign. With support from Johnson & Johnson, L'Oréal and Procter & Gamble, we committed to donate up to \$300,000 to Girls Inc. through the sale of select brand products at CVS Pharmacy in February, to support its mission to inspire all girls to be strong, smart and bold.



Team RWB

In November 2019, we worked with brand partners Phillips/Norelco, Wahl, Bull Dog, Duke Cannon and Cremo to honor our nation's veterans. We donated \$100,000 to Team Red White and Blue to support its mission of enriching the lives of our nation's veterans through physical and social activity.

An aerial, top-down view of a small, rocky island. The island is covered with lush green trees and shrubs, surrounded by clear, turquoise water. The water's color transitions from a deep blue to a lighter, almost white foam as waves break against the rocky shore. The overall scene is vibrant and healthy, symbolizing a clean and thriving natural environment.

Healthy

Planet

Healthy Planet

We know the health of our planet impacts the well-being of all people and communities alike.



Material topics aligned with this pillar:

- Product Quality and Ingredients
- Supply Chain Responsibility
- Climate Action
- Packaging
- Sustainable Operations
- Waste
- Water



UN SDGs:

- Responsible Consumption (12)
- Climate Action (13)
- Life on Land (15)

Climate change is affecting human health, including increases in heat-related illnesses and asthma, with new threats emerging every year. Following the end of the warmest decade on record, with climate change taking center stage in the media, we are pleased to see others sharing in our sense of urgency to mitigate operational and supply chain impacts.

As a leader in health care, we believe we have a responsibility to help transform the health of our planet, just as we help people on their path to better health. We are proud to be recognized as a leader in addressing climate-related issues and are working closely with key stakeholders to make and deliver on bold commitments. We focus our efforts on identifying resource efficiencies, developing innovative collaborations, providing customers with sustainable product offerings and embedding sustainability into our supply chain.

In 2019, our leadership in sustainability was recognized by the [Dow Jones Sustainability Index \(DJSI\)](#) for the seventh year and we were proud to be added to the prestigious [DJSI World Index](#) for the first time. This, in addition to being named to the [CDP Climate A List](#), recognized our commitment to increased transparency and disclosure across environmental, social and governance issues.

Healthy Planet

Engaging Internal and External Stakeholders

We rely on the collaboration and innovation of internal and external stakeholders to help us advance our sustainability strategy. We actively listen to the feedback provided by our colleagues, collaborators, customers, clients, suppliers and industry subject matter experts to understand their expectations and gain insights that help inform decisions. Their support allows us to bring our sustainability vision to life.



Our Programs and Collaborations

Collaborative Sustainability Commitments

We know we can accelerate achieving our sustainability goals by engaging others on our journey. We rely on our colleagues, customers and suppliers to extend our commitments to a healthy planet. CVS Health colleagues participate in our GreenTeam Colleague Resource Group (CRG), which works across our enterprise to make environmental sustainability a part of every colleague's role and responsibilities.

In addition, our suppliers play a key role in our sustainability successes. As noted in our Responsible Sourcing Standard, we expect suppliers to operate in an environmentally responsible manner, by reducing operational impacts, performing relevant environment assessments and gaining necessary certifications. Our science-based target requires 70 percent of our suppliers to establish their own science-based reduction targets for scope 1 and 2 emissions by 2023. For driving this ambition with suppliers, CVS Health was recognized by CDP as a [Supplier Engagement Leader](#). To learn more about CVS Health's commitment to responsible sourcing, please see the [Healthy Business section on page 64](#).

We worked with external stakeholders and experts, including regulators, non-governmental organizations (NGOs) and industry coalitions, to achieve the following:

- Continued our work to reduce chemicals of concern through ongoing collaboration with [Safer Chemicals, Healthy Families](#) and its [Mind the Store Campaign](#). CVS Health ranked 9th out of the 43 retailers evaluated in 2019.
- Collaborated with the U.S. [Environmental Protection Agency \(EPA\)](#) on regulatory requirements for the disposal of pharmaceutical waste. These standards are important to ensure patients do not dispose of hazardous drugs incorrectly and to preserve our ability to utilize reverse distribution, which provides safe and affordable management of unsaleable drugs and ultimately helps avoid unnecessary increases in the overall cost of prescription drugs.
- Continued our work with [Ocean Conservancy](#) as a member of its [Trash Free Seas Alliance](#). These memberships support our commitment to making responsible packaging decisions that respect our planet and meet the needs of our customers. Each year, CVS Health colleagues across the country join in Trash Free Seas

Alliance's International Coastal Cleanup. In 2019, colleagues participated in dozens of events hosted at waterways and beaches across the country.

- Made progress on our goal to provide 100 percent cage-free eggs by the end of 2025 and anticipate having cage-free selections in nearly 1,000 stores by the end of 2020.



2019 Sustainability Highlights

- Named to DJSI World Index
- CDP Climate A List
- CDP Supplier Engagement Leader

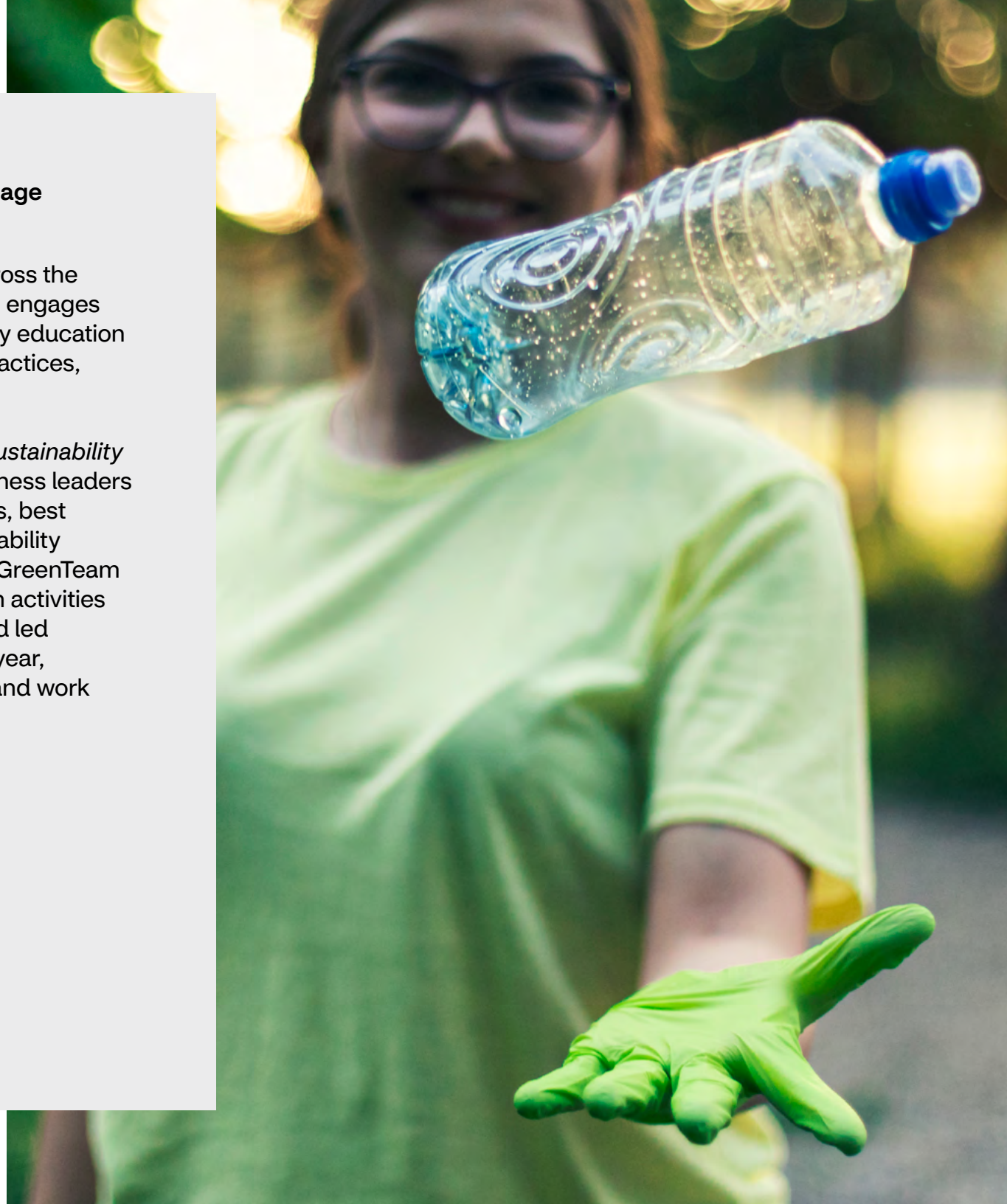
Green Team: Sustain, Educate, Engage

With more than 2,500 members across the country, the CVS Health GreenTeam engages our colleagues through sustainability education and sharing of sustainability best practices, both in the workplace and at home.

In 2019, the GreenTeam launched *Sustainability in Action*, a webinar series with business leaders and collaborators to discuss insights, best practices and introduce key sustainability initiatives across the company. The GreenTeam also drove colleague engagement in activities to celebrate Earth Month in April and led volunteer initiatives throughout the year, including beach and trail cleanups and work in community gardens.

2.5K+

GreenTeam members
across the country



Rewarding Supplier Excellence

Since 2016, we have recognized our suppliers' work with us through our annual supplier award for sustainability and corporate social responsibility. We select our sustainable suppliers through a scoring methodology that reviews key sustainability rankings and ratings, such as CDP, UN Global Compact and *Newsweek* Green Rankings. Suppliers who receive this award are recognized for their company's commitments to sustainability, as well as their collaboration with CVS Health to advance our CSR priorities.

In 2019 we recognized L'Oréal with our annual sustainable supplier award to recognize its collaboration and our shared commitment to supporting the CVS Beauty Mark initiative.

Key Environmental Collaborations and Accreditations:

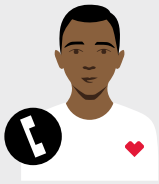


Healthy Planet

Sustainable Operations

CVS Health is committed to embedding sustainability throughout our operational footprint. With approximately 9,900 retail locations, 22 distribution centers, numerous field offices and a fleet of more than 2,500 delivery vehicles, we are improving efficiency across all aspects of our business. These efficiencies reduce our carbon footprint, energy usage, waste and water consumption.





Climate-Risk Management

Our Enterprise Response and Resiliency (ERR) program regularly evaluates the risks at play in our operational footprint, including our physical assets and risks for our colleagues, as well as risks in our supply chain. Weather-related events, including hurricanes, flooding and wildfires, have been a top consideration in recent years, in addition to other risks to the enterprise. With ERR as our guiding framework, we are able to better monitor and more quickly respond to any of these key risks.

Our 24/7 Operations Center monitors threats and risk events, allowing us to coordinate our response and support our colleagues and field leaders through our emergency hotline. This Center was especially important in 2019 during Hurricane Dorian. After crippling the Bahamas, Hurricane Dorian moved northwest with potential to impact the entire southeastern seaboard from Florida to Delaware. During Hurricane Dorian, ERR incorporated a new component into our situation reports, called Community Lifeline. Community Lifeline provides clarity around the status of fundamental services, such as power and water, during a risk event. Due to the success of that implementation, we will include the Community Lifeline in situation reports going forward.

Climate Action for a Healthy Planet

We believe the health of our planet is directly linked to human health. We're committed to doing our part to reduce the impacts of our operations and supply chain to limit our impact on climate change, which is impacting global health. Our commitment to climate action has earned us a spot on the 2019 CDP Climate A List; CVS Health is one of only 34 U.S. based companies to be honored with this recognition. We continually evaluate our operations and supply chain to optimize our footprint, reduce environmental impacts and promote environmental sustainability.

Reducing Greenhouse Gas Emissions through Science-Based Targets

Our science-based greenhouse gas (GHG) emissions reduction targets were approved in 2018 by [Science Based Targets initiative \(SBTi\)](#), the leading organization driving corporate climate action:

- By 2030, we plan to reduce our absolute scope 1 and 2 GHG emissions 36 percent from our 2010 base year emissions
- By 2023, our goal is that 70 percent of our suppliers will have established their own science-based reduction targets for their scope 1 and 2 emissions

We continued to reduce our GHG emissions in 2019, achieving a 35 percent reduction in carbon intensity

against a 2010 baseline, a 2 percent improvement over 2018 despite a .2 percent increase in our retail square footage. Additionally, we saw an absolute emissions reduction of 34 percent of scope 1 and 2 emissions based on a 2010 baseline, at the time of this report's publication. In 2020, we are exploring re-stating our Science-Based Target to align with a 1.5 degree reduction. We are on track to achieve our science-based target of 36 percent absolute emissions reduction by 2030.

Since the implementation of our science-based targets, we have worked directly with our suppliers to evaluate their progress on their own climate journeys. We collaborate with [CDP Supply Chain](#) to collect data from our suppliers, allowing for a robust understanding of our scope 3 emissions and how we are tracking against our 2023 supplier target. Nearly 90 percent of suppliers participated, earning CVS Health a spot on CDP's Supplier Engagement Leaderboard for the second year in a row. We will continue to expand supplier participation in 2020 as we work toward a common goal of corporate leadership on climate action.

In 2019, we introduced a new data management platform that allows us to better track carbon emissions and target reduction areas in our operations and embed energy usage reduction strategies across the business.

Meeting Our Targets through Energy Reduction

Energy efficiency is a key element in our approach to reducing our emissions, as energy-related emissions account for 97 percent of our scope 1 and 2 emissions. We are focused on reducing the impacts of energy consumption, including our emissions and the increased transitional costs associated with our switch to cleaner energy, in our retail locations and administrative properties.

Over the years, we have continued to implement a number of successful strategies to drive energy efficiency across our operations, including optimizing our energy management system (EMS) and retrofitting efficient light sources.

In 2019, we continued to install LED lighting across our retail locations and other facilities. We converted nearly 1,000 retail locations to interior LED lighting, reducing consumption by 47,000 megawatt hours (MWh) and saving an estimated \$4.8 million in energy costs. Since beginning LED lighting retrofits in 2015, we have brought LED lighting into more than 6,100 retail locations — or 62 percent of our store footprint — through nearly \$130 million in investments, realizing

a savings of more than \$27.7 million in energy costs to-date. All interior lighting at our retail locations are expected to be converted to LED by 2021.

In addition, as part of our multi-year exterior lighting retrofit program, in 2019 we completed conversions at nearly 500 retail locations, reducing consumption by 8,000 MWh and saving nearly \$1 million. Any new retail locations will have LED lighting installed in both the interior and exterior as part of our green building standards.

Although the type of lighting used across our footprint is important for energy reduction, we also utilize our EMS to reduce our impact. In 2019, we continued a multi-year retail location rollout of controls that synchronize lighting with operating hours, with separate lighting plans for the pharmacy and front store. The rollout implemented the lighting controls at nearly 900 additional locations, which reduced energy consumption by 2,000 MWh and will save an estimated \$300,000 annually.

In a few locations, such as Hawaii, we enhanced controls to reduce front store lighting during overnight shifts

outside of operating hours for 27 retail locations. These changes reduced consumption by 700 MWh and will save more than \$200,000 annually.

Recognizing the significant energy required to cool and heat our retail locations, we continued a pilot program launched in 2018 to proactively replace 150 rooftop units in New York. These replacements reduced energy consumption by 1,000 MWh, while yielding \$1 million in utility rebate incentives and \$120,000 in energy savings.

Decreasing Waste, Increasing Recycling

We maintain a focus on decreasing our waste and increasing opportunities for recycling to lessen our environmental impacts. In 2019, we diverted 53.7 percent of our waste to recycling or reuse, with 88 percent of cardboard and 88 percent of solid waste generated at distribution centers diverted for recycling.

In addition to plastic bag take-back, many CVS Pharmacy locations offer access to in-store medication disposal units. Proper disposal of medication is important not only to guard against contamination of waste and water supplies, but to prevent misuse.

Disposal units located in CVS Pharmacy locations collected more than 1.35 million pounds of medication in 2019. Learn more about our commitment to safe medication disposal in the [Healthy People](#) section on page 38.

“CVS Pharmacy donations often contained a variety of highly portable snack items, which our community partners value. One such partner supplies after school snacks to school-age children who might not have much food waiting for them at home. What seems like a small snack or drink means a lot to someone in need.”
– Caitlin Duncan, Grants Manager, Feeding America Riverside | San Bernardino.

2019 Energy and Cost Savings

Interior LED Lighting

987
retail locations

47K
MWh saved

\$4.8M
saved

Exterior LED Lighting

500
retail locations

8K
MWh saved

\$1M
saved



Reducing Food Waste

Our program to comply with the 2018 California law prohibiting retailers from sending organic waste to landfill is a best-in-class model for ensuring we do not waste unsaleable food. With inventory scanning technology, colleagues direct seasonal or food nearing expiration into designated totes, which are transported to our distribution centers and then to third-party facilities. There, the majority of food is donated to local charities and food banks, with a small amount of unsaleable food processed to create renewable energy and fertilizer.

Across all retail locations in California, we donated 5.8 million units of food products, with product value totaling \$19 million. This program not only gives back to our communities by addressing food insecurity, it also eliminates landfill disposal of food and other compostable products sold at CVS retail locations. Due to the success of this program we began a similar food donation program at approximately 6,000 stores outside of California.

Addressing Pharmaceutical Waste

We worked with the EPA to build new standards for the disposal of pharmaceutical waste in 2019, and will continue to work together to advocate for state-level adoption. As a national dispenser of prescription medications, we provide access to safe medication disposal at more than 2,700 kiosks at CVS Pharmacy locations nationwide and collected 1.35 million pounds of unused medicines in 2019. Learn more about our approach to safe medication disposal in the [Healthy People](#) section on page 38.

1.3M lbs

of unused medicines
collected in 2019





Reducing Waste at the CVS Health Charity Classic

Since 1999, the CVS Health Charity Classic has donated more than \$23 million to nonprofit organizations in Southern New England. As a part of our commitment to a healthy planet, we are committed to ensuring this event has a robust sustainability plan to reduce impacts on the environment.

In 2019, the Charity Classic Event Series, including Crave RI, continued to utilize best practices for waste management to minimize the waste footprint, including providing composting and single-stream recycling bins, which diverted 7.5 tons of waste from going to landfill. For these efforts, the Charity Classic received a “green event” certification from the Rhode Island Department of Environmental Management.



Streamlining Pharmacy Delivery

This year, we joined forces with UPS to make delivery services more convenient and accessible at CVS Pharmacy. With the addition of 4,600 UPS Access Points in CVS Pharmacy locations, we are creating more options for secure, convenient and quick shipping.

UPS and CVS Health also launched an innovative prescription drug delivery solution using UPS drones, completing the first-ever drone delivery of a prescription from a CVS Pharmacy location to a customer's home in November 2019. The same day, a second prescription delivery was made by drone to a customer in a nearby retirement community. This is an exciting milestone in our efforts to develop use cases for drone delivery, and in the coming months we look forward to exploring the speed and convenience we can provide for prescription access.

Innovation in Transportation

With a national transportation network, we seek solutions for our fleet to use less fuel and reduce emissions. CVS Health collaborates with members of both our inbound and outbound supply chain to improve efficiency and service levels.

Inbound Supply Chain Transportation

To increase efficiencies in our transportation network and supply chain operations, in 2019 we consolidated our freight through a network of strategically located consolidation centers. This process aims to reduce lead time and increase efficiency by reducing the number of miles each pallet of product travels throughout the country. Rather than shipping from a single vendor point to final destination in small, inefficient quantities, small vendor shipments are pooled, picked up and delivered to local consolidation centers. From there, the freight is built into full truckloads for final delivery, matching with similar destined freight from multiple local vendors.

We have also continued to build our backhaul program, which reduces the number of empty miles driven by trucks returning to our distribution centers from their retail store deliveries. Through this program, we also act as a common carrier for other companies or make additional pickups on inbound trips to distribution centers. Driving asset utilization is

key to the success of our backhaul program; the better we execute, the greater the reduction in negative environmental impacts. In 2019, we saw a reduction of more than 1.6 million empty miles as a result of our program.

Our footprint is not solely domestic. As a national retailer, we source products from suppliers across the globe and want those suppliers to use sustainable practices. To transport products from suppliers overseas to our distribution centers, we are utilizing ocean carriers that are in 100 percent compliance of the [International Maritime Organization's \(IMO\)](#) regulations limiting sulfur content. The regulations which took effect on January 1, 2020, call for reduction in sulphur levels in fuel from 3.5 percent to 0.5 percent moving forward.

Outbound Supply Chain Transportation

We are also using innovative technologies in our distribution centers to maximize efficiencies. We have added solar panels to more than 130 delivery trailers at two distribution centers to charge electric pallet jacks while in the trailer reducing the amount of charging done at the distribution centers. We are also testing solar panels on store delivery trailers to charge lift gates instead of using refrigerated units. Both of these initiatives reduce the consumption of diesel fuel and emissions within our

supply chain operations, while also investing in renewable energy.

Additional transportation efficiency programs in 2019 include:

- Installed electric standby at all doors in our Kansas City, MO distribution center to plug in refrigerated units, minimizing the consumption of diesel fuel and emissions while the trailer is at the loading dock.
- Reduced the number of store delivery refrigeration trailers at our Chemung, NY distribution center by approximately 20 trailers. This will result in reduced diesel fuel usage and emissions.

To integrate all transportation logistics, we are implementing a new suite of transportation software. This software will improve management of our backhaul program through increased automation and reduced miles traveled through optimal store delivery routing, and we'll be able to better monitor our assets so they operate at full efficiency.

In 2019, we were named an [EPA SmartWay Carrier Partner](#) for the 10th straight year in recognition of

our commitment to efficiency, fuel economy and transparency. Our total fuel consumption in 2019 was only approximately 7 million gallons, including deliveries, corporate vehicle travel, personal car travel and rental cars. Our performance earned us the carrier rating of Level 1 for emissions control. In addition to being recognized as a carrier, we have been an EPA SmartWay Shipping Partner since 2012.

Distribution Center Innovation

We're also testing technology advancements to more efficiently pick, move and sort product within our distribution centers and pack trucks more effectively. We are exploring various software, robotics and automation solutions to reduce machine travel, eliminate utilization of paper and improve cubic space utilization of totes and trailers, which ultimately takes trucks off the road.

Water Consumption and Reduction

Improving the health of our environment includes responsibly using all natural resources — including water. CVS Health is not a large

consumer of water outside of our physical footprint in retail locations, distribution centers and field offices, but we are committed to reducing water usage and increasing efficiency. We have established enterprise guidelines around the development of new properties with environmentally appropriate landscaping, include water efficiency as part of store construction guidelines and implement water reduction initiatives into LEED-certified and non-LEED buildings. LEED — Leadership in Energy and Environmental Design — is the most widely used green building rating system. We use the [World Resources Institute's Aqueduct tool](#) to evaluate overall water stress levels in the regions where our facilities are located, as well as conduct scenario planning related to water availability.

In 2019, our water usage per square foot of enterprise space decreased by 7.9 percent, and our total water consumption increased by 7.27 percent from 2018.



Healthy Planet

Sustainable Products and Packaging

Our commitment to a healthy planet is present throughout our operations and our retail locations and extends into the homes of our customers. Our comprehensive approach to customer health and well-being includes offering a variety of products — from beauty and personal care products to food and beverage items — that are free from unwanted ingredients and take environmental impacts into consideration.



Expanded Clean and Healthy Product Offerings

We are committed to providing our customers with a range of sustainable and “better for you” products that are efficacious and formulated in a way that inspires trust in our customers.

CVS Health has completed our journey to reformulate nearly 600 beauty and personal care products from our CVS Health, Beauty 360®, Essence of Beauty® and Blade® store brands. Although we have completed the reformulation process, we update our publicly available restricted substances list by category annually and educate our suppliers on our current policy and screening process. Our suppliers adhere to our Store Brands Quality Assurance Agreement, which includes information about our restricted substances list and other requirements, which communicates our expectations to suppliers. We use technology like the WERCSmart tool to capture supplier ingredient information for all chemical-based products. This helps us screen for restricted chemicals, monitor suppliers’ compliance with our procedures and track our performance toward achieving our goals.

Further extending our commitment to transparency is “Tested to Be Trusted,” a program requiring third-party testing

of all vitamins and supplements sold in-store and online. Among other benefits, “Tested to Be Trusted” helps consumers avoid certain additives and ingredients. Learn more in the [Healthy People](#) section on page 40.

Addressing Deforestation

Our efforts to transform the health of our planet include reducing our consumption of natural resources. Our efforts in this area focus on our most material impacts — responsibly sourced paper used in our operations and sustainably sourced palm oil used in our store brand products.

Together with our suppliers, we work to increase the sustainability of our paper usage. We have made significant advancements in recent years to reduce our use of paper across our enterprise. In 2019, we used approximately 50,000 tons of paper in our business operations to create patient communications, receipts, mailers, fliers and internal documents, a reduction of more than 3,600 tons over 2018. And now, with our new digital receipt opt-in program, we can continue to make progress on paper reduction.

In addition to reducing overall paper usage, we are responsibly sourcing the paper we do use by specifying stock composed of recycled content. In

2019, 96 percent of the paper used was sustainably sourced, and 39 percent of our paper stock was [Forest Stewardship Council \(FSC\)](#) certified.

Sourcing Palm Oil Responsibly

We recognize the impact forests have on environmental health, and in addition to our commitments to sustainable paper sourcing and consumption, we are sourcing sustainable palm oil for our store brand products. We require our suppliers to adhere to the [Roundtable on Sustainable Palm Oil \(RSPO\)](#) Principles and Criteria on palm oil and palm oil derivative sourcing or to the [Rainforest Alliance Chain of Custody](#). Our store brand suppliers also signed agreements to follow these guidelines and principles. To date, 100 percent of our store brand suppliers of items containing palm oil have become members of RSPO or obtained Rainforest Alliance certification.

All store brand suppliers are required to disclose whether their products contain palm oil. When new store brand items contain palm oil, suppliers must demonstrate proof of required certification. We continue to utilize supply chain technology tools, including WERCSmart and PurView, to screen products for palm oil.

Promoting Sustainable Packaging

As we focus on the sustainability of the ingredients in the products we offer, we are concentrating our efforts to consider the environmental impacts of the packaging of our products as well. Our memberships in the [Sustainable Packaging Coalition](#), [Trash Free Seas Alliance](#) and [Ocean Conservancy](#) help us explore the best options for sustainable packaging in our store brand products and beyond.

In 2020, CVS Health will complete a packaging audit of our plastic packaging to better understand our footprint. As part of this work, we are engaging with WWF on systems-based innovation for sustainable packaging. We are also partnering with WWF on its *ReSource Plastic* program as a Retail Principal Member. Following the packaging audit, we will roll out guidelines to all supplier partners for both national and store brand products.



Protecting our oceans

Sunscreens containing the chemicals oxybenzone and octinoxate will be banned in Hawaii and Key West, FL, starting in 2021 due to the impact they can have on marine ecosystems and coral reefs in particular. Though both laws take effect in 2021, we are proud to comply with the laws ahead of time by removing oxybenzone and octinoxate from our store brand sunscreens with SPF 50 and lower. These new compliant sunscreens are already shipping to CVS Pharmacy locations and we expect to have products fully rolled out in 2020.

Reducing Paper Use



Our digital receipt program at CVS Pharmacy continues to reduce paper use and provide customers a more sustainable option.

In 2019:

5.9M

CVS Pharmacy customers enrolled, including more than 1.1M in 2019

In addition to our digital receipts program, we are increasing our digital communications and recycled paper to reduce our environmental impact.

In 2019:

\$50M

saved in paper expenses by using digital communications with our CVS Caremark/Medicare and Aetna members

58M

digital receipts sent to CVS pharmacy customers

4%

of our direct mail contained recycled content

48M

yards of receipt paper saved

20%

reduction in receipt paper use

About This Report

CVS Health's 2019 Corporate Social Responsibility (CSR) Report provides an overview of our company's environmental, social and governance commitments, as well as progress against our CSR-related goals and targets. We are committed to reporting on our CSR performance annually, and this report follows our 2018 CSR Report.

Boundary and Scope

Consistent with previous reports, the boundaries for this report extend to all United States (U.S.) company owned and/or operated facilities, administrative offices and retail pharmacies for the corporate enterprise. Company operations outside the U.S. represent less than 1 percent of the total enterprise and are not covered in this report. Data contained in this report covers activities that occurred in fiscal year 2019 (January 1–December 31, 2019), unless otherwise noted.

Content and CSR Materiality

In 2019, we conducted a materiality assessment in accordance with the GRI Standards' guidance for defining material topics. The material topics inform the content of our reporting and CSR strategy. For additional detail, please see [CSR Material Topics](#).

Disclosure and Assurance

CVS Health management is responsible for the preparation and integrity of the information in this report. The enterprise metrics and goals in this report are established

through a rigorous review process involving internal subject matter experts, and we believe this report accurately and fairly represents our CSR activities, programs and results for the fiscal year ending December 31, 2019. The report was submitted to the Nominating and Corporate Governance Committee of the Board of Directors for review, and was reviewed and approved by members of CVS Health senior management, including our internal Disclosure Committee, which is comprised of management from principal functional areas within the company. This report has not been externally assured or verified by an independent third party. CVS Health carbon footprint data from 2016–2018 has been externally assured. Data from 2019 will be reviewed for external assurance in the coming months by an external third-party and/or by an independent third-party. The company may consider having additional content and data in its future CSR Reports externally assured. This report was produced based on the Global Reporting Initiative (GRI) Standards. More information on GRI is available at www.globalreporting.org.

Your Feedback

Your feedback is important to us as we continue to look for ways to improve our reporting and provide you with the information you need. Please submit your feedback to CSR@CVSHealth.com

CVS Health Corporation

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Preparation of this Report

This report contains certain forward-looking statements that are subject to risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking information for a number of reasons as described in our [Securities and Exchange Commission \(SEC\)](#) filings, including those set forth in the "Risk Factors" section and under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" in our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q. We refer readers of this Report to all of

our [SEC filings](#), including our Annual Report to Stockholders, our Form 10-K, Forms 10-Q and any Forms 8-K, which provide important information about our business, operations and financial performance. Before making any investment or other decision relating to the company, all such public filings should be considered in detail.

References in this document to CVS Health products, programs or services do not imply that CVS Health intends to provide all products, programs or services across all of its businesses. Statements regarding CVS Health's future direction and intent are subject to change or withdrawal without notice and represent goals and objectives only.

Health is everything.®