

2020  
Corporate  
Social  
Responsibility  
Report



2020

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# Transform Health

## Dear Stakeholders,

Welcome to our 14th annual Corporate Social Responsibility (CSR) Report — a reflection of how CVS Health® has delivered on our purpose of helping people on their path to better health, in a year unlike any other.

In the face of incredible challenges, CVS Health emerged from 2020 a stronger, more resilient company, better positioned to improve health care for the millions of people who depend on us. More than two years since Aetna® joined CVS Health, we have demonstrated the ability of our combined enterprise to support people during every meaningful moment of health throughout their lifetimes.

The challenges of this year have shown us the critical importance of the community investments and partnerships we have built over the past decade. In this report, you will read more about how our CSR strategy — Transform Health 2030 — creates value for our stakeholders through four pillars: Healthy People, Healthy Business, Healthy Community and Healthy Planet. This year, our strategy is coming to life in new ways, as we announce a set of bold 2030 goals that will chart the next steps in our shared journey to better health for people, our company, communities and the planet.

As the pandemic continues to threaten the health of millions of Americans,

we are stepping up to provide our unmatched services and expertise when it matters and for those who need it most. Located within 10 miles of 85 percent of the U.S. population, through our local touch points, we continue to accelerate our progress in creating a health system that is more accessible and easier to navigate — especially for at-risk populations. Over this last year, we established ourselves as the largest private provider of COVID-19 diagnostic testing services in the U.S., and we will continue to play a central role in helping to combat this virus and its impacts as a trusted and accessible provider of COVID-19 vaccines.

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**“As CVS Health’s new president and CEO, I’m energized by the opportunity to lead our company and reimagine health care in this country. We will continue to build on our legacy of community investment and seek out opportunities to lead by example through our Transform Health 2030 strategy.”**

**Karen Lynch,**  
*President and CEO, CVS Health*

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In 2020, we also looked at how we could address the racial health disparities and injustices that persisted long before the pandemic and pose a grave threat to our nation’s health.

We undertook a deeper and more honest reflection of CVS Health’s role in dismantling systemic racism, and we resolved to do more. Supported by an investment of nearly \$600 million over the next five years, we will hold ourselves accountable in improving the experience of our diverse colleagues, business partners, customers, patients and members — with a deeper focus on improving health outcomes for Black Americans and other historically disenfranchised communities.

In addition to helping the communities we serve respond to the pandemic, we continued our commitments to increasing access to health care, addressing the social determinants of health (SDOH), and helping people manage chronic disease. Through our company, our foundations and other community investments, we invested nearly \$180 million in 2020 to build healthier communities.

An extension of our work to build healthier communities is our commitment to a healthy planet. We know the two are inextricably linked. As a corporate leader in climate action, we continue to make meaningful progress to reduce our impacts, and we are proud to be recognized on the Dow Jones Sustainability World Index and the CDP A List.

Our work to transform health care would not be possible without our

nearly 300,000 colleagues. They have reconfigured their lives and, in many cases, the lives of their families, to support our patients, members and customers in our stores, distribution and call centers, virtual offices and communities. As a result of their commitment and compassion, we are humanizing health care, showing up for people in their most vulnerable moments to offer an empathetic ear, sound advice and trusted support.

We are excited for you to join us on our journey to Transform Health over the next decade and beyond.

Sincerely,



**Karen S. Lynch**  
*President and Chief Executive Officer*



**David W. Dorman**  
*Chair of the Board*



## Dear Stakeholders,



When I wrote to you in last spring's Corporate Social Responsibility (CSR) Report, COVID-19 had spread throughout communities across the country and changed our world forever. Though we did not yet have a full understanding of the devastating impacts the virus would have, our response efforts were well underway. Our focus in 2020 was twofold: responding to immediate community needs while laying the groundwork for a long-term strategy focused on addressing the health impacts our communities will face for years to come.

Throughout our response to COVID-19, we have demonstrated an unwavering commitment to support all the communities we serve. Through more than \$50 million in philanthropic actions, we supported populations most vulnerable to COVID-19's health and economic impacts. Building on the strength of the relationships we have established with leading nonprofit and community health organizations, we are helping to solve the many health challenges exacerbated by COVID-19, including growing food insecurity, new barriers to accessing routine health care and an increased strain on our frontline workers and health care professionals.

As this report is being published, we are also working tirelessly to increase access to the COVID-19 vaccine for vulnerable populations. This includes targeted outreach in communities where we know people may not have equitable access to vaccinations or are hesitant to be vaccinated. Our efforts have included standing up vaccination clinics in areas disproportionately impacted by the pandemic, robust and culturally competent messaging and outreach and innovative collaborations with key leaders from nonprofit, faith-based corporate and government entities.

This includes our work with trusted influencers in historically disenfranchised communities. Over the past year, we renewed our commitments to social justice and health equity. Across our enterprise, we are working to increase access to education for Black and Hispanic students, promote immunization and reduce vaccine hesitancy in historically disenfranchised communities through trust-building and improve health outcomes with a focus on maternal and mental health — all while investing in key charitable organizations and training to deliver cultural competency and inclusion in the care and services we provide or in which we invest.

Introduced last year, our Transform Health 2030 CSR strategy will guide our actions and investments over the next decade. This year, we are proud to share a bold set of goals, derived from our scientific approach at identifying CSR material topics, that we will work with our colleagues and business partners to deliver on by 2030. Aligned to each of our strategic pillars, our goals include:

- Provide 65 billion health care interactions to individuals.
- Invest more than \$85 billion in inclusive wellness, economic development and advancement opportunities.
- Commit more than \$1.5 billion in social impact investments to build healthier communities.
- Reduce our environmental impact by more than 50 percent.

In the months and years to come, we will develop performance targets against these critical goals to support our path to delivery. Our Transform Health 2030 CSR strategy seeks to leverage our core strengths as a health care leader to maximize positive impact on the health of the people and communities we serve, our colleagues and our planet.

Thank you for your time and interest in Transform Health 2030 and our efforts in 2020. In this most transformative year, we could not have achieved the impact we did in helping people on their path to better health without the support of our many stakeholders.

Sincerely,

A handwritten signature in black ink that reads "Eileen H. Boone".

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

# Grounded in innovation, CVS Health is working to solve the most complex public health challenges of our time.

And in a year unlike any other, human welfare, access to health care and the countless factors that contribute to well-being have been at the forefront of global conversation. Community-based and locally focused, CVS Health is responding to a need like never before by engaging our customers, patients and members with the care they need when and where they need it — whether that is at one of our nearly 10,000 local touch points, in their home, or virtually. From our COVID-19 response efforts to our refreshed commitment to addressing systemic racism and inequity, we are working to provide a high-quality, accessible and affordable health and wellness experience for all.

## Our Footprint

Headquarters: Woonsocket, R.I.

Approximately 300,000 colleagues in 50 states, the District of Columbia and Puerto Rico

# Our Operations and Supply Chain

## Our Locations

**9.9K+**

retail locations

**~105M**

pharmacy benefit manager (PBM) plan members

**~2.9B**

prescriptions dispensed

**~1.1K**

walk-in medical clinic (MinuteClinic®) locations

**34M**

people served through traditional, voluntary and consumer-directed health insurance products and related services

**4.8K+**

CVS Pharmacy® locations offered COVID-19 diagnostic testing\*

\*Through 12/31/2020

**~650**

HealthHUB™ locations

## Front-Store Revenues

**~24%**

sales from store and proprietary brands

**76%**

sales from national brand suppliers

# 2020 Financial Results and Economic Impact

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Our employees earned

**\$15.8B**

in wages

**\$2.5B**

in benefits

Economic impact

**\$268.7B**

in total revenues

**\$5.5B**

to providers of capital

**\$4.8B**

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

**\$180M**

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

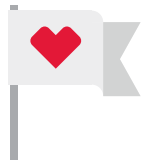
**Our Values**  
Innovation  
Collaboration  
Caring  
Integrity  
Accountability

# 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







CSR Strategy

# Transform Health 2030

In 2020, we continued to execute on our purpose of helping people on their path to better health through our Corporate Social Responsibility (CSR) strategy, Transform Health 2030, guiding our priorities for the next decade. Grounded in four pillars — Healthy People, Healthy Business, Healthy Community and Healthy Planet — Transform Health 2030 is designed to encompass the breadth of our

enterprise and the unique ways that we can utilize our position as a leader in health care to impact the health of the people and communities we serve, our business and our planet.

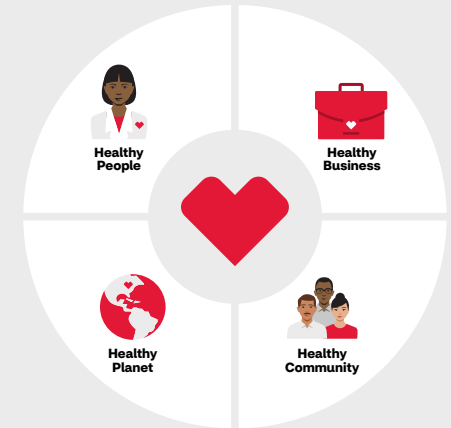
In a year when our nation battled an unparalleled public health crisis and faced the realities of deeply rooted racial inequity, we conducted a refresh of our most

recent materiality assessment. Our aim was to more fully understand how these pivotal events influenced the areas where our business has the most significant impacts and the expectations, assessments and decisions of our many stakeholders. Coupled with our Transform Health 2030 strategy, we are leveraging the findings of our materiality refresh to develop

meaningful goals and performance targets that expand access to affordable care, address racial inequities and combat a warming climate. We will report on our progress against these goals annually in this report.

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



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## Healthy People

We are delivering on our purpose of helping people on their path to better health across all our touch points. *Transform Health 2030 Goal:* Provide 65 billion health care interactions to individuals.

### 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 (SDOH, including education, transportation and behavioral health)

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## Healthy Planet

The health of our planet is inextricably linked to the health of all people, and we are committed to doing our part to reduce our impacts and bring our suppliers, customers and colleagues along on our journey. *Transform Health 2030 Goal:* Reduce our environmental impact by at least 50 percent.

### Material topics aligned with this pillar:

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

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## Healthy Business

We are committed to fostering a business that creates value and opportunity for our colleagues, shareholders, business partners and vendors across our supply chain. *Transform Health 2030 Goal:* Invest \$85 billion in inclusive wellness, economic development and advancement opportunities.

### 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

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## Healthy Community

We are delivering significant social impact to support the health of communities we serve in the U.S. We are working to increase access to health care, improve health outcomes and reduce overall healthcare costs across a patient's health journey, including chronic disease management, mental and behavioral health and wellness and prevention. *Transform Health 2030 Goal:* Commit more than \$1.5 billion in social impact investments to build healthier communities.

### Material topics aligned with this pillar:

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

# Creating Impact for the United Nations Sustainable Development Goals

Our Transform Health 2030 CSR strategy is aligned with the [United Nations \(UN\) Sustainable Development Goals \(SDGs\)](#), 17 aspirational goals designed to facilitate significant global development by 2030. The SDGs serve as a framework to guide how companies, governments and nongovernmental organizations (NGOs) contribute to a more just, healthier and sustainable future. We believe we can most

meaningfully contribute to eight of the SDGs that closely align with our business impact and our CSR initiatives, and we work to advance these goals each year through efforts implemented across our enterprise.

To further our progress against these goals, we collaborate with organizations that help us to advance our CSR strategy — including the UN Global

Compact. CVS Health was the first U.S. pharmacy chain to hold membership in the [UN Global Compact](#), which confirms our commitment to the Compact's 10 principles with respect to human rights, labor, the environment and anti-corruption. Read more about how we have embedded the principles of the UN Global Compact across our organization in the Appendix.

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# Contributing to UN SDGs



## Goal 2: Zero Hunger

Driven by the economic impacts of COVID-19, food insecurity increased significantly in 2020. Understanding the relationship between good food and health, and as a retailer of both perishable and shelf-stable food products, we used our national footprint and product offerings to combat food insecurity in local communities. Since the start of the pandemic, we have provided more than \$5 million

in combined support from the company and the Aetna Foundation to Feeding America to tackle food insecurity among vulnerable populations — including families, seniors and those in isolation or quarantine. In August, October and December, we hosted “roundup” campaigns across our CVS Pharmacy stores, asking customers to round up their change to the nearest dollar to make a donation to Feeding America and

its network of local food banks. Thanks to the generosity of our customers, these campaigns raised a total of \$8.4 million. At the corporate level, we made additional donations to support other organizations working to combat food insecurity across the country — such as the Boston Medical Center’s COVID-19 Emergency Social Services Fund; Feed Northland Kids, located in Kansas City; the

Central Austin Food Bank in Texas; and more.

To complement financial contributions, we continued our practice of donating unsaleable food to local charities and food banks, with more than \$116 million worth of food products donated in 2020. Learn more in the [Healthy Planet](#) section on page 105.



## Goal 3: Good Health and Well-Being

Good health and well-being are at the core of our purpose of helping people on their path to better health. In 2019, we launched the Building Healthier Communities initiative — a five-year, \$100 million commitment to community health and wellness — and continued to deliver on this charge in 2020. We carried out our long-standing commitment to the National Association of Free & Charitable Clinics (NAFC) and its work to support the medically underserved through \$1.25 million in grants to 66 clinics across 17 states. In addition to the operational support we have provided for more than a decade, in 2020, we launched a separate commitment to help member

organizations expand access to care through telehealth as they found themselves on the front lines of the fight against COVID-19. As part of the Healthiest Cities and Counties Challenge, the Aetna Foundation, together with the American Public Health Association and the National Association of Counties, granted a total of \$2 million to organizations advancing health equity in communities where individuals are disproportionately impacted by health disparities.

As the year progressed and flu season approached, presenting an additional public health challenge amidst the pandemic, CVS Health supported a more than \$2 million commitment to help distribute flu vaccines through

a community-based flu voucher program to mitigate this double threat. Through our Project Health initiative, we contributed \$2 million to the NAFC to increase access to flu vaccines for underserved communities throughout the country. Additionally, we worked with partners like Bank of America and General Motors to reach even more individuals in areas of significant need.

Building on our existing community health work, we leveraged our local presence and relationships with government agencies and community partners to roll out critically needed COVID-19 testing in the most vulnerable regions of our nation. Through the end of the year, we had set up more than

4,000 CVS Pharmacy drive-thru sites, in addition to testing locations in communities, at places of work and in long-term care facilities, and delivered more than 10 million COVID-19 tests. Our work since has turned to ensuring that same level of access to COVID-19 vaccinations, with thousands of vulnerable patients gaining access to appointments through directed outreach.

Just as we supported the health and well-being of our communities through 2020, we also supported the health and well-being of our colleagues. Since 2011, the CVS Health Employee Relief Fund (ERF) has supported our own colleagues facing unforeseen financial hardships. During

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# Contributing to UN SDGs

federally declared disasters, such as the COVID-19 pandemic, ERF provides financial support to impacted colleagues. In 2020, CVS Health offered emergency relief grants of up to \$1,000 from

ERF to help cover extraordinary expenses, such as extra dependent care; housing costs for those who had been displaced; and critical basic needs such as personal care items, medical supplies and food.

Through ERF, we provided nearly \$3 million in colleague grants to help support their health and well-being, and that of their families throughout the year.

Learn more in the [Healthy Community](#) section on page 82.



## Goal 4: Quality Education

CVS Health has long been committed to providing valuable educational experiences to our colleagues and community members alike. In 2020, we provided nearly \$1 million in scholarships to children of colleagues as well as to nursing, nurse practitioner and physician assistant programs. Moreover, as part of our \$600 million commitment to address racial

inequity over the next five years, in January 2021, we announced a five-year, \$5 million scholarship program in collaboration with UNCF (formerly United Negro College Fund), building on our existing relationship over the last decade, which has provided more than \$500,000 in scholarships. Funded through the CVS Health Foundation, the scholarship program aims to support Black and Latinx students pursuing an

academic career in health care at accredited four-year colleges and universities. Learn more about the ways that we support quality education in the communities we serve in the [Healthy Community](#) section on page 82.

Despite the challenges COVID-19 presented for training and development, we continued to advance meaningful educational opportunities for our colleagues.

We transitioned all our in-person learning to a virtual setting and expanded our enterprise development platform, developU. New webinars addressed timely topics and built business acumen amongst our colleagues. Through developU, we reached more than 19,000 individuals. Additional information is available in the [Healthy Business](#) section on page 58.



## Goal 5: Gender Equality

CVS Health's dedication to gender equality is evident within our own organization as well as in the ways that we work with our suppliers.

Representation of female-identifying colleagues at every level of the enterprise is increasing every year. At the manager level, 52 percent of colleagues are women. In addition, 39 percent of individuals at the vice president

level and above are women. We are proud to be a leader among Fortune 100 companies for strong female senior leadership representation. Key leadership positions, including chief executive officer (CEO), chief financial officer (CFO), chief customer officer (CCO), chief people officer (CPO) and president retail, as well as five seats on our Board of Directors, are held by women. We support our female colleagues at all tiers

through internal initiatives such as our Network for Executive Women and our Women Inspiring Success and Excellence (WISE) colleague resource group (CRG).

Outside of our organization, our diverse supplier program continues to ensure that we utilize our spending power to support businesses owned by women as well as other diverse-owned businesses. In 2020, our supplier

diversity program drove a total economic impact of \$6.3 billion and supported more than 26,000 jobs across the country. Learn more in the [Healthy Business](#) section on page 58.

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# Contributing to UN SDGs



## 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 2020, we hired nearly 70,000 new colleagues and paid \$15.8 billion in wages; \$2.5 billion in benefits; and \$4.8 billion in income, property and employer taxes in the U.S. As the national unemployment rate reached a record high this year, we found ourselves in the unique position of urgently needing to fill roles within our business as we expanded our services to meet changing consumer needs.

In response, we committed to hiring 50,000 full-time, part-time and temporary roles across the country to simultaneously fight unemployment and better service our consumers. Further details are available in the [Healthy Business section on page 58](#).

We further promoted inclusive economic growth and employment through our workforce development programs, through which we collaborate with local and national organizations to deliver meaningful skills and employment programming to thousands of participants each year. In 2020, for example, we continued to

engage with the Hispanic Heritage Foundation to connect formerly incarcerated individuals with mentors, workforce development opportunities and placement into the workforce. Through this programming, we expect to reach 9,000 potential applicants over the next five years.

Our Abilities in Abundance program provides employment programming and opportunity to people with disabilities. Additionally, we strive to increase awareness of the important role that customers and colleagues with disabilities play in our workforce, workplace and marketplace

through our CapAbilities CRG. Our commitment to the advancement of individuals with disabilities was further cemented in December 2020, when former CEO Larry Merlo and 47 other CEOs from across the country penned an open letter calling on their peers to prioritize disability inclusion. The letter cited CEOs' firsthand experience with the business benefits that result from disability inclusion in the workforce.

Further details on our Workforce Initiatives are available in the [Healthy Business section on page 58](#).



## Goal 12: Responsible Consumption & Production

CVS Health is committed to mitigating our environmental impacts, identifying resource efficiencies and helping our colleagues and consumers to make sustainable choices. In 2020, we joined the Sustainable Packaging Coalition's How2Recycle® program and began including detailed recycling icons and instructions on our store-brand packaging to help consumers understand

how to properly recycle each component of their product packaging. By 2025, we aim to include How2Recycle information on all store-brand products. We also joined Target and Walmart to found the Beyond the Bag Initiative, launched by Closed Loop Partners' Consortium to Reinvent the Retail Bag, a multiyear collaboration to advance a more sustainable and waste-free future for the retail bag. Read more in the [Healthy Planet section on page 105](#).

Another way that we are supporting responsible consumption is by helping our customers to properly dispose of unused medications. CVS Health has installed nearly 2,800 safe medication-disposal units in CVS Pharmacy locations nationwide, and we have donated more than 1,000 disposal units to police departments. Through these efforts, we have responsibly collected more than 2 million pounds of unwanted medication to help prevent this unnecessary

waste from adversely impacting human health and the environment. Read more in the [Healthy People section on page 27](#).

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# Contributing to UN SDGs



## Goal 13: Climate Action

We believe that human health is inextricably linked to the health of our planet. Accordingly, we have set science-based greenhouse gas (GHG) emissions-reduction targets to drive our progress on climate change. In 2020, we resubmitted our Scope 1 and 2 targets to the

Science Based Targets initiative in alignment with the Paris Agreement and the Intergovernmental Panel on Climate Change's assessment that global warming must not exceed 1.5°C. Moreover, we set a new Scope 3 target for our Purchased Goods and Services category, as we continue to encourage our

suppliers to take their own action to reduce the impacts of climate change, which directly influences this target.

To reduce total enterprise energy consumption and emissions, in 2020, we conducted light-emitting diode (LED) lighting retrofits across

CVS Health retail, distribution center, corporate and HealthHUB locations. Through this work, we reduced electricity use by more than 27.5 gigawatt-hours (GWh) and achieved a net reduction of 20,000 tons of carbon. Learn more in the [Healthy Planet section on page 105](#).



## Goal 15: Life on Land

CVS Health strives to use resources sustainably to prevent damage to our planet's natural habitats. In 2020, 93 percent of the paper we procured across the enterprise was sustainably sourced. This year, we also committed to discontinuing the sale of single-use plastic

straws; all plastic cutlery; and all Styrofoam cups, plates and bowls and will stop shipping these items to stores by June 2021. These products will be replaced with more sustainable options, such as straws made with sustainable materials and compostable plates and bowls.

In 2020, we began assessing products that we use and sell that contain palm oil and paper, which will inform a robust Forestry Policy we will release in 2021.

Additionally, one hundred percent of our store-brand suppliers that provide products containing palm

oil are members of the Roundtable on Sustainable Palm Oil or have obtained Rainforest Alliance certification. Learn more in the [Healthy Planet section on page 105](#).

# 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 (SVP) of CSR and Philanthropy and other executives share relevant CSR-related impacts, risks and opportunities with the Nominating and Corporate Governance Committee semiannually. In 2020, the Nominating and Corporate Governance Committee was engaged on topics such as:

- Climate change reporting, including science-based targets

- Employee health and wellness, especially in response to the pandemic
- Our approach to improving community health, including social determinants of health and efforts to reduce opioid misuse
- Executive compensation
- 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.



In 2020, a new committee of senior leaders was created to ensure further progress against our strategic priorities related to sustainability and corporate social responsibility. The Environmental, Social and Governance (ESG) Steering Committee oversees the advancement of our environmental, social and governance commitments and includes key leaders such as our chief governance officer, chief sustainability officer, chief risk officer, controller and SVP of investor relations, among others. They are supported by an ESG Operating Committee, including leaders across sustainability, external reporting, investor relations, risk management, legal and governance.

Our chief sustainability officer also ensures we are progressing against our strategy and goals. She and her team regularly work with leaders to align our strategy with key business imperatives and collaborate with colleagues throughout the company on programs, collaborations and initiatives that drive social and environmental impact. She also serves as the co-executive sponsor of our GreenTeam CRG, alongside our 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 and business unit and facility managers is partially linked to performance against these business plans.

For example, we regularly evaluate more than 100 risks through an ongoing process managed by our Enterprise Risk and Resilience (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. We ensure Business Continuity Plans are 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

The strength of our Board of Directors is derived from diversity of background and experience. Incumbents standing for election at our Annual Meeting of Stockholders in May 2021, our Board members standing election will represent 13 members, with 38 percent women and 62 percent men. Board members of diverse race or ethnicities will comprise 23 percent of total Board membership. Furthermore, Board members possess a diversity of relevant experience, skills and qualifications that enable them to effectively oversee the Company's strategy and management.

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# Ratings, Rankings and Recognitions

**World's Most Admired Companies (#38)**  
Fortune Magazine

**100 Best Corporate Citizens (#12)**  
3BL Media (Corporate Responsibility Magazine)

**Dow Jones Sustainability Index (DJSI)**  
DJSI North America, 8th Year  
DJSI World, 2nd Year

**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 (#24) and Top Companies for Supplier Diversity (#13)**  
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

**The Just 100 (#87)**  
Forbes Magazine

**America's Best Employers by State (Colorado, District of Columbia, Missouri and North Carolina)**  
Forbes Magazine

**World's Most Valuable Brands (#55)**  
Forbes Magazine

**Global 2000 (#40)**  
Forbes Magazine

**America's Most Responsible Companies (#166)**  
Newsweek

**FTSE4Good Index Series Member**  
Designed to measure the performance of companies demonstrating strong ESG practices



# CSR Material Topics

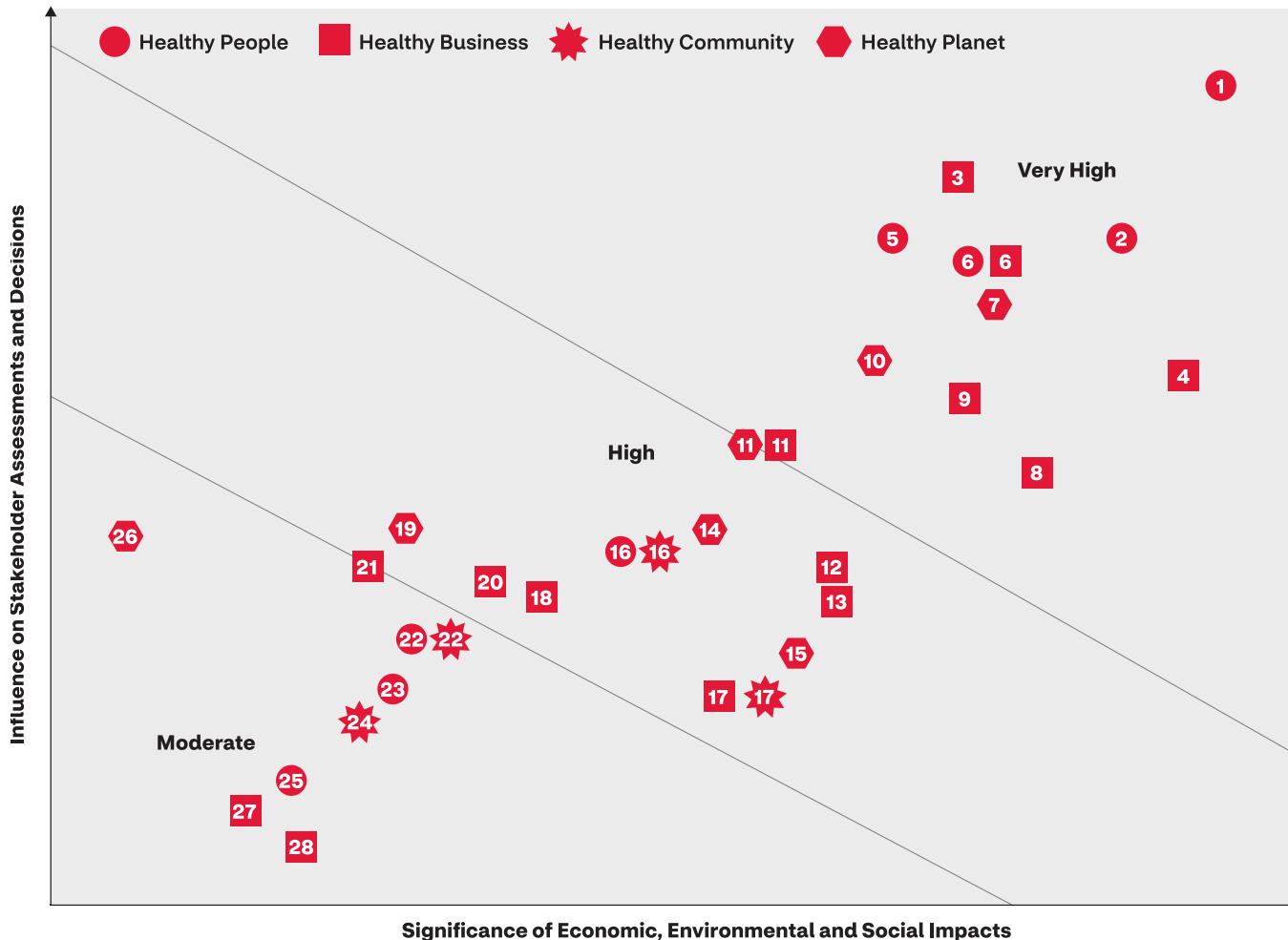
CVS Health's CSR material topics represent the areas in which the company has the ability to make the most significant economic, environmental and social impact, as well as the topics that most influence the decisions of our stakeholders, including our governance over these priorities. These topics inform our CSR strategy and goals as well as

our commitments to disclosure and transparent reporting.

We last conducted a comprehensive materiality assessment in 2019, in accordance with the Global Reporting Initiative (GRI) Standards, to reflect our Aetna integration. While we typically carry out a full materiality assessment biennially, the unrivaled events of 2020

necessitated a reflection on the ways in which the world has changed and how this may influence what is material to our business. We conducted a brief landscape assessment of relevant trends and an evaluation of our own efforts to reassess our material topics rankings. We saw changes that were reflective of the experiences of our nation, patients, colleagues and

business partners in 2020 and have captured those shifts in the ranking of topics. Of most significance was the increase in importance and prioritization of patient and customer safety; data protection and privacy; and diversity, equity, inclusion and justice.



## Very High

1. Access to quality health care
2. Patient and customer safety
3. Data protection and privacy
4. Diversity, equity and inclusion
5. Pricing of drugs and services
6. Employee health and safety
7. Product quality and ingredients
8. Human rights
9. Wages and benefits
10. Climate action

## High

11. Supply chain responsibility
12. Transparency
13. Responsible marketing and advertising
14. Packaging
15. Sustainable operations
16. Prescription drug misuse
17. Community investments
18. Ethics and compliance
19. Waste

## Moderate

20. Public policy
21. Governance
22. Social determinants of health
23. Chronic disease prevention and management
24. Smoking cessation
25. Medication adherence
26. Water
27. Workforce development
28. Risk management

# Stakeholder Engagement

CVS Health maintains regular, open communication with a broad range of stakeholders who help us understand how we can best advance our purpose of helping people on their path to better health and our CSR goals. We are fortunate to have many partners engaged in our work,

and we are committed to our efforts to establish a two-way dialogue with advocates, policymakers, stockholders, customers, members, colleagues and patients. We rely on their insights and feedback to develop and execute on our CSR strategy. On the following pages, we have detailed

how we engaged with stakeholder groups and highlighted some of the notable outcomes that resulted from our engagements in 2020. 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 2020
<p><b>Patients, consumers and members</b></p>	<ul style="list-style-type: none"> <li>• Telehealth appointments</li> <li>• Virtual consultations</li> <li>• Focus groups</li> <li>• Customer relations hotline</li> <li>• Surveys</li> <li>• Social media</li> <li>• Websites</li> <li>• Mail/email</li> </ul>	<ul style="list-style-type: none"> <li>• Access to quality health care</li> <li>• Pricing of drugs and services</li> <li>• Patient and customer safety</li> <li>• Prescription drug misuse</li> <li>• Chronic disease prevention and management</li> <li>• Medication adherence</li> <li>• Data protection and privacy</li> <li>• Smoking cessation</li> <li>• Product quality and ingredients</li> <li>• Packaging</li> <li>• Community investments</li> <li>• Diversity, equity and inclusion</li> <li>• Responsible marketing and advertising</li> <li>• Social determinants of health</li> </ul>	<ul style="list-style-type: none"> <li>• In response to the COVID-19 pandemic, we reacted rapidly with telehealth solutions. MinuteClinic successfully launched E-Clinic in three weeks' time and held more than 20,000 E-Clinic visits through the end of the year. Our HealthHUBs increased telehealth capacity in place of walk-in appointments and enlisted our Care Concierges to connect with patients by phone regarding medication adherence and care plans. Finally, we worked closely with behavioral health providers to help transition Aetna members to virtual outpatient visits.</li> <li>• To address increasing maternal mortality rates, especially among Black women, we launched a program for Aetna members with risk factors for developing preeclampsia, delivering care kits to more than 5,000 pregnant commercial and Medicaid members. We also developed an at-home prenatal care program to support women in areas without obstetric providers. Lastly, we began an outreach program to encourage pregnant members to get flu shot and tetanus, diphtheria, pertussis (Tdap) vaccines.</li> <li>• We expanded our relationship with Discovery Education and our Pharmacists Teach™ program. Since 2015, our pharmacists have volunteered their time and delivered curriculum to more than 500,000 teens and parents across the country. To reach millions more students virtually, we teamed up with Discovery Education, a provider of digital curriculum resources.</li> </ul>

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2020
<b>Colleagues</b>	<ul style="list-style-type: none"> <li>• Meetings and interviews with subject matter experts</li> <li>• Engagement surveys</li> <li>• Training and professional development opportunities</li> <li>• CVS Health intranet</li> <li>• Colleague Resource Groups (CRGs) virtual meetings</li> <li>• Town Hall meetings</li> <li>• Weekly emails from leadership with enterprise updates</li> <li>• Memos from CEO</li> <li>• Social Justice and Equity online resource center</li> <li>• Enterprise blog regarding enterprise Social Justice and Equity work</li> <li>• COVID-19 online resource center</li> </ul>	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Wages and benefits</li> <li>• Diversity, equity and inclusion</li> <li>• Workforce development</li> <li>• Community investments</li> <li>• Social determinants of health</li> <li>• Patient and customer safety</li> <li>• Access to quality health care</li> <li>• Sustainable operations</li> </ul>	<ul style="list-style-type: none"> <li>• To keep our more than 200,000 frontline and essential colleagues safe, we implemented convenient access to COVID-19 testing, protective face covering requirements and more. We trained all colleagues on how to use personal protective equipment (PPE). From March through December 2020, we distributed more than 46 million face masks, 190 million pairs of gloves, 37 million ounces of hand sanitizer and 2 million gowns to colleagues across the enterprise.</li> <li>• We committed to invest nearly \$600 million to social justice and racial equity for Black colleagues as well as communities and public policy initiatives. Our Black Colleague Resource Group (BCRG) provided invaluable contributions through conversations with senior leaders to share their experiences and provide feedback, insight and guidance. We also began conscious inclusion training, which will ultimately reach 100 percent of colleagues. Finally, to ensure greater diversity at all levels of CVS Health, we began to tie executive compensation to improving diverse representation.</li> <li>• More than 24,000 colleagues participated in our CRGs, including offering for the first time the opportunity to join groups as an ally. In 2020, our CRGs led Let's Connect virtual sessions to gather colleagues to discuss topics like family care, work-life balance and virtual leadership as well as diversity, equity, inclusion and justice topics like intersectionality.</li> </ul>
<b>Investors and stockholders</b>	<ul style="list-style-type: none"> <li>• Annual Stockholders Meeting</li> <li>• Quarterly earnings calls</li> <li>• Engagement meetings – virtual and phone</li> <li>• Email correspondence</li> <li>• Response to ratings and rankings</li> <li>• Conferences</li> <li>• Surveys and data requests</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Climate risks and action</li> <li>• Prescription drug misuse</li> <li>• Product quality and safety</li> <li>• Access to quality health care</li> <li>• Pricing of drugs and services</li> <li>• Diversity, equity and inclusion</li> <li>• Human rights</li> <li>• Risk management</li> <li>• Patient and customer safety</li> <li>• Data protection and privacy</li> <li>• Wages and benefits</li> <li>• Supply chain responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• We began to align with three new reporting frameworks in 2020 — the Task Force on Climate-Related Financial Disclosures (TCFD), focused on business risks and opportunities associated with climate change; the Sustainability Accounting Standards Board (SASB) Foundation, focused on financial material sustainability disclosures; and Culture of Health for Business (COH4B), focused on private-sector contributions to health. We conducted more than 30 shareholder engagement meetings during the fall off season and engaged with shareholders who proposed resolutions for inclusion in our proxy statement.</li> <li>• Throughout the year, we responded to investor inquiries on a broad range of CSR topics virtually through video and phone engagements and email correspondence.</li> </ul>

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2020
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Phone briefings</li> <li>• Conferences and events</li> <li>• Factory audits</li> <li>• Human Rights Policy</li> <li>• Code of Conduct</li> <li>• Trainings and workshops</li> <li>• Surveys and audits</li> </ul>	<ul style="list-style-type: none"> <li>• Climate risks and action</li> <li>• Supply chain responsibility</li> <li>• Diversity, equity and inclusion</li> <li>• Human rights</li> <li>• Wages and benefits</li> <li>• Climate action</li> <li>• Sustainable operations</li> <li>• Ethics and compliance</li> <li>• Risk management</li> <li>• Packaging</li> <li>• Patient and customer safety</li> <li>• Product quality and ingredients</li> </ul>	<ul style="list-style-type: none"> <li>• Through collaboration with CDP Supply Chain, we collected data from 80 percent of our suppliers, by spend, to target opportunities for GHG emissions reductions. We continued discussions with our two largest suppliers regarding their climate disclosures.</li> <li>• We continued our partnership with the World Wildlife Fund (WWF) in order to better understand the impacts within our supply chain. Through engagement with WWF experts, we conducted an audit of our store-brand packaging materials using their Resource Footprint Tracker. This assessment will support the development of sustainable packaging targets, beginning with store-brand products.</li> <li>• In response to COVID-19, we saw exacerbated demand for products such as hand sanitizer and sanitizing wipes. CVS Health partnered with suppliers to work quickly to meet the increased need for these products while still upholding the rigorous procedures that ensure products are of the highest-quality standards.</li> </ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>• Briefings and meetings</li> <li>• Phone briefings</li> <li>• Email correspondence</li> <li>• White papers and other briefing materials</li> <li>• Trade organizations</li> <li>• Participation in coalitions</li> <li>• Roundtable discussions</li> <li>• Public events</li> <li>• Sponsorships of events</li> <li>• Speaking engagements</li> <li>• Media engagements</li> </ul>	<ul style="list-style-type: none"> <li>• Pricing of drugs and services</li> <li>• Ethics and compliance</li> <li>• Prescription drug misuse</li> <li>• Public policy</li> <li>• Access to quality health care</li> <li>• Workforce development</li> <li>• Supply chain responsibility</li> <li>• Waste</li> <li>• Climate action</li> <li>• Patient and customer safety</li> <li>• Diversity, equity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Our public policy experts worked closely with congressional, administration, and local officials to respond to immediate and long-term community health needs resulting from COVID-19. This included support and coordination in the establishment of testing sites and ongoing collaboration in the delivery of COVID-19 vaccinations. We have administered more than 3 million vaccine doses to patients and staff in more than 40,000 long-term care facilities across the country. We completed both doses of vaccine administration in all long-term care facilities by mid-March.</li> <li>• We provided information to congressional and administration officials on Aetna's policies related to "surprise billing." This term describes when a person receives a bill from an out-of-network provider who performed eligible services while a member was in a network hospital or facility. In 2020, we urged Congress to pass a comprehensive bill that protects consumers from surprise bills and creates a simple and efficient process for insurers and providers to resolve payment disputes. In December of last year Congress passed, and President Trump signed, the No Surprises Act as part of the Omnibus Appropriations bill. While we were disappointed by the complex and burdensome arbitration process Congress chose to enact to resolve billing disputes, it is positive that the bill protects patients from receiving surprise bills. As the law is implemented through regulation, we will continue to advocate for a simple process to resolve billing disputes that does not result in increased costs for patients.</li> </ul>

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2020
<b>Government and regulators (continued)</b>			<ul style="list-style-type: none"> <li>• When the U.S. Department of Health and Human Services (HHS) finalized a rule in June 2020 that reduced anti-discrimination protections in health care for transgender people, we announced we would not change Aetna coverage policies as a result.</li> <li>• We participated in a supervisory college joint meeting with regulators in which we discussed our health care benefits business. This session was a collaborative dialogue on financial data, corporate governance and enterprise risk management.</li> </ul>
<b>Nonprofit organizations and NGOs</b>	<ul style="list-style-type: none"> <li>• Conferences</li> <li>• Roundtable discussions</li> <li>• Strategic relationships</li> <li>• Participation on boards and advisory councils</li> <li>• Attending annual meetings</li> <li>• Virtual engagement meetings</li> <li>• Webinars</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity, equity and inclusion</li> <li>• Access to quality health care</li> <li>• Chronic disease prevention and management</li> <li>• Climate action</li> <li>• Supply chain responsibility</li> <li>• Packaging</li> <li>• Pricing of drugs and services</li> <li>• Prescription drug misuse</li> <li>• Product quality and ingredients</li> <li>• Waste</li> <li>• Community investments</li> <li>• Social determinants of health</li> </ul>	<ul style="list-style-type: none"> <li>• Our Project Health initiative is one of the chief ways we support increased access to health care for underserved populations. In addition to our free health-screening events, in 2020, we donated \$2 million to NAFC through Project Health to distribute flu vaccines to communities disproportionately impacted by COVID-19. In 2021, Project Health is expanding its reach to a total of 25 communities in the U.S. and Puerto Rico as well as adding four Project Health mobile RV units to bring free health care services to communities throughout the U.S. that may not be in close proximity to a CVS Pharmacy.</li> <li>• In response to the many social and health-related challenges of COVID-19, our giving strategy pivoted to support the COVID response, first responders, people experiencing food insecurity and other current challenges. Grantees included the Boston Medical Center, for the development of a COVID-19 Emergency Social Services Fund; The Community Food Network, located in Kansas and Missouri, for support of its food-distribution efforts; The Rhode Island Foundation, to meet student need for laptops as schooling transitioned to a virtual environment; and other organizations across the country.</li> <li>• Through in-store fundraising and cause marketing campaigns, we engaged customers in our support of the American Lung Association (ALA) and the Alzheimer’s Association. To mitigate the impacts of COVID-19 on these specific groups, we shifted the focus of our traditional campaigns to instead support increased access to COVID-19 resources and vaccines. Donations to ALA were used to provide free lung health education and masks as well as advocate for COVID and flu vaccines in traditionally disenfranchised communities. Contributions made to the Alzheimer’s Association were directed to providing support to the community of people living with Alzheimer’s and dementia, their families and caregivers and those at long-term care facilities who are at increased risk of contracting the virus.</li> </ul>

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2020
<p><b>Industry groups and forums</b></p>	<ul style="list-style-type: none"> <li>• Conferences</li> <li>• Virtual meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity, equity and inclusion</li> <li>• Climate action</li> <li>• Product quality and ingredients</li> <li>• Patient and customer safety</li> <li>• Access to quality health care</li> <li>• Pricing of drugs and services</li> <li>• Packaging</li> <li>• Waste</li> <li>• Sustainable operations</li> </ul>	<ul style="list-style-type: none"> <li>• In 2020, we joined Target, Walmart and circular economy experts at Closed Loop Partners to found the Consortium to Reinvent the Retail Bag, a multiyear collaboration across retail sectors that aims to identify, test and implement innovative new design solutions that serve the function of today’s single-use plastic retail bag.</li> <li>• We joined the Sustainable Packaging Coalition’s How2Recycle program and began including detailed recycling icons and instructions on our store-brand product packaging. The How2Recycle label includes details on the type of packaging material, which components of the packaging are recyclable and directions for how consumers should prepare each component for recycling (such as rinsing). The label also drives consumers to <a href="http://how2recycle.info">how2recycle.info</a>, where they can access additional information, such as the availability of recycling programs in their municipality.</li> <li>• In 2016, we conducted a human rights impact assessment and gap analysis informed by the UN Guiding Principles on Business and Human Rights and in collaboration with experts at Business for Social Responsibility (BSR). In 2020, we began to refresh this assessment to account for evolving stakeholder expectations, emerging human rights issues and the growth of our enterprise. Through the assessment, we will identify and prioritize CVS Health’s human rights risks and take appropriate actions to manage these risks. This work will result in a fuller picture of human rights risks across our enterprise, including Aetna for the first time, and strengthen ongoing engagement with internal stakeholders.</li> </ul>



Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2020
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Community engagement programs</li> <li>Virtual volunteering</li> <li>Board memberships</li> <li>Event sponsorship</li> <li>Grantmaking</li> </ul>	<ul style="list-style-type: none"> <li>Access to quality health care</li> <li>Community investments</li> <li>Prescription drug misuse</li> <li>Workforce development</li> <li>Social determinants of health</li> <li>Smoking cessation</li> <li>Diversity, equity and inclusion</li> <li>Patient and customer safety</li> <li>Chronic disease prevention and management</li> </ul>	<ul style="list-style-type: none"> <li>Our Be the First initiative met and surpassed the goals we set five years ago in our work to deliver the first tobacco-free generation and to date, it has reached more than 15 million youths and contributed to a 36 percent decline in new youth smokers and more than 200 institutes of higher education going smoke- or tobacco-free.</li> <li>In spring 2020, we worked with NAFC to launch a \$1 million commitment, through the CVS Health Foundation, to support member organizations in expanding access to care through telehealth. We provided \$25,000 grants to 40 free clinics through our NAFC collaboration, funding technology, staffing and training for telehealth implementation and expansion. We also provided an additional \$1 million, through the company, to support 33 California Association of Free and Charitable Clinics to increase access to remote care across the state.</li> <li>In 2020, colleagues helped thousands of nonprofit organizations expand their reach and impact. Skills-based volunteerism has also been shown to increase colleague engagement and retention while growing colleagues' skills and talents. The COVID-19 pandemic shifted the volunteer landscape significantly, as colleagues could no longer physically gather to give back. To give colleagues the opportunity to do so safely, regardless of their location, we launched a new Virtual Volunteer program in April. Through the end of 2020, our colleagues donated more than \$6.6 million in value of volunteerism.</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>Virtual meetings</li> <li>Phone</li> <li>Email correspondence</li> <li>Surveys</li> <li>Disclosure requests</li> </ul>	<ul style="list-style-type: none"> <li>Access to quality health care</li> <li>Pricing of drugs and services</li> <li>Prescription drug misuse</li> <li>Medication adherence</li> <li>Chronic disease prevention and management</li> <li>Smoking cessation</li> <li>Patient and customer safety</li> <li>Diversity, equity and inclusion</li> <li>Chronic disease prevention and management</li> <li>Social determinants of health</li> </ul>	<ul style="list-style-type: none"> <li>We launched Return Ready™, a COVID-19 testing solution to support continuity for universities and workplaces. The program provides the flexibility and clinical insights needed to integrate COVID-19 testing, clinical protocols, reporting and additional health and safety solutions into return strategy and plans for ongoing business continuity. As of late January 2021, there were more than 100 Return Ready clients participating.</li> <li>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 2020, 99 percent of clients and 95 percent of members were satisfied.</li> <li>In 2020, 82 percent of health care benefits members and 96 percent of Aetna Medicare members were satisfied.</li> </ul>

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised	Outcomes in 2020
<p><b>Media</b></p>	<ul style="list-style-type: none"> <li>• Direct outreach</li> <li>• Website</li> <li>• Social media</li> <li>• Responses to inquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Smoking cessation</li> <li>• Access to quality health care</li> <li>• Pricing of drugs and services</li> <li>• Prescription drug misuse</li> <li>• Public policy</li> <li>• Data protection and privacy</li> <li>• Diversity, equity and inclusion</li> <li>• Social determinants of health</li> <li>• Chronic disease prevention and management</li> <li>• Climate action</li> <li>• Responsible marketing and advertising</li> </ul>	<ul style="list-style-type: none"> <li>• To keep the general public informed of COVID testing and vaccination rollout, we conducted extensive engagement with media to provide accurate, up-to-date information and provided robust resources related to COVID response on CVSHealth.com as well as CVS.com<sup>®</sup>.</li> <li>• Our Time for Care campaign, launched in July 2020, raises awareness about the importance of accessing primary health care during the pandemic. The campaign included a microsite, TV ad, digital content on Aetna.com and Aetna member program components.</li> <li>• In collaboration with U.S. News &amp; World Report, in 2020, the Aetna Foundation funded the third annual <u>Healthiest Communities</u> rankings of nearly 3,000 U.S. communities in the areas of population health, equity, education, economy and other social determinants of health. This year's rankings included new tools that tracked the impact of COVID-19 on community health and wellness and demonstrated the strong connection between these impacts and existing health disparities in Black and Latinx communities.</li> </ul>



Healthy  
**People** ♥

# Healthy People

**At a time when our purpose has never been more critical, we are helping people on their path to better health by making health care simpler, more accessible and more affordable.**

In 2020, we took bold action as we continued to work to transform the health care experience and help improve health outcomes. Amidst unprecedented challenges, we are meeting our customers, members and patients wherever they are, using our local presence to deliver expanded and innovative health care services.

We also used our influence, experience and assets and renewed our commitments to support historically disenfranchised communities. Persistent racial health disparities have been made even more clear by the COVID-19 pandemic. By addressing the social determinants of health that contribute to these disparities, we believe we can impact the structural barriers preventing people from achieving better health outcomes.

Our work to influence the human aspects of health would not be possible without the compassion and determination of our nearly 300,000 colleagues. They have worked harder than ever before to serve our customers, members and patients, and we have matched this dedication with an unwavering commitment to our colleagues' safety, physical health and mental well-being.

**Over the next 10 years, we will provide 65 billion health care interactions to individuals.**

# Transforming the Health Care Experience



The world changed in 2020. At CVS Health, we met these changes with accelerated innovation to better serve our customers, members, patients and other stakeholders.

Drawing on our deep health care expertise, we rapidly scaled our operations to provide critical public health services to support the nation's response to COVID-19. Today, CVS Health is the largest

private provider of COVID-19 testing in the U.S., and we continue to play a central role in the deployment of the COVID-19 vaccine. Throughout the pandemic, we have worked tirelessly to sustain our operations and ensure we continue to serve the millions of Americans who rely on us as an essential business.

Following more than a year of integration of our Aetna business unit, the promise of our combined,

customer-centric model was reinforced in 2020. The gaps within our country's health care system only grew wider as a result of the pandemic. Our work to transform the health care experience supported the new ways people seek care. Helping patients manage chronic disease and adhere to their medication and care protocols became more important than ever. Our newest offerings and services made

health care more accessible physically and virtually, delivering higher quality, greater simplicity and affordability.

Transforming  
the Health Care  
Experience

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**~250K**

COVID-19 vaccine  
doses administered

**~20K**

E-Clinic visits

**~20-25M**

COVID-19 shots  
administered per month

**650**

HealthHUB locations  
opened

**~20M**

flu vaccines  
administered

**1.1K+**

vitamins and supplements  
Tested to Be Trusted

**Key Accomplishments**

## Responding to COVID-19

Throughout 2020, our integrated business model allowed us to be a leader in the public health response to COVID-19. As an essential business, we helped ensure our customers, members and patients had the support they needed, and we adjusted programs and policies to keep people safer at home. You can read more about the early actions we took to support the health of the people and patients we serve in our COVID-19 Response Report.

## Leading the Nation in Diagnostic Testing

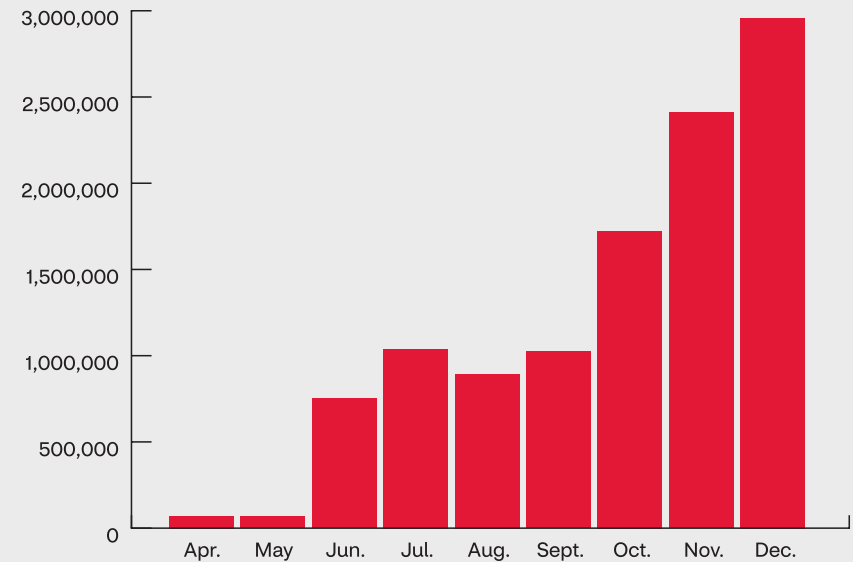
We administered our first COVID-19 test on March 19, 2020, at a tent site we mobilized in Shrewsbury, MA. By the end of 2020, we had administered more than 10 million tests at more than 4,000 CVS Pharmacy drive-thru sites, in collaboration with community health organizations, employers and long-term care facilities. We ramped up our testing capabilities and offerings exponentially throughout 2020, and in December, we administered our highest number of tests as part of this critical strategy to slow the spread of the virus.

Between October and December, we added more than 900 rapid-result testing sites at CVS Pharmacy locations with MinuteClinic, including more than 600 self-contained retail testing kiosks. With results in 30 minutes or less, rapid testing enables public

health authorities to more quickly identify active COVID-19 infections and provides patients with timely medical guidance. Symptomatic patients who test negative for COVID-19 can also access on-site MinuteClinic testing and care for other seasonal illnesses, like the flu, and chronic diseases, such as pneumonia and hypertension. This holistic approach to diagnosis and treatment means patients can begin treatment or seek follow-up care more quickly.

**We have also made rapid-result testing available through Return Ready™, CVS Health's comprehensive COVID-19 testing solution for employers and universities. By the end of 2020, we had administered more than 265,000 tests across 113 unique testing locations for clients in entertainment, higher education and corporations across a variety of sectors.**

## # of tests administered in the U.S.



## By end of 2020:



10M+ tests administered, including 165,000+ at community sites



24K people served through Aetna's Resources For Living\*



4K+ drive-thru testing sites



113 Return Ready testing sites established



400% increase in MinuteClinic Virtual Visits



### **Delivering a COVID-19 Vaccine**

Our experience in COVID-19 testing and long-standing expertise in vaccinations for other illnesses uniquely position the company to effectively administer a COVID-19 vaccine. With approximately 85 percent of the U.S. population living within 10 miles of a CVS Pharmacy location, we offer an accessible and convenient option, combined with the expertise and clinical support of our pharmacists, nurse practitioners and pharmacy technicians. In October, we announced plans to hire 15,000 colleagues into new and existing roles across the U.S. to bolster our COVID-19 response, with more than 10,000 of these roles for licensed pharmacy technicians at CVS Pharmacy locations.

As researchers raced to develop a safe and effective vaccine in fall 2020, CVS Health was proud to be tapped by the federal government to help protect our most vulnerable populations. [On December 21, we formally launched our COVID-19 vaccination program](#) for long-term care facilities. Our teams of pharmacists and pharmacy technicians administered the first doses of the vaccine in facilities across 12 states in the program's first week. We have administered more than 3 million vaccine doses to patients and staff in more than 40,000 long-term care facilities across the country. We completed both doses of vaccine administration in all long-term care facilities by mid-March.

CVS Health was also selected as one of the national partners for the Federal Pharmacy Partnership Program, a linchpin of the Biden Administration's plan to vaccinate 300 million Americans by the end of the summer. As part of this program, we are administering approximately 250,000 COVID immunizations across 11 states and in more than 350 CVS locations each week. We will continue to add stores as the vaccine supply increases, and as a result of the commitment and hard work of our colleagues, we have the capacity to administer between 20 and 25 million doses per month, depending on supply availability.



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# Helping to Ensure Equity in Vaccination

CVS Health acknowledges our responsibility to ensure fairness and equity in supporting the nation's COVID-19 vaccination effort. Achieving widespread vaccination and herd immunity will require addressing barriers such as unequal access to care and vaccine hesitancy. Vaccine hesitancy is one barrier facing Black and Hispanic communities and is rooted in historical examples of racial bias in health care settings. As vaccine rollout continued in early 2021, we commissioned new research that found 35 percent of Black survey participants did not plan on receiving a vaccine when it is first available to them — up nearly 10 percent from a survey we had conducted just a few months earlier. In February 2021, we announced a community-based strategy to address potential inequities related to COVID-19 vaccine access in vulnerable communities, with a particular focus on Black and Hispanic populations. The strategy included proactive patient outreach; community-based partnerships; off-site vaccine clinics; and robust, education-focused marketing, all aimed at increasing COVID-19 vaccination rates.

Of the nearly 10,000 CVS Pharmacy locations nationwide, nearly half are in communities ranked high or very high by the Centers for Disease Control (CDC) and Prevention Social Vulnerability Index (SVI). A high SVI

rank, along with population density and area demographics, are critical factors we are using to prioritize the CVS Pharmacy locations that are offering appointments for COVID-19 vaccinations. In communities where COVID-19 vaccines are currently available at CVS Pharmacy locations, we are working to help ensure Black and Hispanic patients have equitable access to appointments. We reached out to more than 60,000 CVS Pharmacy patients, and Aetna and Caremark members in vulnerable communities, to help them make an appointment at a CVS Pharmacy or elsewhere and to answer questions or concerns they may have about being vaccinated.

We are also working with our extensive network of community-based leaders and nonprofit organizations, including free and charitable clinics, faith-based organizations, food banks and others, to reach vulnerable patients with educational information and help them make an appointment. In March, we began using mobile vaccination vans to hold community-based clinics in close coordination with nonprofit organizations like the YMCA. And through a new collaboration with rideshare service Lyft and its universal vaccine access campaign, we are helping to provide free or discounted rides to vaccination appointments for those in need.

Education from trusted sources is critical to a successful vaccination strategy. We are conducting outreach to patients in vulnerable communities with text messages and emails featuring messages from pharmacists to encourage vaccination and address hesitancy. More than 40 percent of our pharmacists and more than 50 percent of our pharmacy technicians identify as people of color, and they are serving as important voices in helping people understand the safety and efficacy of the vaccine.

We have also joined the Ad Council's COVID-19 Vaccine Education Initiative as a Founding Partner with a campaign to educate the public about the importance of, and work to build confidence in, COVID-19 vaccines with the goal of increasing vaccination uptake, particularly among Black and Hispanic audiences. We will supplement this collaborative effort with a significant CVS Pharmacy marketing campaign focused on reaching vulnerable communities with educational information. With content available in multiple languages, components of the campaign are designed to reach specific audiences, including utilizing CVS Health's role as a Founding Partner of the Black Information Network.





Building on our long-standing commitment to mental well-being, Aetna expanded services and resources to support populations most impacted by COVID-19. At the outset of the pandemic, as stress, anxiety and the need for support with services such as child care quickly increased, we made our Resources For Living capability available to everyone, not just members. In 2020, more than 24,000 people, including 4,400 community members, reached out regarding COVID-19 and received in-the-moment counseling and connections to additional mental health resources, caregiver support, social and community services and other support.

### **Expanding Access to Flu Vaccinations**

Flu prevention is another critical element of our response to COVID-19. We dramatically increased our supply and promotion of the flu vaccine across our retail footprint to respond to increased demand and fill the gaps left by other traditional sources, such as school or workplace clinics. In 2020, CVS Health providers administered nearly 20 million flu vaccines, approximately doubling 2019 numbers. We also worked with community health organizations and business partners to expand access among medically underserved populations around the U.S.

### **Supporting Our Aetna Members**

As in-person visits with health care providers dropped dramatically in spring 2020, Aetna focused on providing immediate relief to our approximately 23 million health plan members. We have continuously updated and expanded programs to meet our members' evolving needs, providing care that aims to be as accessible and affordable as possible.

In addition, we extended certain waivers put in place during the pandemic to help members access the care they need:

- Extended waivers for out-of-pocket costs for inpatient hospital admissions for treatment or health complications associated with COVID-19 for Commercial members

through January 31, 2021 and Medicare Advantage members through March 31, 2021\*

- Extended waivers for cost sharing for in-network telemedicine visits by Commercial members for outpatient behavioral and mental health counseling services through January 31, 2021
- Extended waivers for Individual Medicare Advantage member out-of-pocket costs for all in-network primary care visits and outpatient behavioral health counseling telehealth services through the end of the public health emergency
- Extended waivers for cost sharing for covered in-network telemedicine visits for medical and behavioral health services for Aetna Student Health plan members through January 31, 2021

### **Delivering Infusion Care at Home**

Our infusion care business, Coram®, has worked directly with hospitals and providers across the country to create additional hospital capacity for patients with severe cases of COVID-19. For many patients undergoing infusion therapy during the pandemic, in-home care is a safer option, and Coram nurses can deliver clinically appropriate care. Through collaborations with Piedmont Healthcare in Georgia and UCLA Health in California, we supported the transition of more than 1,000 patients from a hospital setting to at-home care.

In November 2020, the U.S. Food and Drug Administration (FDA) issued an Emergency Use Authorization (EUA) for the investigational antibody therapy bamlanivimab for the treatment of mild-to-moderate cases of COVID-19. Delivered in a single intravenous infusion as soon as possible after a positive diagnosis, bamlanivimab was shown in clinical trials to reduce COVID-19-related hospitalization in patients at high risk for disease progression. As part of Operation Warp Speed, HHS selected Coram to help pilot the administration of a limited supply of bamlanivimab. On December 4, we launched the pilot in seven U.S. cities, administering 1,000 doses in patient homes and long-term care settings. In late January 2021, we entered the second phase of the pilot, with another 1,000 doses to be administered. This program has effectively reduced the strain on hospital systems and emergency departments.

\*As of 3/31/2021

## MinuteClinic: Meeting Patients Wherever They Are

Our MinuteClinic providers stepped up to serve patients in many ways in 2020. We continued to serve established patients throughout the pandemic while, at the same time, rapidly repurposing our capabilities and expertise to provide COVID-19 diagnostic testing at nearly 4,800 locations. We also expanded our services to build on our chronic care capabilities, including enhanced chronic disease monitoring and screenings, and furthered our reputation as a health care provider for all, including veterans, families and seniors. At a time when many people were putting off routine care, we innovated to meet our patients wherever they were, including a dramatic expansion in our telehealth offerings.

### Providing a Virtual Solution

Although MinuteClinic locations remained open throughout the pandemic, we knew more needed to be done so patients could safely access the care they needed while also keeping our clinicians and patients safe. As part of our pandemic response, MinuteClinic moved rapidly toward a new telehealth solution to complement our existing Video Visit offering, and in just three weeks, successfully launched E-Clinic. The new offering, available in 33 states and Washington, D.C., provides patients the opportunity to connect with a MinuteClinic provider in their state who can evaluate, diagnose and treat

common injuries, illnesses and skin conditions and help manage chronic conditions for established patients. From its launch in April through the end of 2020, MinuteClinic providers held nearly 20,000 E-Clinic visits.

E-Clinic visits are covered by most insurance plans. For patients without health insurance, MinuteClinic has offered Video Visits since 2018, on our branded services platform in collaboration with Teladoc, which is an affordable cash-pay option, with visits costing \$59. Video Visits are also covered by most Aetna insurance plans.

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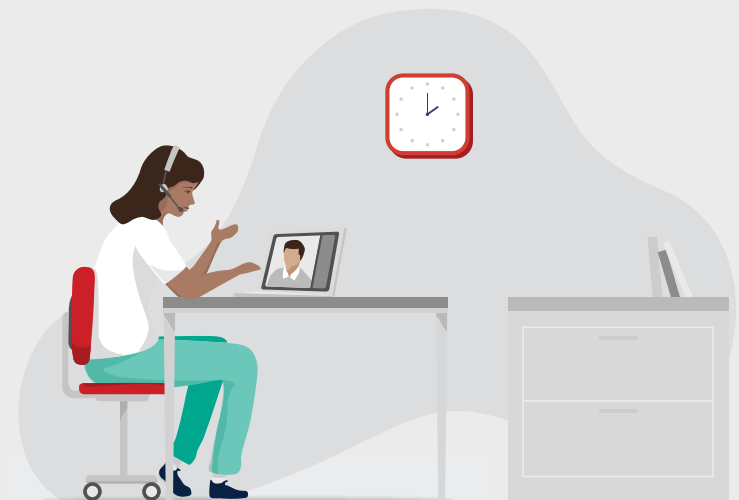
**In 2020, MinuteClinic received the Pathway to Excellence Innovation Award from the American Nurses Credentialing Center for its work to help facilitate collaboration among care providers. The solution, Virtual Collaboration (VC) for Nurses, enables HIPAA-compliant, on-demand collaboration that enables text messaging, audio and video meetings and image capture and exchange. Available to MinuteClinic providers across our approximately 1,100 locations around the country, VC for Nurses makes them feel more connected to their peers, physician colleagues, nurses and allied health care teams as they provide high-quality, collaborative clinical care in real time for patients.**

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## The Future of Virtual Care

The execution of an end-to-end, omnichannel virtual care strategy is among our highest priorities as an enterprise, and our ability to seamlessly integrate digital and in-person experiences sets CVS Health apart. The remarkable rise in usage of telehealth across the health care industry has clearly demonstrated the value of being able to deliver care anywhere. Using the expertise of MinuteClinic, we are continuing to evolve our next-generation virtual care offering. Our vision is to deliver the best care, at the best time, in the most affordable way. Tapping into synergies across our enterprise, we will create a more integrated experience that uses our physical presence as an online gateway, using artificial intelligence (AI) tools to encourage good care choices and drive a strong patient experience — which positions us to deliver a meaningful solution that meets consumer expectations for the near- and long-term.





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Enhancing health care for older adults is a priority across CVS Health, and in 2021, we will focus on the acceleration of adoption of an at-home product for seniors. Launched in September 2020 in 500 HealthHUB locations, our CVS Health Symphony™ product provides a connected solution for caregivers to check in with and monitor the daily status of independent older adults. With 24/7 connectivity, caregivers receive alerts for falls, motion, air quality and temperature. CVS Symphony also provides easy access to emergency-response services and eases the burden of caregivers by coordinating data metrics, alerts and care in a single platform. CVS Health Symphony is modular and expandable. Current offerings include fall, entry and motion sensors for in-home installation. In 2021, we will expand to wearable devices and allow for connectivity of other devices, such as glucometers and blood pressure cuffs. By the end of 2021, CVS Symphony will be available in all HealthHUB locations nationwide.

### **Providing Age-Friendly Care**

People over the age of 65 make up an increasingly large part of the U.S. population and a growing percentage of patients served across our footprint, including at MinuteClinic locations. In 2020, we introduced age-friendly care to improve and evolve how we care for older adults. As part of a routine visit for any patients over 65, our providers are trained to ask questions centered on the 4Ms Framework — What Matters, Medication, Mentation and Mobility. Research shows that providing older adults with this type of specific care has significant benefits, including a reduction in emergency department visits, hospitalizations and hospital readmissions; improved mobility; a reduction in medication-related problems; and early identification of memory loss and depression. MinuteClinic is the largest retail clinic network in the U.S. to universally adopt age-friendly care. Sponsored by The John A. Hartford Foundation, the program is a collaboration with the Frances Payne Bolton School of Nursing at Case Western Reserve University and the Institute for Healthcare Improvement.

You can read more about how we support seniors throughout this report, including our focus on Aetna member support, nutrition assistance and our collaboration with the Alzheimer's Association.

## Supporting Patients With Chronic Disease

In the early months of 2020, preventing and managing chronic disease was our nation's biggest health challenge, driving 90 percent of health care spending, affecting six in 10 U.S. adults and disproportionately impacting historically disenfranchised communities. As was clearly highlighted throughout the COVID-19 pandemic, increased support and connections will be even more critical to ensure people get the care they need in a timely manner. Many people with chronic conditions delayed care due to fear of contracting COVID-19, limited access to traditional care settings or reluctance to overtax the health care system.

Our approach to helping individuals manage chronic conditions combines innovative touch points and groundbreaking data analysis. Today, we are not only able to bring together a broader set of data from prescription and medical claims, but we also combine that data with lab results, electronic health record data and information from medical devices and wearables, where permitted. By aggregating and analyzing this data in

real time, the insights we can generate for health care providers are actionable and make health care simpler for patients. Instead of a one-size-fits-all approach, our improved interactions and data-fueled insights are resulting in complete, end-to-end condition management and improved outcomes.

## Transforming the Health Care Experience Through Our HealthHUB Locations

Our innovative HealthHUB model puts people at the center of the consumer health experience, with products and services tailored to meet the needs of local patients and customers. We began piloting our HealthHUB model in Houston, TX, in 2019 and have now expanded to 650 locations. We are on track to execute our strategy of scaling the HealthHUB model nationally. As we expand, we are applying learnings and consumer insights to achieve more coordinated, personalized care at the local level. In 2020, we successfully tested new offerings to respond to consumer priorities and close gaps in care, and we expanded access to additional products and services at MinuteClinic that have not been offered in traditional retail settings.

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## Responding to COVID-19 at HealthHUB

In 2020, we reimagined the ways in which we deliver care at HealthHUB locations. With many of our customers choosing to stay safe at home, we began offering several in-store services virtually. We increased telehealth capacity in place of walk-in appointments, focused our Care Concierges on telephonic outreach to help patients adhere to their care plans and began streaming wellness programming like nutrition coaching from our Community Rooms. We also used the space and accessibility of our Community Rooms to offer COVID-19 testing in 127 locations. We believe virtual engagement with our HealthHUB locations will only continue to accelerate and will build our future offerings to go beyond brick-and-mortar locations.



## Transforming Diabetes Care

Since 2017, our Transform Diabetes Care® program has helped reduce the complexity of self-management and prevent the onset of diabetes through an insights-driven solution for CVS Caremark members. Today, that approach is coming to life in our HealthHUB locations, with an enterprise solution that provides holistic support at every point of a patient's diabetes journey. Our pharmacists are often the first point of contact following a patient's discharge from the hospital. We believe we have a critical role to play in reaching patients, including those managing diabetes, at the right time — to avoid costly hospital readmissions and help them on their path to better health.

Introduced in 22 HealthHUB locations in 2020, our enterprise diabetes solution supports medication adherence and optimization, recognizes and advises on screening gaps and helps customers monitor their glucose through connected devices. Publicly available population health data and AI informs our strategy and outreach in each location, providing our care teams with the best information to reach patients who may need the extra support. We plan to scale the solution across every HealthHUB with eligible membership nearby in 2021.

## Medicare Resource Center

Navigating Medicare options for the first time can be a complex process. To help people pick the plan that is right for them during the

open enrollment period, we piloted a Medicare Resource Center in 24 HealthHUB locations. The program connects customers with a channel-agnostic broker for one-on-one, customized consultation. In 2020, we helped Medicare-eligible patients and caregivers schedule in-store and virtual appointments and received overwhelmingly positive feedback. We plan to scale this solution to additional HealthHUB locations in 2021.

We also tested a Medicare STARS program in a Houston HealthHUB location in 2020. Through the program, we targeted Aetna Medicare HMO members with an identified gap in care. Care Concierges called members to encourage them to resolve the gap with their primary care physician and to help coordinate appointment scheduling, if needed. The program exceeded our expectations, significantly improving upon customer reach rates, engagement rates and closing health care gaps when compared to traditional care-management channels. To build on this success, we will conduct a full pilot of the program in 2021 with a goal to reach tens of thousands of members across hundreds of HealthHUB locations.

## Expanding Access to Mental Health Care

In January 2021, we launched a pilot program that adds a licensed clinical social worker to the MinuteClinic provider team in three HealthHUB locations in Houston, TX. The program is designed to help people through the

assessment, diagnosis, treatment and prevention of prevalent mental health conditions like depression, anxiety and stress in the convenience of the MinuteClinic setting. More than 51.5 million people in the U.S. were living with a mental health condition in 2019, resulting in \$200 billion in health care spending. These numbers have risen dramatically as a result of COVID-19. Providing accessible mental health care in a community retail setting is an exciting part of our strategy to improve customer health and well-being and bring down health care costs. In 2021, the program will be available in 34 locations in the Houston, TX; Philadelphia, PA; and Tampa, FL, markets.

## Improving Chronic Care

At CVS Health, we have been studying medication adherence and patterns of prescription utilization for more than a decade. With more than a billion prescriptions filled each year, we are uniquely equipped to understand the complex barriers to adherence and how to help patients overcome them. Better adherence is foundational to the transformation of chronic care and improvement in health outcomes. It is one of the most effective ways to improve management of conditions like diabetes, hypertension and depression.

Since 2011, our Pharmacy Advisor® program has provided more than 54 million adherence interventions to CVS Caremark members. The personalized care plan that guides Pharmacy Advisor counseling is based on the

individual member's pharmacy claims, demographic information and engagement history. Our analytics engine organizes data to generate individualized insights, assessing the member's risk for nonadherence and negative health outcomes. Based on this information, the engine prioritizes the member's next best action to maintain adherence and lower the risk of adverse events.

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**While “take your medicine as prescribed” may seem straightforward, it is estimated that adherence to chronic medications is stalled at around 50 percent in the U.S.**

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In 2020, we further evolved Pharmacy Advisor to anticipate and understand risks and barriers to adherence. Our newest program, Pharmacist Panel™, has expanded outreach to high-risk members, providing ongoing, one-on-one support from specially trained pharmacists, either at their CVS Pharmacy or telephonically. Individualized interventions are based on the member's personalized care plan and designed to address adherence obstacles.

Another component of our Transform Chronic Care™ strategy is Health Advisor, which uncovers insights on members to help prevent unnecessary medical costs. Health Advisor uses a real-time view of member data to create a personalized care plan.



Advanced algorithms take into account estimates of health literacy, provider relationship history and social determinants of health such as access to safe housing, education and other resources. This analysis informs insights on the risk of nonadherence, future medical expenses and likelihood of hospitalization or emergency room (ER) use. Health Advisor addresses more than 100 chronic conditions and goes beyond supporting medication adherence to promote lifestyle changes and preventive care. The program has already delivered a 12 percent reduction in unnecessary ER visits among participating members. Other projected results among members include higher rates of flu vaccination, reduced use of high-cost labs and optimized medication utilization.

#### **Driving Innovation in Home Infusion**

In collaboration with Epic®, the most widely used electronic health record system in the U.S., in 2020, Coram piloted an innovative operating platform to advance clinical quality and improve the patient experience. Following two years of implementation planning, the platform will increase our connectivity with providers and health systems and provide user-friendly patient access to an online portal powered by Epic's MyChart. The successful pilot program began at the St. Louis, MO, Coram infusion branch in October and will expand to other sites in 2021. We expect that the system will be rolled out nationally by the second quarter of 2022.

## Keeping Drugs Affordable and Accessible

At a time when our health care system is under significant strain, helping patients save money on prescription drug costs is critical. Without access to prescribed medication, patients can get sicker and require more care, ultimately leading to increased health care costs. We are ensuring more convenient and affordable access to medications through four key strategies:

### 1. Helping patients access the most cost-effective medicine through clinical expertise

We closely monitor trends in utilization, particularly for high-cost specialty drugs, to help patients access clinically appropriate new therapies while reducing unnecessary spend. By deploying strategies that encourage the use of lower-cost and clinically equivalent generic options when appropriate, we continue to reduce both our clients' and members' out-of-pocket costs.

### 2. Meeting patients' pharmacy benefits needs

As the business partners we serve face the economic realities resulting from COVID-19, we are working in a consultative role to help keep their workforces healthy. Beyond securing the lowest-possible cost for medications, we also work with clients to design benefits with digital touch points and personalized support. For example, our Point Solutions Management offering helps guide our members in strategies to reduce worry and

anxiety, improve heart health, get better sleep and make smarter nutritional choices.

### 3. Securing the supply of medication

In 2020, we closely monitored prescription availability, shortages and spikes in demand. Using predictive analytics, we assessed prescription drug-usage trends and adapted supplies, as needed. We plan to continue to use these analytics tools, not only to understand supply and demand trends, but to analyze where pharmaceutical ingredients are coming from to avoid limited-supply issues in the future. These tools helped us shift our sourcing — in some cases, early in the pandemic — to account for COVID-19 spikes in countries that are central to the pharmaceutical supply chain.

### 4. Helping patients remain engaged while socially distant

At the onset of the COVID-19 pandemic, we worked to help ensure all patients could continue to get their medications and health care affordably and without leaving home. To help prevent potential gaps in care, CVS Health led an early effort with local agencies to change regulations and enable greater remote pharmacy care management. We also made changes to our business to help minimize trips to the pharmacy, including early refill prescriptions, expanded access to 90-day supplies of medications by mail and free prescription delivery from our community locations.

## Safety and Quality at CVS Pharmacy

Maintaining the safety of our patients, customers and colleagues has always been a critical priority for CVS Health. Amidst the COVID-19 pandemic, our commitment took on new meaning. We worked to maintain the physical safety of our colleagues and patients while, at the same time, continuously improving upon safety and quality processes in the pharmacy.

A patient's interaction with the pharmacy is the most frequent interaction in health care. We believe our pharmacists can have a material impact on people's health by using those frequent touch points to offer patients more resources, information and services. The role of our pharmacists continues to evolve to provide patients with the highest-quality care. In 2020, 80 percent of pharmacists in 10 states were trained to prescribe hormonal contraceptives. Additionally, more than 85 percent of our pharmacists have obtained a National Provider Identifier (NPI), a unique health care provider identifier that will allow pharmacists to deliver health care services.

### Promoting a Just Culture

Providing quality care to our pharmacy patients means striving for the highest level of accuracy in prescription dispensing. Our pharmacy teams work hard to get the right patients the right medications, with the right instructions, at the right time. The most important step we can take in continuously improving patient safety is reporting and responding to errors.

In 2020, we formally rolled out our Just Culture training to all pharmacy colleagues, promoting a nonpunitive environment that supports transparency by encouraging reporting of errors and sharing accountability among the organization and our colleagues. Through Just Culture, the enterprise is accountable for the systems we have designed and for responding to the behaviors of our colleagues fairly. In turn, our colleagues are accountable for the quality of their choices and for reporting both their own errors and system vulnerabilities. When our colleagues feel safe reporting errors, open and transparent dialogue leads to learning, and we reinforce a fair and balanced environment. All CVS Pharmacy teams and field leaders underwent Just Culture training this year, and we have received overwhelmingly positive feedback.

We also continue to make system enhancements to promote dispensing accuracy. In October 2020, we completed the rollout of our patented Alert IQ program systemwide. Alert IQ provides early error detection and prevention, notifying pharmacy teams of potential errors before they occur. Increasing the number of electronic prescriptions that can be run through Alert IQ is a critical component of our strategy, and we continue to advocate at the state level for greater requirements for electronic prescribing.



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Many of the physical changes our patients and customers see when they visit a CVS Pharmacy today will remain the standard well into the future. From the early days of our pandemic response, we have made hand sanitizer available to colleagues and customers and enhanced cleaning and disinfecting protocols. Plexiglas partitions at all points of sale, signage and floor markings maintain physical barriers and encourage social distancing. All CVS Health colleagues and customers are required to wear a facial covering in our stores and other locations, and colleagues have been provided with training on handwashing protocols and effective use of PPE. All our providers are equipped with the PPE required for their roles. You can read more about the health and safety protocols implemented across the enterprise in the [Healthy Business](#) section on page 58.



## Investing in Colleague Health and Wellness

Central to advancing our purpose is the dedication of our nearly 300,000 colleagues, who bring their hearts and talents to work to help others each day. As essential workers and health care providers, our colleagues came under tremendous strain in 2020, managing demands at home and at work. In addition to executing on our \$100 million investment to make health care more affordable for our colleagues, we implemented several policies and programs that prioritized their physical, mental and financial well-being. This included liberalizing our plan coverage to include telebehavioral health visits with no member cost share and waiving all copays for telebehavioral health through May 2021. All telehealth visit copays were waived from April 1 through September 1 as well.

Our programs are designed to provide a personalized and holistic well-being experience across six dimensions:

**Physical health:** Being in tune with your body to manage your nutrition, sleep, activity and lifestyle for quality of life

- 2020 highlight: Our Aetna Fitness Team shifted overnight to provide more than 80 live, virtual fitness classes to colleagues over the course of 10 months. Colleague response to virtual classes was overwhelmingly positive; we plan to continue offering the classes. Said one colleague: “I would like to express our appreciation and

extreme thankfulness on how quickly your team was able to [launch] online training classes ... for me, these classes provide the much-needed break from endless conference calls and sitting, not to mention serving as a huge stress reducer. [The classes] give us the sense of connectedness with others we are used to seeing daily. So, thank you for tending to both our mental and physical well-being during this chaotic time!”

**Purpose:** Having a sense of meaning in life

- 2020 highlight: The COVID-19 pandemic dramatically changed the way we live and work. Throughout 2020, our colleagues were driven by their passion and our purpose of helping people on their path to better health to find creative ways to give back to their local communities. Leveraging our values of integrity, innovation, caring and collaboration, our colleagues participated in virtual volunteer events, including walks, mentorship and more, driving \$6.6 million worth of volunteer time to the communities we serve. Learn more in the [Healthy Community section on page 82](#).

**Social connectedness:** Having close, meaningful and supportive relationships

- 2020 highlight: In a year that brought social isolation to many, our CRGs stepped up to provide a virtual way for colleagues to gather through

Let’s Connect sessions. The sessions have become increasingly popular and explore various top-of-mind topics, such as family care, work-life balance and social justice. You can read more about the contributions of our CRGs in the [Healthy Business section on page 58](#).

**Emotional health:** Having the resiliency to manage your emotions and reactions throughout life’s ups and downs

- 2020 highlight: In addition to the several mental health support programs offered as part of our colleagues’ health care benefits, in 2020, we provided all colleagues with multiple free tools to support their mental well-being. Access to wellness apps Daylight and Sleepio provides support in dealing with anxiety, depression and healthier sleep habits. Daily, live-guided mindfulness practices offer an opportunity to take a break from their day and refocus their energy. A collaboration with 7 Cups, an online therapy and counseling service, offered colleagues one-on-one support from trained volunteers that provide an empathetic listening experience.

**Character strengths:** Having consistent thoughts and actions that contribute to the overall well-being of oneself and others

- 2020 highlight: Find Your Gratitude is a campaign we launched to encourage our colleagues to find

and share their reasons to be grateful — whether at work, at home or in our communities. The campaign kicked off with a special challenge that invited colleagues to take 15 minutes each day to focus on themselves, whether that meant moving more during the workday, improving nutrition, combating stress or organizing personal finances. For every Wellness Minute colleagues earned, CVS Health donated to the ERF on that colleague’s behalf. In addition to taking much-needed time for themselves, our colleagues worked alongside one another to support those in need.

**Financial security:** Having the financial skills and resources available to pursue your goals

- 2020 highlight: Nearly 35,000 CVS Health colleagues accessed financial education support in 2020. Launched at the beginning of the year, our financial literacy program provides all colleagues access to personalized financial planning sessions, digital education and assessment tools. The program is helping our colleagues make a plan to meet their personal financial goals — whether it is debt management, retirement or saving for other life events.

### **Reducing Health Care Costs for Colleagues**

In 2020, we took the important step of moving to salary-based contributions toward health care for all colleagues. This approach allowed tens of thousands of colleagues to see significant decreases in paycheck contributions toward health care coverage and keep more money in their own pockets. In addition, more than 5,000 colleagues who previously had not enrolled in our health plan were able to do so. With the new plan year that will begin in June 2021, we will achieve the goal set forth in the redesign of our Total Rewards program for all colleagues — a unified cost-share structure that targets an average company cost share of 85 percent of health care expenses.

### **Family Building Benefits Center Diversity, Equity and Justice**

In 2020, we evolved our adoption benefit to become a family expansion benefit, offering more inclusive options for all family structures. The new CVS Health Family Building Assistance program will reimburse colleagues up to \$5,000 per year for eligible expenses, including adoption expenses, surrogacy fees, fees paid to a gestational carrier, the purchase of eggs/embryos/sperm and up to \$1,200 reimbursement for doula services.

Doulas provide invaluable support as an advocate for mothers throughout pregnancy, labor and delivery and postpartum. They have also been shown to effectively mitigate the racial health disparities that exist within maternal health care. By extending this benefit to our colleagues, we are leading by example in addressing the maternal health crisis and have made this area a priority within our cross-enterprise efforts focused on increasing health equity.

### **Adjusting to Work at Home With Technology and Ergonomic Support**

Approximately 70,000 CVS Health colleagues shifted to a work-from-home setting as a result of COVID-19; 20,000 of our colleagues were already working from home prior to the pandemic. Knowing that many colleagues were quickly cobbling together work setups, we committed to providing safe and effective ergonomic support to help them work healthier. We also coordinated the delivery of company laptops to colleagues' homes and worked with colleagues to establish remote access to internal platforms.

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At the onset of the pandemic, teams from across the enterprise came together to take care of our colleagues, from a personal and public health perspective, and financially. We implemented a new paid sick leave policy to prevent people from coming to work when they were sick and new protocols to protect the colleagues who needed to continue to come to work and their families. With our colleagues' safety, health and well-being as our top priority, our teams pushed aside the typical hurdles a corporation our size faces when implementing major policy shifts and benefits offerings. Instead, we used our size and scale to provide financial support, local resources and increased access to health care for our colleagues. You can read more about the early actions we took in our [COVID-19 Response Report](#) and more about safety protocols in the [Healthy Business](#) section on page 58.





### **Focusing on Consumer Health and Wellness**

The way Americans shop had to change drastically in 2020, including how they access our community locations, what they need and what they value. Our merchandising and store-brands teams focused on developing concepts and innovations to meet consumer expectations while helping them on their path to better health during a challenging time. We devoted research and product development to target specific challenges our customers faced through the pandemic. This resulted in the expansion of “do-it-yourself” and holistic wellness offerings, like sleep aids, as well as maintaining access to products and services that help keep customers healthy and safe.

When the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed in late March, thousands of over-the-counter products became eligible for Flexible Spending Account (FSA)/Health Savings Account (HSA) benefits at the point of purchase. We quickly took action to make nearly 10,000 eligible products available to customers in store and online, identifying and marking eligible products and creating newly curated assortments for shoppers. In 2020, we saw a 25 percent increase in usage of FSA/HSA accounts at CVS Pharmacy, compared to 2019.

### **Delivering CVS Pharmacy to Your Doorstep**

Recognizing that many of our customers were staying safer at home during the pandemic, we took several steps to make it easier to access the offerings for which they rely on us. In addition to providing free, one-to-two day prescription delivery to all customers, we continued to expand our subscription membership program. For just \$5 a month, members get free 1- to 2-day delivery for eligible purchases on CVS.com, a 20 percent discount on eligible CVS Health brand products in store and online, and access to a 24/7 pharmacist help line. The program made it easier for customers to take care of themselves and their families in 2020, and in 2021, we introduced a new benefit that provides subscription members with on-demand delivery of their prescription orders.

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**In an effort to ease the burden of accessing basic supplies and supporting better health during the pandemic, we were proud to provide 3,000 memberships to veteran and military spouse family caregivers through the Elizabeth Dole Foundation.**

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**CVS Pharmacy and Aetna worked together to ship millions of boxes of specially curated, over-the-counter items to all Aetna Medicare Advantage members across the country. These Caring for You kits contained items to help support simple self-care at home, including a thermometer, hand sanitizer and face masks.**

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### **Providing Access to Holistic Wellness**

Making self-care a part of everyday health became increasingly important to our customers this year. With a focus on high-quality ingredients and the latest trends, we continued to expand our wellness offerings. In June, we launched Live Better™ by CVS Health with the goal to make wellness products more accessible and competitively priced versus premium national brands. With more than 80 new products, including vitamins, immunity support and oral care, Live Better features emerging ingredients such as elderberry, ashwagandha, turmeric and maca. Many Live Better products are also labeled U.S. Department of Agriculture (USDA)-certified organic, non-genetically modified organism (GMO) project-certified, gluten-free, cruelty-free or vegan. All Live Better packaging is at least 80 percent recyclable.

Live Better vitamins and supplements also meet CVS Pharmacy's Tested to Be Trusted® standards. Launched in 2019, Tested to Be Trusted is an industry-first program that requires third-party testing for all vitamins and supplements sold at CVS Pharmacy, including both national and store brands. We work with leading scientific experts to confirm the accuracy of all dietary ingredients listed on the supplement facts panel and that they are free from certain additives and ingredients. We have completed testing on samples of more than 1,100 vitamins and supplements from more than 150 brands across 14 categories, including vitamins, digestive health and diet and nutrition. Since 2019, the vitamin category has grown to become the largest segment of our retail offerings, and we will continue to work to help ensure CVS Pharmacy is a trusted destination for vitamins and supplements.

In addition to the launch of Live Better, we also introduced 13 new better-for-you products through our Gold Emblem abound® line, which is free from artificial preservatives, flavors and sweeteners. Notable product launches included, Heart Healthy Trail Mix and Sprouted Multigrain Tortilla Chips.



# Improving Health Outcomes



The major health challenges facing our country do not impact all Americans equally. Historically disenfranchised communities have always felt the disproportionate weight of chronic health conditions. The rising case numbers and deaths attributed to COVID-19 have unsurprisingly followed these same patterns.

We are introducing solutions that will have a meaningful impact on health outcomes — with a focus on addressing racial health disparities. In 2020, we continued to enhance collaborations to address a growing local need for social support services and other resources. We have made investments to enrich our own racial health data and introduced targeted interventions

to reverse worrisome trends, including in the areas of maternal health and chronic hypertension. Across the enterprise, we have deployed cultural competency training to support our medical and service community in better serving diverse populations.

Improving  
Health  
Outcomes

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**\$100M**

closed in real-estate-related investments to help provide safe, affordable housing

**5K+**

pregnant Aetna members reached with preeclampsia education and resources

**~2M**

pounds of unwanted medication, including opioids and others with potential for abuse, at our disposal kiosks

**Key Accomplishments**



## Addressing the Social Determinants of Health

Approximately 60 percent of a person's life expectancy is influenced by everyday activities that occur outside the doctor's office. These SDOH — including access to education and health care, affordable housing, transportation and availability of resources to meet basic needs — are directly tied to the places where people are born, live, work and gather. By addressing these root causes that can prevent people from achieving better health, we can dramatically improve health outcomes, especially for those most at risk for chronic conditions. Drawing on a legacy of community investment and local support, we continue to champion innovative, cross-enterprise programs that address SDOH.

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**A person's ZIP code is a better indicator of their life expectancy than their genetic code.**

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### Better Health Starts With a Safe, Affordable Home

Throughout 2020, we worked closely with community organizations to provide affordable housing options and services to people facing significant challenges. As a result of our affordable housing investment strategy, CVS Health invested \$114 million, which will lead to the

construction and rehabilitation of more than 2,800 affordable housing units in 30 cities across 12 states. More than 460 permanent supportive housing (PSH) units will be constructed to provide stable homes for people facing life and health challenges, including homelessness, chronic illness, domestic violence and people in need of behavioral health or addiction treatment. In addition to affordable housing, these PSH residents will also receive access to a wide range of services to stabilize and improve their health, including social, behavioral health and addiction-recovery services. Additionally, 560 of the units are dedicated to housing seniors, with more than 100 reserved specifically for veterans and their families.

Our increased investments in affordable housing with supportive services during 2020 is part of our larger commitment to address racial inequity and the social determinants of health in Black and other historically marginalized communities. This includes bringing our Project Health initiative to affordable housing communities, offering free biometric screenings to help identify chronic conditions before they become life-threatening illnesses. In addition, our workforce initiatives programs, focused on empowerment, education and training, are being introduced at certain communities to help residents achieve meaningful employment opportunities.

Affordable housing investments, combined with these and/or other supportive services in 2020, included:

- \$20 million to help finance the construction of 586 low-income housing units in seven counties across California, providing new homes with supportive units for families, seniors, veterans and others experiencing homelessness
- \$13.7 million to renovate 230 low-income housing units at the Rosewind Apartments in Columbus, OH. In collaboration with the Columbus Metropolitan Housing Authority and the Ohio Capital Corporation for Housing, CVS Health's investment will provide comprehensive local support, including quality housing, significant improvements to the local community center and support for new community programs for families and individuals facing challenges in the North Linden neighborhood
- \$15.3 million to build 144 new homes with services for Ohio seniors, including those with disabilities, in two affordable housing communities known as Eastern Woods Senior Apartments in Findlay and Northland Gate in Columbus



- \$6.2 million for Happiness House Apartments in Canandaigua, NY, a supportive housing community providing 30 new homes for families and seniors, including people who have been experiencing homelessness or struggling to find stable housing
- \$4.3 million for Bridgeway Community Housing in Wasilla, AK, a 24-unit PSH project designed to meet the needs of Alaskans who are experiencing homelessness, living with mental disabilities, struggling with substance abuse disorders or working to avoid recidivism as well as any other Alaskans whose histories present barriers to accessing mainstream housing

### **Connecting to Social Services at CVS Pharmacy**

The accessibility and reach of our pharmacists make them an ideal conduit to provide patients with information on social services. In October 2020, we piloted the HealthTag® Initiative at 47 CVS Pharmacy locations in West Virginia and Louisiana. The program provides Aetna Medicaid members visiting a CVS Pharmacy with information on how to access local support services to increase access to food, housing and transportation alongside their prescription. This pilot is our latest collaboration with Unite Us, the social care coordination program that powers our Destination: Health platform and serves Aetna's most vulnerable Medicaid patients and

those who are eligible for both Medicare and Medicaid benefits. We reached more than 1,000 members in the HealthTag Initiative's first two weeks and are exploring the expansion of the program as well as other high-touch Unite Us pilots.

### **Improving Health Outcomes With Destination: Health**

Through our collaboration with Unite Us, our Destination: Health platform is holistically addressing Aetna member needs by connecting them with local, community-based organizations. Data gathered across the platform help us understand how and why members access social services, and this information empowers Aetna care managers to direct and evaluate these connections. In 2020, Unite Us and Aetna Better Health launched a pilot in Louisville, KY, six counties in West Virginia and in New Orleans and Jefferson Parishes, LA. Through the pilot, on average 60 percent of members referred to community-based organizations were able to access the social services they needed most.

In January 2021, we announced an expansion of our collaboration with Unite Us to support more than 240,000 Medicaid members in the state of Kentucky. Known to Aetna members as the Local Works program, the network is powered by a local community engagement team that connects individuals with community-based providers. By the end of 2021,

any individual in Kentucky will be able to access the network's services, via their pharmacist, primary care provider or community partner. The program is free for the community-based organizations providing care as well as the people requesting services.

For employers, the business benefits of finding new ways to support employees in managing their health is clear. Employees with chronic diseases and unhealthy behaviors create a ripple effect of significant costs for employers as well as the health care system. This includes increased medical costs, absenteeism, lower productivity, wages for replacement workers and high administrative expenses. Initial analysis by Aetna indicates that not addressing the social determinants of health adds at least five percent to total health plan costs, plus the associated disability costs and productivity loss.

As a solution to these challenges, we have deployed a first-of-its-kind analytics tool that is now available to customers. Our Analyze Rethink Transform (ART) analytics tool uses a proprietary algorithm to identify the health disparities impacting the health and productivity of a company's workforce and its bottom line. Armed with this information, we are utilizing the results of more than a dozen customer pilots to support plan sponsors in creating tailored solutions to help improve health outcomes among their employee population.

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## **Making the Business Case for Addressing SDOH**

Another significant opportunity to address SDOH lies in the largest source of health coverage in America, employer-sponsored plans. Roughly half of all Americans get their health insurance at work or through a family member's employer, totaling approximately 160 million people. This is also the place where a person spends most of their day. Despite having employer-sponsored health insurance, studies show that lower-wage workers struggle with the rising cost of health care services and other social barriers that impact their ability to effectively interact with the health care system. Recent analysis by the Commonwealth Fund shows that more than 25 percent of working Americans are uninsured.

# Making Connections for Aetna Members



A 45-year-old female is referred to an Aetna care manager for assistance in applying for Supplemental Nutrition Assistance Program (SNAP) benefits, financial difficulties and obtaining health care.



An Aetna care manager meets with the member for a needs assessment and completes the referral to Unite Us.



An Aetna care manager identifies primary and outpatient behavioral health care for the member.



Unite Us connects the member with employment assistance, emergency financial assistance and local food pantries and supports the member in completing the SNAP application.



The member has been connected with SNAP, no longer expresses food insecurity and has been actively engaged in a program to receive continued financial and employment assistance.



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## Time for Care

In July, we launched the Time for Care campaign to reinforce the importance of prioritizing health care needs while taking the appropriate COVID-19 safety precautions. A national television ad, educational media tour, microsite and digital content addressed at-risk populations, including people managing chronic health conditions, those struggling with mental health issues and mothers at high risk of pregnancy complications.

- Nearly 60 percent of Americans said they have canceled or delayed a health care appointment due to concerns about exposure to COVID-19 since the pandemic began
- Half of Americans are concerned the pandemic has negatively affected their own health or the health of someone in their household
- Nearly 60 percent of people with chronic conditions are concerned the pandemic has negatively affected their own health or the health of someone in their household

## Addressing the Maternal Health Crisis

Throughout 2020, we have combined resources from across our enterprise to combat an alarming trend: It is more dangerous for a woman to have a baby in the U.S. today than it was two decades ago. This crisis is more pronounced for Black women, for whom the rate of maternal mortality is three times the rate of White women.

We believe the solution lies in better connecting a fragmented health care system and expanding access to obstetric care, regardless of a mother's ZIP code. Our multifaceted approach includes examining the racial disparities and social determinants of health associated with maternal care, using analytics to identify at risk patients, applying targeted interventions to address the most pressing challenges and working directly with members through our Aetna care teams. These efforts are mirrored in the care we provide for our own colleagues and through our philanthropic strategy.

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**The U.S. is one of just a few high-income countries where deaths related to pregnancy or childbirth are on the rise.**

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## Preeclampsia Intervention

Preeclampsia is a leading cause of maternal and infant illness and death in the U.S. Characterized by

the onset of hypertension during pregnancy, preeclampsia can damage an expecting mother's organs and ultimately require preterm delivery. Though cases of preeclampsia are rising, the condition is preventable. Evidence suggests that taking a low-dose aspirin daily, beginning at about 14 weeks gestation and continuing through the end of pregnancy, can decrease the likelihood of preeclampsia by as much as one-third. With this information, in July 2020, we launched a groundbreaking program to support Aetna members at higher risk of developing preeclampsia.

Working closely with the Society of Maternal-Fetal Medicine, we developed educational content and personalized prenatal care kits that included a bottle of low-dose aspirin. Using data analytics, the Aetna Maternity Program identifies pregnant women with risk factors for developing the condition and delivers the care kit right to their doorsteps, along with an appointment reminder card encouraging them to speak with their pregnancy care provider about preeclampsia prevention. Outreach from Aetna care managers supplements this strategy. In 2020, we provided more than 80,000 pregnant members with educational materials and more than 10,000 care kits to those members with high-risk factors for developing preeclampsia.

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Following the rollout of our high-risk maternity program in April 2020, one Aetna member pregnant with twins received a digital blood pressure monitor and information about preeclampsia. The member was 45 years old with no history of hypertension. She began monitoring her blood pressure at home and began noticing subtle changes in her readings. After a discussion with her Aetna care manager, the member sought monitoring from her doctor and was diagnosed with preeclampsia. Her twin boys were born prematurely at 32 weeks gestation and received the care they needed in the neonatal intensive care unit. She is grateful for the knowledge she gained and her ability to recognize a complication before the situation became more dire.



### **Providing and Maintaining Access to Telehealth During the Pandemic and Beyond**

To lower the risk of COVID-19 exposure among pregnant members, our clinical teams quickly developed an at-home prenatal care protocol, with a two-pronged approach targeting providers and members. On average, a woman visits her maternal care provider 15 times over the course of a pregnancy, a significant level of exposure that can be substantially reduced.

In addition to covering 100 percent of telehealth visits, we revised our policy to allow expanded use of laboratory genetic testing in place of ultrasound-based genetic testing. Our predictive analytics identified pregnant members at risk for hypertension and mailed them blood pressure cuffs and instructions for use. We also reached more than 8,000 providers with a framework for home-based prenatal care, including a protocol to identify which in-person visits could be done remotely, and additional resources, like Coram infusion, that could help support pregnant women in avoiding unnecessary hospitalization for infusions. In 2020, our care managers reached 50,000 pregnant Aetna members to provide information and support during the pandemic.

COVID-19 is not the only challenge expectant mothers faced in 2020 in obtaining prenatal care. More than

5 million women in the U.S. live in maternity care “deserts” that have no hospital offering obstetric care — and no obstetric providers. For hourly workers, the time and expense of traveling to a prenatal visit is another barrier. While we began our at-home prenatal care program as a direct response to COVID-19, we are now developing new ways to use the advantages of telehealth to provide quality care.

### **Promoting Vaccinations**

All pregnant women are recommended to get a flu shot and Tdap (tetanus, diphtheria, pertussis) vaccine to protect themselves and their babies during and after pregnancy. However, only 50 percent of all pregnant women get vaccinated, and Black women are 30 percent less likely to be vaccinated. This year, we plan to begin using data science to identify providers who do not recommend or provide vaccinations and reaching out to our members who see those providers to encourage them to proactively seek out vaccines.

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**Our Black CRG has made invaluable contributions to our enterprise maternal health strategy. You can read more in the [Healthy Business section on page 69](#).**

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### **Helping People on Their Journey to Mental Well-Being**

Driven by our belief that total health must include mental well-being, we aim to serve as a trusted mental health advisor for the tens of millions of people that we reach across our enterprise, including our patients, members, colleagues and communities. Through simple, connected delivery, we are empowering people with the resources they need to achieve their best mental health — whether they are stressed but coping, struggling or managing acute mental illness. Our proactive approach meets people where they are, guides them to seek support and looks holistically at the challenges that may be preventing them from being at their best.

Throughout 2020, we advanced this work with a focus on the conditions that are most prevalent among the members we serve and the populations most at risk. In particular, young adults and historically disenfranchised communities are experiencing disproportionate impacts on their mental health since the start of the COVID-19 pandemic.

In January 2021, we took a critical step forward in expanding access to mental health care by integrating our approach to mental well-being in select HealthHUB locations in partnership with MinuteClinic.

The demand for mental health care is growing:

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# 51.5M+

people in the U.S. were living with a mental health condition in 2019

# 23.5M

need treatment for an illicit drug or alcohol abuse problem

# 40.9%

of U.S. adults reported at least one adverse mental health condition related to the COVID-19 pandemic



## Responding to the Mental Health Challenges of COVID-19

COVID-19 has led to a dramatic increase in social isolation, with pronounced impacts on young adults and adolescents, seniors and frontline workers. Combined with continued stress, fear and uncertainty, and the ongoing need for food assistance and other socioeconomic support, we have begun to see the longer-term mental health impacts of the pandemic. You can read about this response in more detail in our [COVID-19 Response Report](#).

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## Social isolation has been shown to have the health impact of 15 cigarettes a day.

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Throughout 2020, we continued to innovate and meet the needs of our communities through expanded services and resources:

- Our Resources For Living services, including real time phone support to help individuals cope with the emotional impact of the pandemic and connections to community resources to address social determinant needs, was made available to everyone across the country at no cost.
- Using predictive analytics to identify at risk Medicare members, we conducted targeted outreach to provide educational support.

- Working closely with behavioral health providers, we helped transition members to virtual outpatient visits.

In addition to waiving member cost sharing for covered in-network telemedicine visits for outpatient behavioral and mental health counseling, we advocated for reductions of stringent regulation and cost share related to virtual services. We also helped employers deliver mental health solutions as they pivoted to a new normal, providing crisis support and management consultation for more than 80 employer customers.

Through our Hospital Heroes Program in partnership with Give an Hour, we provided up to six no-cost counseling sessions to hospital workers across 25 states. The program has provided more than 800 sessions to-date and will continue through June 2021.

### Saving Lives Through Suicide Prevention

Just four months into the pandemic, [11 percent of U.S. adults reported](#) having “seriously considered suicide,” and these percentages were significantly higher among younger adults and racial and ethnic minorities. Centered on the principle that suicide is preventable, in May, we introduced a comprehensive suicide prevention strategy that combines advanced analytics and technology, practitioner engagement and training, evidence-based practices for reducing risk and

broad suicide awareness education. We are focused on new ways to identify those most at risk as early as possible.

From a clinical perspective, our strategy has taken hold through targeted interventions deployed both proactively and during vulnerable times to deliver a range of tailored suicide prevention resources and support. These include strong, universal screening and safety-planning protocols across our clinical management teams for use if a patient is screening positive for suicide ideation, past attempts or imminent risk. Through the comprehensive and systemic rollout of suicide prevention policies and procedures, we can advance our bold goal and anticipate an impact. We will continue to introduce clinical tools across our enterprise and care partners to achieve the same standards — regardless of the practitioner.

A simple connection can have a significant impact in the days following a suicide attempt. Between November 2019 and December 2020, we reached out to more than 1,500 Aetna members who had attempted suicide. Our Caring Contacts postcards include hopeful messages for members immediately after discharge and at several intervals afterward with a toll-free number for them to call, as needed. Preliminary results of this program are showing a significant reduction in suicide

attempts for those receiving the contacts, matching results of the many randomized controlled studies that have shown the efficacy in reducing suicide attempts and mortality.

We have successfully collaborated with the American Foundation for Suicide Prevention (AFSP) to develop and launch an online interactive version of the AFSP training program, *Talk Saves Lives*. *Talk Saves Lives* provides a clear understanding of suicide as a leading cause of death, including the most up-to-date research on suicide prevention and what everyone can do to recognize warning signs and common risk factors associated with suicide and how to keep themselves and others safe. *Talk Saves Lives* is now available at no cost to all Aetna Mental Well-Being plan sponsors and can also be delivered by Aetna Mental Well-Being facilitator-led webinars.

We also created and promoted a suite of audience-specific suicide prevention informational kits for populations such as college students, parents of adolescents and CVS Health colleagues, which we distributed during suicide prevention month.

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## Here 4 U

CVS Health piloted Here 4 U in November 2020 to provide much-needed mental health resources and education to young adults. Building on the success of our Time for Care campaign, Here 4 U encourages young adults aged 18–24 to seek the mental health support they need in order to understand and cope with depression, stress, anxiety, isolation and suicidal ideation. The campaign aims to help educate young adults about mental health issues and confront stigmas that may prevent them from seeking appropriate care. The program offers free online peer-support sessions, mental health self-assessments and suggestions on a variety of well-being services and support options for everyone through Resources For Living.

More than 60 young adults participated in the initial pilot in November 2020. Across four sessions, participants engaged in a dialogue about their mental health concerns and experiences, and several attendees were connected to support services. For example, a female college athlete initially said that she would not feel comfortable sharing her feelings with a therapist. By the end of the session, she revealed that her social isolation had led to increased feelings of anxiety and chest pains. She then agreed to connect with one of our Aetna clinicians, who was on standby and able to provide her with clinical services and resources.

The program will continue throughout 2021.



## Combating Prescription Drug Misuse

The pandemic brought new complexities to the way in which drug misuse prevention and treatment services are provided, but early intervention remains as important as ever. In October, we announced new and expanded programs to help prevent opioid misuse through virtual learning and reinforced our commitments to safe medication disposal and access to lifesaving naloxone.

## Sharing a Dose of Knowledge With Millions of Students and Parents

Since 2015, our Pharmacists Teach program has brought thousands of pharmacists into classrooms in their communities to educate students and parents about substance misuse. We have teamed up with Discovery Education, the global leader in standards-aligned digital curriculum resources, to expand the reach of our program and integrate resources onto a digital platform named Dose of Knowledge. To date, Pharmacists Teach and Dose of Knowledge have reached more than 750,000 students and parents nationwide.

Dose of Knowledge is a prevention program that provides engaging video content and interactive lessons aligned with national learning standards to educators, students, community members and CVS pharmacists. Lessons tailored for middle schoolers and high schoolers cover topics like

dealing with peer pressure and the effects of opioids on the developing adolescent brain. The no-cost curriculum combines the knowledge of our pharmacists, the perspectives of young people and the star power of professional athletes to deliver empowering messages that encourage healthy choices.

As school communities around the country adjust to new learning models, Dose of Knowledge provides educators with the materials they need to discuss the facts about prescription and illicit drug misuse with their students in a classroom or virtual learning setting. We also provided best-in-class digital curriculum resources to 50 high-need, high-want communities nationwide that support educators and accelerate student achievement, a total investment of \$225,000 for three years. Our work with Discovery Education builds on several years of collaboration with the CVS Health Foundation in youth tobacco-use prevention.

During Red Ribbon Week, the nation's largest drug-abuse prevention campaign, the Dose of Knowledge program rallied students, educators and CVS pharmacists via live Facebook and Twitter engagements for a national day of learning and virtual presentations. Throughout the week and the month of October, pharmacists and educators reached 90,000 lives.







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## Educating PBM Members on Naloxone

In 2020, CVS Caremark introduced a program to educate providers on the importance of prescribing naloxone to high-dose opioid patients. Geared toward members who fill high-dose opioid prescriptions and have not filled a prescription for naloxone in the past 12 months, the program is showing impressive early results. From January to May 2020, the program conducted outreach to nearly 500 providers. More than 10 percent of members are now getting naloxone from their prescriber, a number well above the national standard.

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**In 2020, we teamed up with the National Institute on Drug Abuse (NIDA) on an awareness campaign to CVS Pharmacy customers for National Drug and Alcohol Facts Week. The campaign leveraged NIDA's science-based messaging to encourage adults to talk to teens about drug and alcohol use and common misconceptions.**

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### Safe Medication Disposal

Thousands of CVS Pharmacy locations offer safe medication disposal kiosks that have remained accessible. By the end of 2020, we had installed more than 2,900 safe medication-disposal units in CVS Pharmacy locations and donated more than 1,000 disposal units to local law enforcement agencies around the country. We are also working to continue expanding this project to place more disposal units in convenient community settings. To-date, these units in our stores and law enforcement locations have collected more than 2 million pounds of unwanted medication, including opioids, removing them from homes where they could be diverted or misused.

Any CVS Pharmacy location that does not have an in-store safe medication disposal unit, offers no-cost DisposeRx drug disposal packets. These packets are offered with all first-fill prescriptions of opioids to facilitate safe medication disposal at home.

### Providing At Risk Patients With Access to Naloxone

We are proud of our advocacy work to expand access to naloxone without an individual prescription in 50 states, the District of Columbia and Puerto Rico. Today, our pharmacists can dispense naloxone to patients without an individual prescription under statewide protocols that give pharmacists prescriptive authority to dispense the drug/medication. In October, we also began offering free delivery of naloxone nasal spray in all 30 states where regulations permit it as part of our free one- to two-day prescription delivery offering that was implemented shortly after the pandemic began. We have also developed key relationships to provide ongoing no-cost naloxone in select locations across Washington, D.C., and New York City, with a focus on communities at greater risk of overdose. And in honor of International Overdose Awareness Day, we collaborated with the states of Michigan, New Jersey and Rhode Island on no-cost naloxone distribution, allowing customers to make requests anonymously.



# Healthy Business ♡

# Healthy Business

**As we faced the most challenging year in our company's history, CVS Health emerged a stronger, more agile and innovative company.**

The COVID-19 pandemic presented immediate and long-term challenges to the way we do business. With public health and colleague safety at the forefront, we worked tirelessly to maintain the continuity and integrity of our business operations throughout the pandemic. At every level of our organization, we adapted to deliver the essential service that millions of Americans rely on us to provide.

We also undertook a deep and honest reflection of our company's role in dismantling systemic racism. We determined we could, and must, do better in utilizing our reach and influence to address the social injustices experienced by Black Americans and historically disenfranchised communities. Building on our robust diversity management strategy, we renewed our focus and announced significant new commitments — to our colleagues, our customers and our communities.

A healthy business is a resilient business. In 2020, we sought to demonstrate leadership in overcoming adversity. Our efforts are a testament to the compassion, dedication and ingenuity of our colleagues, who delivered on our purpose in incredibly meaningful ways.

# Diversity, Equity, Inclusion and Justice



This summer, our country confronted a hard truth — that injustices experienced by many Black Americans are rooted in a long history of systemic racism. After the killing of Mr. George Floyd, our leaders announced to colleagues that the company would thoughtfully assess how we could have the greatest impact in effecting meaningful change.

Our senior leaders spent that time listening to and learning from our Black colleagues and communities. We assessed current programs and identified areas where we could have a more substantial impact in addressing inequities. This reflection brought a renewed commitment to improve the experience of our diverse

colleagues and customers and to create a positive impact in the thousands of communities we serve. We also committed to using our voice and our influence as one of the largest companies in the country to help shape public policies that address the root causes of systemic injustice.

Over the next five years, we are investing nearly \$600 million to advance employee, community and public policy initiatives that address inequities faced by Black people and other historically disenfranchised communities. Our investments build on long-standing commitments in the areas of:

- Mentoring, sponsorship, development and advancement of diverse employees

- Companywide training and corporate culture programs, with a focus on promoting inclusion
- Partnership and development programs for our diverse suppliers
- Workforce initiatives that provide employment services and training to the underserved
- Addressing the social determinants of health
- Providing access to health care while addressing racial health disparities
- Collaborating with civil rights and social justice organizations

As our leaders defined a new vision to advance social justice and equity, our colleagues rose to meet the challenge. Diversity leadership

teams established within every business unit are having difficult conversations and tackling complex work. Their passion for solving today's challenges is breaking down silos and using the combined power of our enterprise.

Our holistic approach to strategic diversity management takes into account the diverse populations we serve and the many ways our business impacts people — and society at large. As we move forward in this work, we will hold ourselves accountable and strive to create a shared experience to bring our communities together.

Diversity, Equity,  
Inclusion  
and Justice

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**100%**

Embarked on an effort  
to bring required, continuous  
conscious inclusion training  
to all CVS Health colleagues

**\$5M**

scholarship program  
established for Black  
and Latinx students in  
collaboration with UNCF

**\$3B**

Spent with small and  
diverse Tier I suppliers,  
and \$1.5 billion with  
diverse Tier II suppliers

**Key Accomplishments**

## **Workforce Initiatives: Inspiring Health Care Innovators**

We know that when our workforce reflects the diversity of the communities we serve, our business thrives. Diversity powers our ability to support patients, members and customers with empathy, respect and cultural sensitivity, helping to build healthier communities.

Our workforce development programs support our efforts to cultivate and recruit the best health care talent in the country. We collaborate with hundreds of local, state and national organizations to deliver meaningful skills and employment programming to thousands of participants each year, supporting them at each step of their career path.

COVID-19 abruptly halted in-person operations for most of the workforce development nonprofit organizations with which we collaborate; we immediately shifted to support them in the virtual delivery of services. Maintaining this continuity of programming was critical — not only for the participants seeking to gain transferable work skills, but also to address the greatest need for talent CVS Health has ever experienced. With a need to conduct COVID-19 testing across the country and new lines of business rapidly developing, positions had to be urgently filled, and our strong relationships with community-based organizations and business partners provided our hiring teams with an almost immediate source of well-vetted, well-qualified talent.

We are expanding our programming to amplify impact in historically disenfranchised communities and for groups of all abilities and backgrounds. In addition to providing employment and skills training programs, we are also focused on addressing the racial health disparities that prevail among participants.

### **Providing a Second Chance**

Establishing meaningful employment for formerly incarcerated individuals has the power to transform communities, reducing the likelihood of recidivism and helping them contribute to their families and communities. We continue to provide training and employment for members of this community who are reintegrating into society.

CVS Health was a founding sponsor of NAACP's One Million Jobs campaign, with a pilot program launched in 2019 with NAACP Connecticut State Conference of Branches. Across its vast network, NAACP promoted our accelerated hiring process put in place to bolster our need to fill 700 openings across retail, warehouse distribution, customer service and health care services in response to COVID-19. We successfully used our "ban the box" fair-chance hiring policy, which removes the question about criminal records from the initial hiring application and allows us to make conditional offers, pending a final background check and adjudication process, if needed. In 2021, we will continue to support the One Million Jobs campaign and NAACP's effort to

secure 10,000 jobs within the state of Connecticut.

We are also sponsoring a second chance program in collaboration with the Hispanic Heritage Foundation (HHF), an organization we have worked with for nearly a decade to inspire future Hispanic health care leaders. Through the HHF program, formerly incarcerated individuals are connected with mentors and provided with access to workshops, workforce development opportunities, connectivity and placement into the workforce, specifically within Fortune 500 companies. Through these programs and others, we expect to reach 9,000 potential applicants over the next five years.

### **Faith-Based Collaboration**

Faith-based organizations and houses of worship have incredibly strong ties to their local communities, as they often provide support services, help to educate and build trust with their congregations. Through several national and local collaborations, we are working to reach more than 500,000 community members by providing workforce development, education and health and wellness services over the next five years. This work will be guided by our Faith-Based Advisory Board. Established in 2020, the board is comprised of 13 national faith-based organizations from across the country who will guide our actions in addressing social justice and equity issues through the lens of religion and faith.

In 2020, we established new programs with 13 local congregations to provide workforce development, health and education opportunities. We also expanded our existing partnership with Christian Methodist Episcopal Church to include a Workforce and Innovation Talent Center (WITC), second-chance initiative and scholarship program in collaboration with Lane College in Jackson, TN. Additional support services through this collaboration will include food pantries and other health-promotion services.

### **Abilities in Abundance**

Approximately 61 million Americans have at least one physical, mental or emotional condition that causes serious difficulty with their daily activities — how the U.S. Department of Labor (DOL) defines "disabilities" — comprising the largest minority group in the nation. COVID-19 has had significant impacts on people with disabilities, including a disproportionate increase in unemployment rates, as compared to their nondisabled peers. Since 2012, our Abilities in Abundance program has provided employment programming and opportunity to people with disabilities. Our long-standing commitment was recognized in March 2020 by DOL when we were awarded its inaugural Excellence in Disability Inclusion award.



In collaboration with the Tennessee Rehabilitation Center, in 2020, we supported the deployment of Cognitopia, a web-based self-management tool for individuals who see the world a little differently. To fill the void of in-person training during the pandemic, Cognitopia allows individuals to explore our Store Associate and Pharmacy Technician training plans and build their skills from anywhere and at any time. After a successful pilot, the Tennessee Rehabilitation Center is expanding the virtual training to reach more students. We are also exploring adding training programs for logistics and call center operators in the future and have begun offering Cognitopia's services to other community partners serving individuals with disabilities.

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**In December 2020, our CEO Larry Merlo joined 47 other CEOs from across the country, and Disability:IN in calling on their peers to prioritize disability inclusion. In an open letter, the leaders cited their firsthand experience with the business benefits that result from disability inclusion in the workforce.**

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All CVS Health colleagues are encouraged to join our CapAbilities CRG, whose mission is to increase awareness of the important role that customers and colleagues with disabilities play in our workforce, workplace and marketplace.

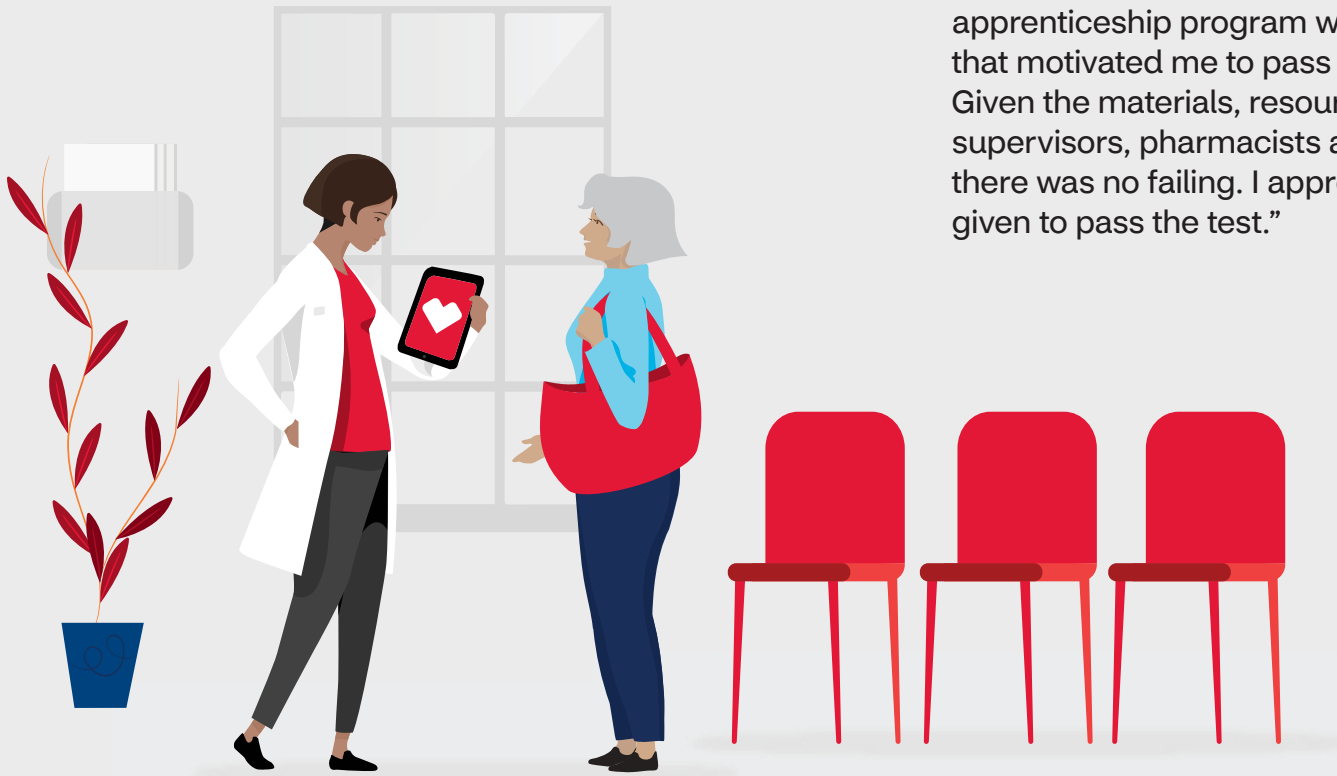
CapAbilities fosters an inclusive, supportive environment that empowers all individuals with differing abilities and their allies who have a personal or professional interest in the advancement of individuals with disabilities.

#### **Registered Apprenticeships**

Since 2005, we have hired more than 13,000 colleagues through U.S. Department of Labor (DOL) Registered Apprenticeship program for pharmacy technicians. Our apprentices receive classroom, virtual and on-the-job pharmacy technician training and are invited to apply for a position with CVS Pharmacy upon program completion. Our work with DOL has expanded to 21 states, and we are committed to hiring another 10,000 registered apprentices over the next five years. To meet this ambitious target, we are allocating more on-the-ground resources to expand outreach and exploring opportunities in additional states.

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CVS Health employs pharmacy technicians across our retail stores but also in other parts of our enterprise. Stephanie Chevaz joined CVS Caremark in 2017 as a clinical services representative in pharmacy benefits management. In this role, she was responsible for gathering patient diagnosis information in order to process prior approval requests from physician offices. When the Prior Authorization pharmacy technician apprenticeship program was approved by DOL in 2017, Stephanie enrolled. After completing the program, which was offered to incumbent employees to develop their skills, Stephanie was promoted within our Federal Employee Program. Her responsibilities now include working with physicians' offices for Prior Authorization as well as providing ongoing education on the program to health care providers and internal partners. According to Stephanie, "The apprenticeship program was a positive structured program that motivated me to pass the test for pharmacy technician. Given the materials, resources and a lot of support from supervisors, pharmacists and co-workers made me realize there was no failing. I appreciated the opportunity and time given to pass the test."





### **Transitioning to Post-Military Careers**

As military bases locked down to slow the spread of COVID-19, we kept our military workforce programs running by supplementing in-store training with virtual programs. Through our SkillBridge program, members of the military transitioning into civilian life connect with CVS Health to explore how their skills can translate to a career with the company. Participants receive classroom training and complete a 12-week internship at a nearby CVS Pharmacy location, followed by a virtual job tryout. Following the completion of their service, veterans are eligible to apply for any position at CVS Health.

We have also expanded our SkillBridge program to remote and local participants through a collaboration with the U.S. Chamber of Commerce Foundation's Hiring Our Heroes (HOH) initiative. HOH offers a 12-week fellowship that allows active-duty service members to gain work experience in the private sector while on active duty. Seventy service members completed career skills and SkillBridge programs in 2020; 32 of those graduates are now CVS Health colleagues.

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**Since 2015, CVS Health has hired more than 18,000 veterans and nearly 10,000 military spouses.**

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### **A Community-Centric Approach to Workforce Development**

Our Workforce Innovation Talent Centers (WITCs) — located in Boston, Cleveland, New York City, Philadelphia, Pittsburgh and Washington, D.C. — provide community members with hands-on skills training to prepare for health care careers, including in a mock pharmacy. By 2025, we will expand to 12 locations across the country, applying a highly customized approach to skills building within communities experiencing high unemployment rates.

As part of our social justice and equity commitment, in 2021, we will open a WITC at the Ebenezer Baptist Church in the Hill District of Pittsburgh that will provide dedicated workforce programming, health care and wraparound services to members of the surrounding community. The Hill District is one of Pittsburgh's largest underserved Black communities, with a median household income of \$17,071 and an unemployment rate of 52 percent.

Our collaboration with the Ebenezer Baptist Church will involve groundbreaking opportunities with long-term sustainability to address the social determinants of health. The church's reach within the community spans meal delivery and health care services for thousands of seniors and residents of public housing, a basic needs and food pantry and day care services for neighboring families. CVS Health's support will

expand all this programming and bring new health care, after-school and workforce program offerings to the community, including training for pharmacy technician, call center and retail positions at CVS Health. We are also exploring ways to help residents overcome transportation barriers.

In recognition of Larry Merlo's pledge to combat social injustice and inequity and his commitment to workforce development, Ebenezer Baptist Church will honor Larry's Pittsburgh heritage and legacy by naming its basic needs center The Larry Merlo Basic Needs Center.

### **Project PATH Pilot**

The International Rescue Committee (IRC) provides opportunities for refugees, asylees, victims of human trafficking, survivors of torture and other immigrants to thrive in America. In San Diego, we worked with IRC to develop Project PATH (Providing Access to Training in Health Care), a training and skills development program customized to the individuals they serve. Due to the pandemic, the six-week accelerated pharmacy technician training program was provided virtually. All seven of the participants in the initial pilot completed the program, have been hired at CVS Pharmacy locations throughout San Diego and are working to obtain their state Pharmacy Technician licenses. In 2021, we will expand on this success and introduce the program to IRC participants in San Jose and Sacramento.

A major barrier to achieving economic independence faced by IRC participants is transportation. In addition to expanding our training programs, in 2021, we will begin helping participants at IRC's Women's Resiliency Center in obtaining their driver's licenses and purchasing a vehicle.

### **Recruitment**

We continue to strengthen our diverse representation in college recruiting and have built long-standing relationships with universities and colleges to fill open health care and retail positions. For example, working closely with the Thurgood Marshall College Fund, in 2020, we provided pharmacy and pre-pharmacy students attending historically Black colleges and universities with scholarship funding and virtual summer pharmacy externships. Students learned the operation of a retail pharmacy and participated in opportunities through our pharmacy technician training. At the end of their externship, students presented results of a research project that addressed common health disparities in Black communities and solutions for how CVS Health could better address them. Through collaborations like these, we continue to build our pipeline of talent and prioritize recruitment efforts.

Another example is our long-standing collaboration with the National Black Nurses Association and National Association of Hispanic Nurses. In 2020, we worked with both organizations to source talent for the various nursing professions sought by the company through chapter outreach and virtual career events. Through the National Hispanic Pharmacists Association (NHPA), of which CVS Health is a founding member, we conducted outreach to Hispanic students to inform of careers in pharmacy, including direct recruitment from pharmacy colleges. The mission of NHPA is to empower pharmacists and other members to improve the health of Hispanic populations.

### **Supporting the Pharmacists of Tomorrow**

In January 2021, we joined with UNCF to establish a five-year, \$5 million CVS Health Foundation Health Care Careers Scholarship program for Black and Latinx students pursuing a career in health care. The program will support a robust pipeline of underrepresented students, in turn, strengthening the pool of talented college graduates ready to join the health care workforce. UNCF is the nation's largest minority education organization supporting students' education and development through scholarships and advocacy for minority education and college readiness. According to a report by UNCF's Frederick D. Patterson Research Institute, students who receive a

UNCF scholarship outperform the national population of students in persistence through college and to graduation. In fact, 70 percent of African American freshmen who received a UNCF general scholarship graduated within six years, compared to only 38 percent of all African American students nationwide. Over the past 12 years, we have provided UNCF students with more than \$500,000 in scholarships for pharmacy, nursing and business students.

### **Fostering a Culture of Inclusion and Belonging**

In 2020, we moved beyond a culture of inclusion to recognize that “belonging” must be part of our diversity management strategy. A sense of belonging means our colleagues feel heard and that CVS Health values and is investing in them. Our focus here was especially critical, as we examined how to strengthen our social justice and equity commitments. CVS Health colleagues are also our customers and neighbors in the communities where we operate. A true understanding of their experience is critical to our ability to serve patients and customers — and to be a leading employer.

Throughout our inclusion and belonging work, we emphasize the importance of allyship and intersectionality. We are encouraging colleagues to bring their full selves to work and are providing them with greater understanding of how they

can support their peers — of all backgrounds and from all communities — in doing the same. In 2020, we began to measure our colleagues' sense of belonging by adding questions to our annual colleague engagement survey. On our 2020 colleague engagement survey, an overwhelming majority of colleagues reported “feeling a sense of belonging at work.”

### **Conscious Inclusion Learning**

We have set a clear goal for 2021: Colleagues across our entire enterprise will participate in a learning experience designed to enhance awareness of biases and move toward conscious inclusion through heightened awareness and implementation of inclusive behaviors. Developed in collaboration with leading third-party experts, the program explores the science of bias and where and how it shows up in our business, and it facilitates the development of personal action plans for inclusion. A reflection of our top-down approach to diversity, equity, inclusion and justice, our most senior leaders completed this training in late 2020, and it was introduced to vice presidents and colleagues at the director level in early 2021. The program will begin rolling out to all colleagues in June. The learning experience is intended to meet each colleague where they are to create a safe space for reflection and change. It includes prework, instructor-led sessions and ongoing digital engagement and learning.

### **Communicating Gender Identity**

To show strong support for our LGBTQ+ colleagues, their allies and for the broader LGBTQ+ community, in summer 2020, we announced the optional inclusion of pronouns on email signatures and business cards for all CVS Health colleagues. We also conducted a field research study to gather more feedback from colleagues and customers on the use of pronouns on colleague name badges in our retail pharmacies. These actions were informed by conversations with our cross-enterprise Gender Anonymity Workgroup and our PRIDE+ CRG as well as third-party experts in LGBTQ+ inclusion.

### **“Count Me In, I Belong”**

Every five years, we invite our colleagues to share how they identify in terms of gender, race/ethnicity, disability and veteran status. Our Count Me In, I Belong campaign helps us meet reporting requirements as a government contractor, and this year we used it as an opportunity to talk to our colleagues about why we value diversity and view it as an enabler of business growth and their colleague experience. Our BRAVE and CapAbilities CRGs also hosted informational webinars to educate colleagues on the importance of self-identification and CVS Health's reasonable accommodations process.

### **Just-in-Time Disabilities Toolkit**

We also collaborated with Cornell University's School of Industrial and Labor Relations to develop and launch a Just-in-Time Disabilities Toolkit for Managers. This accessible online resource connects CVS Health's people managers with points of contact and resources to recruit, develop and engage individuals with disabilities across the enterprise. Our CapAbilities CRG supported the launch and communications of the resource during National Disability Employment Awareness Month, and the new tool was shared with managers via newsletters, presentations and technological platforms utilized across the enterprise. The Toolkit is not meant to replace compliance training, but rather provides managers with a readily available resource to guide next steps and a disability-inclusive mindset.

### **"Stamp Out Stigma"**

In its second year, our Stamp Out Stigma initiative, spearheaded by the Association for Behavioral Health and Wellness (ABHW), continued to change perceptions of mental illness and substance use disorders among colleagues. Guided by the belief that talking helps, Stamp Out Stigma gives colleagues the opportunity to share stories of how mental illness or substance use disorder has impacted their lives.

In one Stamp Out Stigma story, a colleague in pharmacy operations opened up about her family's pursuit of better mental health, acknowledging that she and her children manage depression and that she takes prescription medication as one of the many ways to manage her mental health. Through her story, she shared some tips with other colleagues on ways her family copes when one of them is feeling down. In her words, "My kids have some tough years coming up in their lives, dealing with school and peers. It took us a long time to be as open as we are with our feelings, but I'm glad we started early and work on it often. This way, as they navigate into adulthood, they are not afraid to tell someone when they are sad, even when they don't know why."





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## Developing Diverse Talent

We continue to grow the targeted development programs we offer for our diverse female colleagues. In 2021, we will expand our Strategies for Success – Multicultural Women program across the entire enterprise. To date, more than 260 colleagues have completed the program, which seeks to equip participants with the tools they need to take their careers to the next level of leadership. For all our development programs, we strive for equal representation across gender, ethnicity, race and LGBTQ+ demographics.

### Ensuring Diverse Representation

We have made great strides in advancing a holistic strategic diversity management strategy that supports our business objectives and creates new opportunities for our colleagues. Most notably, we are aware of our progress against key industry measures. In 2017, we were honored to be named to the DiversityInc list of Top 50 Companies for Diversity for the first time, coming in at #49. This is the leading assessment of diversity management in corporate America, and over the last three years, we have been proud to continue to improve our placement, moving up to #24 in the 2020 survey.

Still, when it comes to racial/ethnic and gender diversity among our senior leadership — particularly at the vice president level and above — we can and must do better. In 2020, we worked to develop benchmarks and measure outcomes in diverse representation at all levels of our organization. For the first time, we have tied performance in this area to executive compensation. To create a clearer path to promotion and internal advancement, we are strengthening our leadership development programs to provide all participants with an executive sponsor to support them in growing their career with CVS Health.

We understand that many of our stakeholders are seeking greater transparency around workforce composition. In conjunction with this year's report, for the first time,

we have posted our most recently filed [Consolidated EEO-1 Employer Information Report on our website](#), reflecting the race, ethnicity and gender of our colleagues in categories defined by the U.S. Equal Employment Opportunity Commission. We have also expanded on these disclosures by providing additional data across our clinical and customer support functions and breakdowns of racial and ethnic categories that are self-reported by our colleagues.

### Deepening the Business Impact of Our CRGs

Our CRGs are core to our work to foster inclusion and belonging. In doing so, they are leading business impact across the company. This year marked an exciting and noted shift in the focus of CRGs. Beyond being a valuable leadership development tool and an opportunity for networking and cultural celebration, in 2020, more than ever, our CRGs were used to help inform our business strategy in tangible ways. Throughout the year, cross-functional business partners tapped into the perspective and knowledge of our CRGs to inform various business initiatives, including our response to the killing of Mr. George Floyd, and the development of marketing campaigns, product innovations and targeted health interventions.

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**By the end of 2020, we had more than 22,000 individual colleagues participating in one of our 15 CRGs and began to reinforce opportunities for colleagues to join groups as an ally, in addition to their own self-identification or affiliation.**

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### Staying Connected, Apart

Led by our CRGs, Let's Connect sessions were developed in spring 2020 to help colleagues feel more connected while physically apart. The sessions have become increasingly popular and have engaged more than 1,000 colleagues, exploring various top-of-mind topics such as family care, work-life balance, virtual leadership and more. We also introduced topics specific to diversity, equity, inclusion and justice, such as allyship, intersectionality and the differences between equity and equality. Let's Connect sessions create an avenue for our colleagues to share their voice on what is happening at CVS Health and helps them feel that their experience, particularly during tumultuous times, matters to the company.

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# Informing Our Commitment to Social Justice and Equity

In July 2020, in the aftermath of the killing of Mr. George Floyd and calls for racial justice, leaders of our Black Colleague Resource Group (BCRG) joined leaders for the first of many difficult conversations about the historic injustices Black Americans have faced across generations and our company's role in dismantling systemic racism. This dialogue was instrumental in the development of our multiyear, \$600 million social justice and equity commitment and continues to push CVS Health to be a more inclusive and just company.

"Who would have guessed when I joined CVS Health five years ago that I'd be talking to the CEO about social justice on a WebEx?," said Troy Charlton, national co-chair of BCRG. "We had to be very vulnerable and have a mentality of 'see something, say something.' We were all sickened by what happened to Mr. George Floyd, and we decided that we needed to turn the mirror around to look at our own company."

Over the course of 2020, BCRG membership grew to more than 5,000 colleagues. New chapters are being established at a fast pace across the country, filled with new members and allies who want to play a larger role in our company's response to racial

inequity and injustice. BCRG gathered feedback from colleagues across the company to understand the issues they believed were most critically needed to be addressed and participated in the targeted approach to identify areas where the company could have the greatest impact.


In line with our purpose, colleagues prioritized key health challenges that are disproportionately impacting Black communities, including maternal health, mental well-being, diabetes and sickle cell disease. BCRG has begun working with business leaders in these areas to share colleagues' direct experiences and better inform the care we provide to our patients. This work has already significantly contributed to enhancements in our service offerings and programs.

In addition, our CRGs committed to increasing engagement with colleagues by providing educational information, topical webinars and other content-sharing opportunities. For example, BCRG hosted American Diabetes Association CEO Tracy Brown, a Type 2 diabetes patient herself, to discuss Black colleagues' collective experience with the disease and to raise awareness across BCRG membership.

Another key area for improvement identified by BCRG was professional development opportunities and advancement for Black colleagues at every level in the organization. Erneshia Pinder, program director for social justice and equity and former co-chair of BCRG, also participated in early and ongoing conversations with leadership. "We have a responsibility to make sure the company recognizes that some historically marginalized people aren't getting opportunities," she said. "Over the last several months, I've realized it's not so simple to right the ship, but what's been so great to see is leaders who are open to doing things differently. There is a true desire to do this right across multiple levels of leadership."

BCRG's invaluable work continues in 2021, as the group engages more colleagues and identifies additional areas where it can bring critical perspective to business operations. BCRG will continue to create an environment, where, as Troy puts it, "everyone gets comfortable with being a bit uncomfortable."





# Key CRG Business Impact in 2020

**ANative:** Hosted Native American Lifeline’s Executive Director Kerry Hawk Lessard for its quarterly speaker series to discuss the health disparities faced by Native Americans and the work being done to address these and other related issues

**Asian Professional Network Association (APNA):** Hosted a signature event featuring keynote speaker Julie Zhuo, co-founder of Inspirit and author of “The Making of a Manager,” to speak about how her cultural roots influenced her career path and share insights on managing and leadership

**Boldly Representing American Veterans Everywhere (BRAVE):** Created a virtual volunteer event to benefit Operation Gratitude, recruiting colleagues to make paracord bracelets in support of the military community

**CapAbilities:** Successfully advocated for the availability of American Sign Language translation in Town Hall and other large meetings as well as translation and closed-captioning for our Spanish-speaking, hearing-impaired colleagues

**DRIVEN:** Partnered with Workforce Initiatives to host the Talent Is Ageless generational signature event for membership

**Faith:** Hosted a signature event for colleagues featuring keynote speaker Dr. Jim Newheiser, director of the Institute for Biblical Counseling and Discipleship (IBCD) and the director of the Christian Counseling Program at RTS Charlotte

**FitClub:** Planned virtual workout and lifestyle programs to support colleague health and wellness throughout the pandemic

**Green Team:** Informed the development of a new colleague engagement platform for sustainability actions

**Juntos:** Provided greater understanding of the many different cultures represented in the Latinx community and the implications for Spanish-language marketing and advertising

**Outliers:** Supported talent development by facilitating six external data expert speakers and three internal speakers and providing licenses to DataCamp, an educational platform

**Pride+:** Supported the rollout of the usage of pronouns in colleague email signatures, name badges and business cards

**Virtual:** Played an instrumental role in supporting all colleagues in the shift to remote work, including hosting Let’s Connect sessions to help colleagues adjust by holding virtual sessions on COVID-19-related topics

**WISE:** Developed a women’s wellness-focused newsletter featuring access to resources like Resources For Living and the Employee Assistance Program (EAP) as well as including support webinars and other opportunities to promote self-care

## **Diverse Marketplace: Reflecting All Those We Serve**

When our customers visit a CVS Pharmacy, we want to offer more than just the products and services that they rely on us to provide. In 2020, we continued to make strides to tailor those offerings, as well as the skills of our workforce, to the unique needs of our customers and meet the expectations of the thousands of diverse communities we serve.

### **Advancing Language Inclusivity**

Overcoming language barriers is a critical element of helping people on their path to better health. We continue to make gains in using language to show care and empathy for our patients, including several new initiatives in 2020.

We offer all CVS pharmacists continuing education in language, culture and health disparities and work with our Spanish-speaking pharmacists to place them in locations where they will be most needed. In 2020, we offered pharmacists the ability to participate in a Spanish language learning program we have developed with Rosetta Stone and Canopy Learn, offered with full reimbursement to any CVS pharmacist. We also collaborated with NHPA and the University of Rhode Island School of Pharmacy to develop culturally competent continuing education programming for our pharmacists, which launched in February 2021. Additionally, all our Project Health

events are staffed by bilingual nurse practitioners or physician assistants.

For patients with visual impairments and those who cannot read standard print labels, we introduced Spoken Rx, the first in-app prescription reader developed by a national retail pharmacy. Available in the CVS Pharmacy app, SpokenRx™ scans a radio frequency identification (RFID) label and reads prescription information out loud for patients, including the medication name, dosage and directions. By the end of 2020, SpokenRx was available in 1,500 CVS Pharmacy locations and is expected to be available in all locations by the end of 2021.

Another way we are promoting inclusive language in all our health care interactions is by changing the way we ask patients to self-identify their gender. In 2020, all MinuteClinic and CVS Pharmacy medical records incorporated “gender at birth” and other nonbinary terms as part of the health information collection process. For our Aetna members, we have worked to create more inclusive gender identification on our platforms and educational materials to help providers better understand gender dysphoria and the gender affirmation process. We are also building a database of LGBTQ+ providers and allowing for people to search by qualifiers such as race, ethnicity and gender identity.

## **Developing and Maintaining an Inclusive Consumer Experience**

In total volume, Hispanics are the fastest-growing segment in the U.S. and drive growth across multiple product categories, including health, beauty and personal care.

Our CVS Pharmacy y más and Navarro locations provide a more inclusive environment and value-based personalized selection for our Hispanic customers. They can access familiar brands they already know and love, speak with a bilingual colleague who can clearly answer any questions about their medication regimen and easily navigate throughout the location to find what they need. Since 2015, we have opened more than 200 CVS Pharmacy y más locations in more than 90 cities across California, Florida, Nevada, Oklahoma, Texas and Puerto Rico and operate 31 Navarro locations in South Florida. We also launched our first paid media campaign in Spanish, featuring CVS Pharmacist Aisha Oliver.

### **Driving Inclusive Marketing From Within**

After growing tired of hearing about the challenges of casting diverse actors, Creative Project Manager Monique Jackson decided to make a change in her Aetna marketing group that would be intentional about improving their approach to strategic diversity management. Aetna marketing’s diversity committee, Every Person Is Critical, was born. Through EPIC, the team seeks not only to provide ongoing

opportunities for open and honest dialogue among team members, but also to help address, reduce and prevent inequities in internal hiring practices, external vendor and talent partnerships and representation across Aetna marketing creative. After the killing of Mr. George Floyd, (EPIC) launched its monthly “Uncomfortable Conversations with a Black Man” series, providing colleagues a safe space to view and discuss the series, created by former NFL player and activist Emmanuel Acho. The videos discussed topics such as systemic racism, rioting, cultural appropriation, multiracial families and white privilege. In a blog post shared with colleagues, Monique wrote: “Our program continues, as none of us are free unless all of us are free from fear, hurt and oppression. We must challenge our core beliefs and biased frameworks to create a more diverse, equitable and inclusive culture. The only way forward is through the act of prioritizing humanity and empathizing with each other’s lived experiences.”

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## CVS Launch™

The path to retail distribution for a young business can be lengthy and costly. After a soft rollout in 2018, in August 2020, we formalized CVS Launch, a program for emerging brands and certified diverse-owned businesses looking to grow their reach. Our experienced buyers have teamed up with the creators of more than 1,000 products to test and launch products, providing invaluable insights that help bring them quickly to our community locations. 65 percent of brands that test with us go on to an expanded rollout.

One example is the Honey Pot® Co., a Black- and woman-owned business that produces plant-derived feminine care products. We tested an assortment of Honey Pot products beginning in June 2020 and in September, expanded three products to more than 2,000 community locations.





## Supplier Diversity

Our nationally recognized supplier diversity program helps focus our significant spending power to support businesses owned by women, people of color, veterans and service-disabled veterans, people with disabilities, LGBTQ+ people and people who are traditionally disenfranchised. Working closely with leaders across the enterprise, we communicate the many benefits of a diverse supplier base to internal decision-makers, including retail category managers, IT, treasury and other business departments. Our robust and current database provides easy access to certified vendors that support all enterprise functions.

Outreach and stakeholder engagement are at the heart of our supplier diversity strategy, and in 2020, we had to work to shift our traditionally in-person events to a virtual setting. Our supplier diversity team led a series of Lunch & Learn sessions that engaged nearly 1,000 colleagues and participated in numerous industry events that reached hundreds of existing and potential suppliers. We also continued to engage as members of the Billion Dollar Roundtable, an organization that promotes and shares best practices in supply chain diversity excellence and convenes corporate members that spend more than \$1 billion each year with diverse suppliers. As part of the National Minority Supplier Development Council, CVS Health participates in a retail industry group, sharing best practices, learnings and supplier referrals with peers, including Starbucks, Lowe's and The Home Depot.

Certification is a critical first step in establishing a relationship between a diverse supplier and sourcing teams. Over the course of 2020, we invested in a plan to reach 55 current CVS Health vendors that were not being reported as diverse suppliers due to lack of certification. Certify My Company, a diverse supplier themselves and specialists in outreach and education related to certification, contacted vendors to communicate the potential positive impact certification could have on their business. In 2020, 16 suppliers, representing more than \$30 million in spend, were identified as eligible for certification. Another seven suppliers, representing more than \$8 million in spend, were already certified and provided the documentation needed to formalize their status with CVS Health.

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**In 2020, our supplier diversity program support more than 46,000 jobs and supported \$2.3 billion in wages.**

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We continue to build on our successes each year and are working toward aggressive spending targets: by 2024, we aim to spend \$3 billion with diverse suppliers. In 2020, we spent more than \$1 billion with diverse suppliers and more than \$2 billion with small businesses. Our Tier II suppliers (suppliers that provide products or services to our Tier I suppliers) yielded more than \$1.5 billion in spend.

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We know that savvy and inclusive customers are looking for products made by women-owned and diverse suppliers. That is why beginning in October, we hosted a Supplier Diversity in Merchandising event, which yielded more than 130 diverse suppliers submitting 90-second pitches. Nine moved forward in various programs to gain shelf space in CVS Health retail stores and to help ensure that products on our CVS Pharmacy shelves resemble our customers in the communities we serve.



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# Building Our Business With Diverse Suppliers



Drexel Hamilton is a service-disabled, veteran-owned and-operated institutional broker-dealer supporting Barclays, a lead investment bank to CVS Health, as a Tier II supplier. Drexel Hamilton was invited to participate in our August debt raise and added value by building a large and diverse book of orders from emerging asset managers, family offices and registered investment advisors. After guidance, the company was allocated \$4 million that went to its buy-and-hold investors.



At the onset of the COVID-19 pandemic, our supplier diversity team began outreach to suppliers who were pivoting their business model to provide emergency support services. We used relationships fostered through our industry collaborations to identify diverse suppliers of PPE, including ScopeShield, Inc., a minority business enterprise that provided medical gowns to our distribution centers in Pennsylvania and Indiana.



Tempagenix is a women-owned supplier providing a valuable product to meet customer need in 2020. Through January 2021, we ordered more than 4,500 cases of the company's Temp-N-Toss paper forehead thermometer, an order totaling just over \$1 million. The product became a top-selling item in our cold remedies category and is now on the shelf in 5,300 stores nationwide.



In the second quarter of 2020, our construction and property administration team selected woman-owned CDO Group to build 40 new HealthHUB locations across the country, totaling approximately \$9.4 million in diverse spend. At the time of the company's bid, CDO was not certified as a women business enterprise. CDO has now completed the certification process after encouragement and support from our supplier diversity team.



To support outreach and services for Aetna members, in 2020, we spent more than \$800,000 with Command Marketing Innovations, a woman-owned print, direct mail and fulfillment provider.

# Conducting Business With Integrity



At CVS Health, we take pride in leading by example and operating our business in a way that exceeds the expectations of our many stakeholders. As our enterprise continues to grow and diversify, we are guided by a steadfast commitment to operating with integrity, transparency and accountability.

Throughout 2020, we worked to keep our colleagues safe throughout the pandemic and provide them with benefits that were responsive to their needs. We also supported them in growing their careers at CVS Health, with a reinvigorated commitment to training and development.

We upheld our commitment to leading governance practices, navigating the new challenges associated with the pandemic and assuring compliance with all regulatory frameworks as a minimum requirement. Our stringent internal standards advanced our work to safeguard patient and customer privacy, guarantee the quality and integrity

of our products and supply chain and remain uncompromising in our respect for human rights.

In 2020, we used our voice and influence as one of the largest companies in the U.S. in new ways to effect positive societal change and improve health outcomes.

## Supporting Our Colleagues Our Commitment to Colleague Safety

As essential and frontline workers, more than 200,000 CVS Health colleagues continued to report to our stores, clinics, mail-order facilities, distribution centers and offices throughout the pandemic. Guided by trusted sources of clinical information, we implemented new protocols, policies and training to keep our colleagues safe as they provided service and care to our customers. This included providing convenient access to COVID-19 testing for our colleagues in accordance with CDC guidelines and requirements for certain work sites.

Widespread shortages of PPE posed a tremendous challenge to the U.S. health care system. We prioritized our health care providers and frontline colleagues in distributing PPE and quickly stabilized our supply to meet the needs of all colleagues. We have agreements in place with several vendors to meet our anticipated PPE needs through the end of 2021. All colleagues reporting to a CVS Health work site are required to wear a protective face covering. Frontline health care providers have additional requirements, and all colleagues are provided with the equipment deemed necessary to protect them in their role, including administering COVID-19 tests and vaccines. From March through December 2020, we distributed more than 46 million face masks, 190 million pairs of gloves, 38 million ounces of

hand sanitizer, 2 million gowns and 66,000 thermometers to colleagues across the enterprise. Appropriate levels of training have been provided to colleagues, including on how to properly wear, remove, store and maintain PPE.

The agility of our enterprise safety team enabled us to rapidly roll out testing sites across the country without compromising safety. Teams were on the ground to observe all testing scenarios we offer and actively developed safety protocols for direct patient interaction, handling of specimens and traffic management. N95 respirators are required for all colleagues collecting test samples from the public. We have directly fit tested more than 2,000 colleagues for these respirators and certified more than 1,000 colleagues to provide respirator fit testing for additional colleagues. More recently, our safety team has been involved with the development of our point-of-care testing kiosks to assist with the selection of heating sources that ensure proper ventilation.

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**We introduced new policies and protocols at all our work sites to keep our colleagues safe and our essential operations running, including floor decals and signage for social distancing, enhanced cleaning, temperature checks and Plexiglas barriers. You can read more about these measures in our [COVID-19 Response Report](#).**

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We have implemented a COVID-19 inspection form to assure compliance with all regulatory and internal requirements. In 2020, our safety team conducted more than 600 COVID-19 inspections and began attending virtual field meetings to review current trends and protocols. We also shifted many of our in-person safety offerings to a virtual format, including fire safety and emergency planning exercises for colleagues who are now working from their homes.

## Maintaining Our Leading Safety Program

Amidst the pandemic, our enterprise safety team advanced initiatives to help keep our colleagues safe throughout the course of their work. In 2020, we completed the rollout of our lone worker safety program for all Coram home infusion and Aetna community care colleagues who work individually to provide direct services to patients. The program enhances manager awareness of colleagues' locations, empowers colleagues not to conduct a visit if the environment does not feel safe and offers de-escalation training. We also completed biosafety training for these colleagues, providing them education and guidance surrounding potential exposure to viruses and infections.

In our distribution centers we continued to take a proactive approach in coaching managers to identify and prevent unsafe behavior or exposure. Working closely with distribution center operators, we conducted



in-depth incident investigations to identify the root cause of loss or injury and develop programs to avoid similar situations from happening again. We also implemented a program for infrared studies in all our distribution centers to identify and repair “hot spots” in electrical systems that could lead to equipment failure or expose colleagues to heat explosions. In addition, we implemented an improvement program that includes inspection and maintenance schedules to promote structurally sound systems. We will pilot several additional proactive protocols in our distribution centers in 2021, including building on the success we have had in reducing injuries among our first-year colleagues — those most likely to injure themselves on the job — through targeted trainings.

In 2020, our recorded incident rate at retail was 2.79, down from 3.14 in 2019, and our accident frequency rate in our distribution centers was 5.24, down from 5.58 in 2019. We did not receive any major citations or fines.

### **Advancing Careers With CVS Health**

The value of our investments in colleague training and development was clearly demonstrated by the incredible ways our colleagues responded to the challenges of 2020. We maintained our commitment to providing all colleagues access to learning opportunities and other resources by investing in virtual tools and platforms.

Informed by colleague feedback and business need, in 2020, we reinvigorated our mentorship program and expanded opportunities for career growth for frontline colleagues. Our leadership and development programs reached more than 25,000 colleagues, including matching 2,400 mentors and mentees and broadening the reach of retail development programs by nearly 80 percent. Our newly launched conscious-inclusion learning experience will roll out to all colleagues by the end of 2021.

In response to COVID-19, we transitioned all in-person development programs to a virtual setting and developed new trainings to address real time challenges and situations. More than 9,100 managers completed training to prepare for managing people in a virtual work environment, covering topics such as leading resilience and using technology to foster collaboration. We believe this new way of blended learning will continue for the long-term. In 2021, we will apply our learnings to implement a training and development system that is tailored to all our workplace models — including office, community location, home or hybrid.

Our enterprise career development platform, developU, continued to expand in its second year. More than 19,000 colleagues accessed the platform’s instructor-led virtual workshops in 2020, a 45 percent increase over 2019. New webinars addressed timely topics such as

“Innovating in Turbulent Times” and “Redefining Leadership in New Work Environments.” We also developed a new workshop to build business acumen and engage colleagues in achieving our company’s financial goals. The workshop simplifies complex financial topics and progresses from understanding financial statements to understanding the individual colleague role in supporting our business objectives. Nearly 600 colleagues accessed this workshop in 2020.

### **Supporting Our Colleagues With Leading Benefits**

Our holistic approach to colleague health and wellness extends beyond our goals of reducing health care costs and supporting physical well-being. Benefits offered to all CVS Health colleagues take into account the many factors that can impact their well-being, including those that contribute to mental and financial health.

We offer Aetna’s Resources For Living, a confidential counseling and referral program, to all CVS Health colleagues at no cost. In addition to mental health support, services also include legal and financial services, daily life assistance and a student assistance program. You can read more about our holistic support for colleague well-being in the [Healthy People section on page 54](#).

Nearly 35,000 CVS Health colleagues accessed financial education support in 2020. Launched at the beginning of

the year, our financial literacy program provides all colleagues access to personalized financial planning sessions, digital education and assessment tools. The program is helping our colleagues make a plan to meet their personal financial goals — whether it is debt management, retirement or saving for other life events.

As we considered the greatest economic and personal impacts COVID-19 was having on our colleagues, we worked to provide relief as quickly as possible.

- **Appreciation bonuses:** In recognition of the essential role our frontline colleagues play, CVS Health announced the company would award bonuses to colleagues who continued to report to work sites to assist patients, customers and clients. These bonuses were awarded to nearly 180,000 eligible colleagues in April and May 2020 and early 2021.
- **Paid sick leave:** Many of our part-time colleagues rely on their jobs with CVS Health to provide for themselves and their families. During the height of the pandemic, we made 24 hours of paid sick leave available to all part-time colleagues so that no colleague needed to come to work when sick. This paid sick leave was in addition to the 14-day paid leave provided to any colleague who tests positive for COVID-19 or needs to be quarantined as a result of potential exposure.



- **Dependent care assistance:**

When day cares, schools and elder service providers began to close in March 2020, millions of working adults found themselves in the difficult position of full-time caregivers and employees. Through a new relationship with Bright Horizons and its network of in-home and center-based day care providers, our temporary dependent care assistance program offered colleagues up to 25 days of fully covered backup child and elder care. Nearly 15,000 CVS Health colleagues took advantage of this benefit over the course of a five-week program, intended to help serve as a bridge to more permanent solutions.

- **Flexible work arrangements:**

Approximately 90,000 CVS Health colleagues now work from home following the start of the COVID-19 pandemic. Not only did we find that virtual work was possible, it is also preferable for many colleagues. Today, we are evaluating the policies that were quickly implemented to respond to COVID-19 and updating them to support long-term flexible workplace models.

### **Upholding Leading Governance Practices**

Strong governance at CVS Health starts with our Board of Directors. The Board and our executive leadership team set the tone for a culture of transparency and integrity that is carried throughout the

organization. They ensure we are delivering on our business strategy while maintaining the highest levels of performance in areas most central to our corporate reputation and ability to operate.

In 2020, we established an ESG Steering Committee to better advance our strategic priorities in the area of sustainability. Composed of senior leaders, including our chief governance officer, chief sustainability officer, chief risk officer, controller and SVP of investor relations, the committee oversees progress against our environmental, social and governance commitments. It has also supported our work to align to two new reporting frameworks this year: TCFD, focused on business risks and opportunities associated with climate change, and the SASB Foundation, focused on financial material sustainability disclosures.

### **Building Enterprise Resiliency**

Our Enterprise Response and Resiliency (ERR) Department established our COVID-19 Command Center in February 2020 to provide operational support and coordinate our response to all COVID-19-related incidents, activities and actions across the enterprise. This included developing protocols for colleague and customer safety, processes for deep cleanings of assets post-exposure, changes to our IT protocols and collaboration with state and local health authorities. Our team

led the facilitation of COVID-19 crisis management meetings for more than 300 operational partners across the enterprise to share information and paint a common operating picture across the enterprise. The ERR Department continues to support the Executive COVID-19 Task Force by providing data collection, trend analysis and enterprise facilitation. We have completed an external review of our preparedness and response to the pandemic and will continue to implement best practices to further strengthen cross-functional collaboration and information sharing to ensure resource availability across the organization.

Our ERR team also prepared for and responded to a variety of natural and human-caused disasters throughout 2020. Our top priority was the safety of our customers and colleagues; we continued to streamline across the organization so swift action could be taken to alter operations, if necessary. For example, we supported care management teams during the 2020 hurricane season to conduct targeted outreach to high-risk members in advance of storms. Our ERR team led communication and outreach to state and local authorities to maintain continuation of care for impacted communities and reminded our own colleagues within high-risk areas of safety protocols.

## Protecting Data Privacy and Information Security

Data privacy and information security has become increasingly important to our members, patients, customers and colleagues. They have trusted us with their personal health data, and we strive to maintain their trust by protecting and safeguarding that information. From a privacy perspective, this work goes beyond educating customers and internal stakeholders on the policies and processes required for maintaining a compliant privacy program. It extends to using data in a way that is consistent with our corporate strategy and being transparent about how we use and protect data.

Under the leadership of our chief privacy officer, we monitor and assess compliance with global data privacy regulatory requirements, identify and mitigate privacy risk, provide privacy training across the enterprise, and partner with business areas to integrate privacy into the design and development of systems, processes, products and services. The CVS Health Privacy Office maintains and executes a robust privacy incident response program with a focus on privacy incident management that meets regulatory and customer expectations.

Given consumer expectations, our increasing digital footprint and the importance of accessibility to data, the CVS Health Privacy Office is closely connected to the centralized Information Governance team, whose

mission is to promote a responsible data culture that delivers value to our patients, members, clients and customers while maintaining compliance with myriad of laws and regulations related to data protections and accessibility.

In 2020, we also continued to execute on our information security program strategy. Though COVID-19 required us to pivot our operations, such as accommodating the large number of employees who began to work from home, our existing rigorous security standards allowed our strategy to remain largely unchanged. We bolstered security defenses to support the ramp-up of vaccination and testing delivery services throughout the year. CVS Health was not materially impacted by ransomware attacks that proliferated in the health care industry in 2020.

We also worked to provide seamless consumer access to health notifications and reminders with fewer interruptions on our digital properties. Our Next Generation Authentication platform, patented in 2020, was designed to provide consumers digital access from anywhere using a risk-based approach. If the device a consumer is using has facial recognition or a fingerprint reader, our system takes advantage of that — and will accommodate future innovations. The solution will either “step up” security by requiring additional validation steps, if needed, or enable access even without a password if

the user’s identity can be confirmed through other factors. We will continue to implement changes that improve the consumer experience and enhance security.

## Maintaining a Strong Culture of Compliance

Led by our Chief Compliance Officer, reporting directly to our CEO and the Board of Directors, CVS Health is committed to maintaining excellence across our compliance program. Our compliance program is aligned with the seven elements of an effective compliance program, as defined by the U.S. Sentencing Commission’s Guidelines on Effective Compliance Programs.

In addition, the compliance program is continuously evaluated and refined in response to further guidance put forth by the Department of Justice and to accommodate unique risks facing our company. In 2020, a number of those enhancements were designed to address the challenges of the COVID-19 pandemic including more than 2,000 state and federal regulatory revisions as well as expanding analytics to our Ethics Line to proactively identify trends. We expanded our communication channels to accommodate colleagues working remotely in order to maintain our culture of compliance.

Beyond the program’s response to COVID-19, we continued to strengthen the fundamental elements of the program. For example, we established

a steering committee designed to ensure that training reached the appropriate colleague audience and provided relevant and engaging compliance training content. Further, we benchmarked our Code of Conduct through an external review organization, comparing the company to its peers, and made several updates to ensure our practices follow regulatory trends and address the risks of the company.

Employee engagement survey results demonstrated the positive impacts of our efforts; CVS Health’s culture of compliance was identified as the highest score on the colleague engagement survey.

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**All active colleagues completed our annual Code of Conduct training in 2020, including acknowledgment of our Human Rights Policy.**

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## Responsible Supply Chain Management

As a result of our high-quality systems and skilled colleagues, we upheld the high standards of our supply chain management program despite the widespread global disruptions, product shortages and new health and safety requirements we faced in 2020. At the onset of the pandemic, we immediately faced an overwhelming demand for protective products, including hand sanitizer, cleaning supplies and equipment like masks

and gloves. Many companies that had never done so before began producing these items. To help ensure all products were both safe and effective, we worked quickly to develop new requirements, quality specifications and testing protocols within each product category, working closely with laboratories specializing in this area. Items, including gloves, face shields, respirators, face masks and protective coverings, were required to go through additional CVS Health quality assurance requirements and retesting to federal standards, as applicable. The agile work of our supply chain team allowed us to deliver cost-effective protective products that did not compromise on quality to our customers and colleagues. To meet demand, we relied on trusted suppliers, used our network to identify new opportunities and vetted thousands of suppliers.

Despite the unique challenges associated with the pandemic, we continued to maintain excellence across our supplier audit program to monitor and assess compliance within our supply chain. When it was not possible or safe to conduct a physical audit, we conducted virtual audits to assess compliance. When audits were able to be physically conducted, auditors followed protocols designed to keep themselves as well as the employees in the factories safe. These protocols included wearing a mask, social distancing, limiting the number of employees in meetings and reducing

the length of time auditors were in the factory.

#### **Our Commitment to Human Rights**

In 2016, we conducted a human rights impact assessment and gap analysis informed by the UN Guiding Principles on Business and Human Rights and in collaboration with experts at BSR. In 2020, we began work to refresh this assessment to account for evolving stakeholder expectations, emerging human rights issues and the growth of our enterprise. Through the assessment, we will identify and prioritize CVS Health's human rights risks and take appropriate actions to manage these risks. This work will result in a fuller picture of human rights risks across our enterprise, including Aetna for the first time, and strengthen ongoing engagement with internal stakeholders.

Our [Human Rights Policy](#) aligns with internationally recognized standards, and we require all colleagues and our Board of Directors to review and acknowledge it annually. Our social compliance program helps ensure compliance with the policy, as does our work with the Customs Trade Partnership Against Terrorism (CTPAT), which addresses critical supply chain risks.

#### **Using Our Voice to Influence Public Policy**

Our public policy experts worked closely with federal, state and local officials to respond to immediate

and long-term community health needs resulting from COVID-19. This included support and coordination in the establishment of testing sites and ongoing collaboration in the delivery of COVID-19 vaccinations to long-term care facilities and at retail. We successfully advocated for pharmacist and pharmacy technicians to administer tests and for vaccinations advocated for liberalizations that would allow pharmacists and pharmacy technicians to administer and bill for vaccination as well as the ability of pharmacists to administer vaccines in states other than the one in which they are licensed.

We also continued our advocacy on the health care issues most central to our business and our work to deliver affordable and accessible care to patients and members. This included education for federal officials on Aetna's policies to help reduce "surprise billing." This term describes when a person receives a bill from an out-of-network provider who performed eligible services while a member was in a network hospital or facility. This practice was exacerbated, as hospitalizations related to COVID-19 increased across the nation. In 2020, we urged Congress to pass a comprehensive bill that protects consumers from surprise bills and creates a simple and efficient process for insurers and providers to resolve payment disputes. In December of last year Congress passed, and President Trump signed, the No Surprises Act

as part of the Omnibus Appropriations bill. While we were disappointed by the complex and burdensome arbitration process Congress chose to enact to resolve billing disputes, it is positive that the bill protects patients from receiving surprise bills. As the law is implemented through regulation, we will continue to advocate for a simple process to resolve billing disputes that does not result in increased costs for patients.

When HHS finalized a rule in June 2020 that reduced anti-discrimination protections in health care for transgender people, we announced we would not change our coverage policies. The rule changed the previous definition for covered health care entities to exclude gender identity, a change we publicly opposed from the time it was proposed a year earlier.

As states recover from the economic devastation of the pandemic, we will focus our public advocacy in areas we believe will have the greatest impact in building healthier communities: addressing SDOH, funding for affordable housing and expanding access to mental health and school-based health care. We continued to evaluate new opportunities to use our influence to address racial inequities and expand access to care, including encouraging regulators to allow pharmacists to provide vaccinations for children as young as 3 years old. This helped keep people vaccinated for other illnesses during the pandemic.



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## Encouraging Colleagues to Exercise Their Voting Rights

In the months leading up to the 2020 elections, we led a robust voter education campaign to encourage our colleagues to exercise their right to vote. We provided critical information on voter registration, early voting, voting by mail and voting on Election Day. Given COVID-19 precautions in place, we put extra emphasis on the opportunity to vote by mail and to vote early. Our voting leave policy provides colleagues the necessary time off to vote, especially those who are unable to reach their polling places outside of working hours. We also asked managers across the company to refrain from scheduling meetings that required mandatory attendance on November 3 so that our colleagues could take the time to vote without restrictions.





Healthy  
**Community**♥

# Healthy Community

**At CVS Health, we are improving health outcomes through community impact investments that make high-quality care more accessible and help address the root causes of health disparities.**

In 2020, we prioritized support for those most significantly impacted by the COVID-19 pandemic. Building on long-standing relationships with trusted local organizations, we delivered critical resources to populations most at risk and supported the continuation of care to help people manage their chronic conditions. We also expanded and enhanced our community investment approach in support of CVS Health's nearly \$600 million commitment to address the racial health disparities experienced by Black Americans and other historically disenfranchised communities.

Our commitment to building healthier communities goes beyond direct care. Working with national and local organizations, in 2020, we not only improved access to health care, but also to other critical services, including housing, transportation, food security and education. Despite the challenges presented by COVID-19, we also maintained our commitment to help deliver the nation's first tobacco-free generation and positioned our Project Health campaign, providing access to free health screenings to deliver more impact than ever before.

**Over the next 10 years, we will commit more than \$1.5 billion in social impact investments to build healthier communities.**

# Supporting Our Communities Through COVID-19



As with many public health challenges, the impacts of COVID-19 have been most severely felt in underserved communities already struggling with limited access to resources. The pandemic has put a spotlight on the deep-rooted, systemic racial inequities that challenge the health of our nation. Over the past year, we have carried out our long-standing philanthropic commitments with new urgency, supporting greater access to health care and

addressing SDOH — including safe housing, access to healthy foods, quality education and employment — that have been further challenged by the economic tolls of the pandemic.

In spring 2020, we committed up to \$50 million in philanthropic actions to support populations most vulnerable to COVID-19, including historically disenfranchised communities, frontline health care workers, seniors, school-

aged children and their families. Using the strength of existing relationships with national and local nonprofit organizations, we sought to quickly provide support and meet critical needs for access to food, mental health services and PPE.

The local community health organizations that have long served as a safety net for the underinsured and uninsured have worked tirelessly to support their patients

through these challenging times. We were proud to support their efforts, providing more than \$2 million in grant funding to expand telehealth services in community health settings and collaborating with stakeholders to provide greater access to COVID-19 testing.

Supporting Our  
Communities  
Through COVID-19

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**\$50M**

in philanthropic actions  
to support the COVID-19  
response

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**\$40M**

in product donations,  
including food, water and  
personal care products

**18**

COVID-19 community  
testing sites established

**75+**

community organizations  
supported

**1.6**

million meals served

**Key Accomplishments**

## Community-Based Testing Solutions

As we began to mobilize drive-thru COVID-19 testing at CVS Pharmacy locations across the country, we knew more needed to be done to provide equitable access to this critical resource. Nearly 60 percent of our retail testing locations were sited in communities ranked high or very high as identified by the CDC's [SVI](#), but still, we believed it was critical to go beyond our physical footprint and meet people where they were. We worked with HHS and trusted, local community health organizations to bring testing to 18 community sites in areas that needed it most.

In collaboration with organizations like the NAFC, we combined our testing and operational capabilities with the local reach and established trust of community health centers and free clinics. Testing at community sites is available at no cost and is easily accessible for those without vehicles. Rapid testing technology provides patients with test results in about 30 minutes, and CVS Health providers are on hand to counsel patients on managing symptoms and isolating when necessary.

As demand for testing increased, we also began to manage appointment scheduling for community testing sites via centralized call centers, offering end-to-end management of the testing process and freeing up clinic staff for other important work. By January 2021, we had administered 200,000 tests at community-based sites,

which averaged a positive test rate of approximately 16 percent — a number substantially higher than average positive test rates at our retail testing sites.

### Community Testing Sites

- **El Milagro Clinic in McAllen, TX**

El Milagro Clinic provides comprehensive health care services to medically underserved residents of the Rio Grande Valley. We established our community testing site at El Milagro in July 2020. Located just miles from the Mexican border, this site provides much-needed access to rapid result COVID-19 testing. Positive test rates among these patients have been the highest among all our community testing sites, reaching a high of 26 percent in January 2021.

- **Centrals Falls/Pawtucket, RI**

This community testing site was one of the most collaborative models, right in our home state of Rhode Island. We worked with the cities of Pawtucket and Central Falls, the Rhode Island Department of Health, University of Rhode Island, local businesses and nonprofit organizations to bring the state's second rapid testing to two of the hardest-hit communities. Pawtucket and Central Falls had some of the highest COVID-19 incidence and positive test rates in the state, and this group worked collectively to implement a grassroots, community-informed strategy that was successful in reaching the diverse populations that live in these cities.

- **Arroyo Recreation Center in Hartford, CT**

After the recreation center closed due to the pandemic, we were able to leverage this central community location as a testing clinic. Patients were able to access free, walk-up COVID-19 tests in Hartford's Pope Park beginning in June 2020. The site had processed 29,000 tests through year-end and now also serves as a vaccination site.

- **Good Samaritan Health Center in Atlanta, GA**

In the Vine City neighborhood on Atlanta's Westside, the life expectancy of residents is 13 years shorter than communities just 20 miles away. At Good Samaritan Health Center (Good Sam), a full-time staff of 40 and 400 volunteers work to reverse this trend and provide high-quality health care to individuals and families in Atlanta who could not otherwise afford it. We joined Good Sam in June 2020 to open a no-cost, rapid-testing site.

- **Baltimore City Community College (BCCC) in Baltimore, MD**

After opening a community testing site outside of Baltimore's Mondawmin Mall in June 2020, we moved our operations to BCCC in October to expand access within the local community and provide a more comfortable environment as winter approached. CVS Health and BCCC have collaborated for several years to build pathways to pharmacy careers.





## Expanding Telehealth for the Underserved

For more than a decade, CVS Health and the CVS Health Foundation have supported the work of the free and charitable clinics that act as safety nets in our communities and provide health care to the medically underserved. In 2020, these clinics found themselves on the front lines of the fight against COVID-19 — serving populations most vulnerable to the virus and navigating new challenges associated with the need to widely offer remote care.

In spring 2020, we worked with NAFC to launch a \$1 million commitment, through the CVS Health Foundation, to support member organizations in expanding access to care through telehealth.

We provided \$25,000 grants to 40 free clinics through our NAFC collaboration, funding technology, staffing and training for telehealth implementation and expansion. We also provided an additional \$1 million through the company to support 33 California Association of Free and Charitable Clinics to increase access to remote care across the state.

- **Siloam Health in Nashville, TN**, is a free clinic that provides culturally sensitive care to immigrant and refugee populations in Middle Tennessee. With support from the CVS Health Foundation and NAFC, Siloam launched a telehealth initiative for medical visits conducted by its multicultural team of clinicians and behavioral

health providers. With patients from 79 countries speaking 55 different languages, Siloam is investing in a translation technology to help patients communicate remotely in their native language.

- **Chicago Women's Health Center (CWHC)** empowers women, trans people and young people by providing access to health care and health education in a respectful environment where people pay what they can afford. All services are offered on a sliding scale, with no patient turned away based on ability to pay. Each year, more than 6,000 individuals access health services through CWHC. With grant funding from the CVS Health Foundation, CWHC integrated its electronic medical record system to support telehealth visits.

- **Genesis Community Health in Garden City, ID**, received funding to integrate telehealth services as part of the comprehensive care it provides to low-income and uninsured individuals. In response to a rising unemployment rate in the area, Genesis prepared to provide care to a growing number of patients without health insurance. The addition of telehealth services allows Genesis to reach individuals beyond the COVID-19 pandemic and provide services to low-income individuals in rural areas who do not have transportation as well as those living in suburban and urban areas without access to public transportation.

## Supporting Health Care Professionals

In addition to the physical tolls of COVID-19, the pandemic has had devastating effects on the mental well-being of frontline health care workers, particularly those who work in hospitals and health care systems. Concerns about equipment and supply shortages have forced providers to consider life-and-death decisions for the patients in their care. Nurses and nursing assistants have frequently become the only connection between sick and dying patients and their loved ones. And all providers have continued to report to work, sustaining our health care system's long-term crisis response. Researchers are documenting elevated rates of anxiety, depression, stress and insomnia among health care workers, with the full impacts still yet to be seen.

CVS Health and the Aetna Foundation® committed nearly \$2 million to support the mental well-being of health care professionals across the country.

- A \$500,000 contribution from the Aetna Foundation to the AmeriCares COVID-19 Mental Health and Psychosocial Support Project connected frontline health care workers, particularly those who serve low-income populations, to resources on mental health awareness, knowledge and resiliency. AmeriCares expects to exceed its goal of 1,250 health workers trained.

- Operational support from the Aetna Foundation for the Crisis Text Line's For the Frontlines initiative increased its capacity to support health care workers dealing with anxiety, stress, fear or isolation.
- Curated resources for the American Nurses Foundation's Well-Being Initiative focused on providing support to nurse leaders who are managing the personal and professional stresses of COVID-19.
- A \$220,000 contribution from CVS Health supported outpatient counseling for hospital-based employees through Give a Hour's Hospital Heroes initiative that provides no-cost counseling to help hospital-based employees manage trauma responses. To date, the program has served referrals from 29 different states from nurses, physicians and other hospital staff.

More information on how we supported our own colleagues' mental well-being in 2020 can be found in Healthy People.

## Reducing Food Insecurity

Many Americans are one job loss or medical crisis away from food insecurity, and the economic and health impacts of COVID-19 have resulted in surging demand at food banks across the country. Studies have estimated that more than 50 million people, including approximately 17 million children, experienced food insecurity in 2020.

Since the start of the pandemic, CVS Health and the Aetna Foundation have provided more than \$5 million in combined support to Feeding America to reduce food insecurity among vulnerable populations — including families, seniors and those in isolation or quarantine.



Amid nationwide shortages of PPE, the Aetna Foundation worked with AmeriCares to purchase and deliver more than 200 tons of supplies to health care workers in communities most severely impacted by the pandemic, including people who live in remote or marginalized communities, people who are displaced by conflict or crisis and people who face barriers to health due to age, gender, race, ethnicity, religion or sexual orientation.



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# Populations most vulnerable to COVID-19 are also most likely to experience food insecurity

## **Seniors**

Nearly 5.3 million senior citizens in the U.S. face hunger. This number is expected to grow as the baby-boom generation ages. 63 percent of senior households served by the Feeding America network are forced to choose between food and medical care.

## **African Americans**

African American households face hunger at a rate more than twice that of white, non-Hispanic households. One in four African American children struggle with food insecurity.

## **Hispanic Communities**

One in six Hispanic households in the U.S. struggles with hunger. More than 18 percent of Hispanic children are at risk of hunger, compared to nearly 12 percent of white, non-Hispanic children.



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## Feeding South Florida

In 2019, we piloted a year-long school pantry program in collaboration with Feeding South Florida, the area's largest food bank which serves nearly 25 percent of the state's food-insecure population. The school pantry pilot sought to evaluate how access to healthy food could impact a student's behavior and performance in school. At the end of the year, we found that the program had improved students' overall health, decreased families' financial burdens, increased families' level of food security, and encouraged families to adopt healthier eating habits. Through this work, we also identified a need to be even more local in our approach to addressing student hunger, and in 2020 funded Feeding South Florida's "Mini Mobile Farmacy," an air-conditioned grocery store on wheels that provides nutritious foods at low or no cost.





As the national sponsor of the American Heart Association's (AHA's) Go Red for Women movement, each February, we raise funding and awareness for cardiovascular disease, the number one killer of women. In 2020, our customers supported the cause through donations at checkout to support heart health research and education. We also cross-promoted no-cost heart health screenings available at MinuteClinic locations nationwide on select Thursdays in February, supported by Tylenol.

### **Increasing Access to Food, Health Care and Quality Housing in Ohio**

In December 2020, CVS Health and the CVS Health Foundation announced nearly \$1.25 million in grants to support underserved communities in Ohio by increasing access to food and health care, with a specific focus on supporting seniors, school-aged children and families amidst the economic and health challenges of the COVID-19 pandemic. Funding included:

- \$1 million in grants to free and charitable clinics to increase access to telehealth, funding technology, staffing and training
- \$100,000 to Feeding America for local food banks to provide meal kits for seniors, children and individuals sheltering in place
- \$150,000 to Cleveland Clinic's school-based health mobile unit where clinicians provide routine checkups, vaccinations, health screenings and treatment to students. Providing mobile and virtual care through the mobile unit is especially important, as students are learning at home and without access to health services in their school building. Services also include adolescent health education, dental health and mental health care.
- \$300,000 from Aetna Better Health® of Ohio for organizations expanding access to primary care services, improving the health status of

at-risk communities, and providing pregnant women and children with behavioral support.

In addition to this charitable support, our real estate investment team also supported \$29 million in family and senior affordable commercial housing investments, including:

- \$13.7 million to renovate the Rosewind apartments in Columbus, including improvements to the local community center and support for new programming
- \$15.3 million to build 144 new homes with services for Ohio seniors, including those with disabilities, in two affordable housing communities known as Eastern Woods Senior Apartments in Findlay and Northland Gate in Columbus

You can learn more about our commercial housing investments in Healthy People.

### **Engaging Our Customers in Community Health**

Our in-store fundraising and cause marketing campaigns engage customers in our commitment to support their local communities. Through these campaigns, we raise awareness and much-needed funding to address key issues impacting our nation's health. In 2020, we donated more than \$20 million in community investments related to national partnerships activated at CVS Pharmacy.

Through collaboration with organizations like AHA, the American Cancer Society (ACS), ALA and the Alzheimer's Association, we have supported groundbreaking research and new screening offerings as well as provided direct services to patients and their caregivers. In 2020, we focused our campaigns on addressing the impacts of COVID-19 on these organizations and the populations they serve.

Reduced foot traffic and enhanced safety protocols in our community locations required us to think creatively in order to sustain our support for these important causes. For each fundraising campaign that followed the start of the pandemic, we made giving easier, updating IT protocols to allow for touchless giving at checkout. We also introduced a roundup donation option chainwide that enabled customers to round up their purchase to the nearest dollar and donate their change. This new technology unlocked a new group of givers and allowed us to manage impacts related to the national coin shortage.

- **ALA:** In June, we shifted our traditional lung health campaign to focus on the impacts of COVID-19 on the more than 36 million Americans living with lung disease. From June 21-July 25, customers were invited to make a donation at the register to help support this at risk population and ALA's COVID-19 Action Initiative. Our campaign, featuring lung health champion Laura Dern, supported ALA's COVID-19 Action Initiative. Through the program, they are providing free lung health education and masks, advocating for COVID and flu vaccines in traditionally disenfranchised communities and investing in research to prevent further outbreaks.
- **Feeding America:** In response to overwhelming demand for food assistance across the country, in August, October and December, we offered a roundup donation option in support of Feeding America, a hunger relief organization with a nationwide network of food banks. Customers were invited to round up and donate their change in support of their local Feeding America site, with 90 percent of donations going to a local food bank and 10 percent going to Feeding America. All donations supported increased food security in the communities we serve — especially for those impacted by the pandemic.
- **ACS:** With a reminder that Cancer Never Stops, in September, we launched a campaign to support ACS. A June survey conducted by ACS found that the pandemic had affected health care for nearly 80 percent of cancer patients in active treatment, with nearly 20 percent reporting delays in treatment. Our support helped ACS maintain its services to patients and the continuation of treatment and care that should not be delayed.
- **Alzheimer's Association:** The COVID-19 pandemic created many new challenges for people living with Alzheimer's and all dementia; their families and caregivers; and, in particular, at long-term care facilities where patients are at increased risk of the virus' spread. Despite having to turn off donation requests at the pin pad to enable a completely contactless shopping experience for the safety of our customers, our November campaign, coinciding with Alzheimer's Awareness Month and National Family Caregivers Month, provided much-needed funding to support those most at risk from COVID-19.

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Our suppliers share our commitment to supporting local communities. In 2020, we worked with key national brands on creative cause marketing campaigns at CVS Pharmacy to advance the impact and raise awareness of organizations in local communities.



**BOYS & GIRLS CLUBS  
OF AMERICA**

**Boys & Girls Clubs of America:** We know back-to-school is a busy and exciting time of year for students and families, but 18 percent of U.S. children live in households experiencing poverty and may have to skip purchasing personal care products in order for their families to pay for food or rent. Lack of access to hygiene products can negatively impact a student's health. To help ensure more kids have access to the hygiene products they need for school, we joined forces with Procter & Gamble (P&G) and DoSomething to create Confidence Kits for youth at local Boys & Girls Clubs in need of personal care items. Our customers supported this cause through the purchase of select items from P&G brands like Crest, Secret and Old Spice, resulting in a donation of products worth \$500,000 in value to help kids and teens in need.



**Operation Gratitude:** Every year, Operation Gratitude sends more than 500,000 care packages to members of the military deployed overseas, first responders, veterans and their families. For the 2020 holiday season, we teamed up with Mars Wrigley; for every package of participating M&M'S® or EXTRA® gum purchased by CVS Pharmacy customers, \$1 was donated to Operation Gratitude.

# Building Healthier Communities



Building Healthier Communities is our commitment to make community health and wellness central to our efforts to Transform Health. It represents a major part of our philanthropic investment strategy and combines the power of our various charitable investment opportunities through our company and the CVS Health and Aetna Foundations. Using our company's strengths, Building

Healthier Communities supports organizations that are expanding access to affordable quality care, impacting public health challenges and working with local communities to address their most pressing health issues.

In 2020, our community investment totaled nearly \$180 million and sought to address long-standing inequities in access to quality care,

improve health outcomes and address the social determinants of health.

Supporting Our  
Communities  
Through COVID-19

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**\$1.1M**

dedicated to increasing  
access to vaccination among  
historically disenfranchised  
communities

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**\$1M**

dedicated to improving  
maternal health outcomes  
for Black women

**15M+**

youths reached through  
*Be the First*

**138**

free and charitable  
clinics supported

**Key Accomplishments**

## Increasing Immunity in Historically Disenfranchised Communities

The COVID-19 pandemic has highlighted the severe racial health inequities that have persisted in communities across the U.S. for too long. The development of safe and effective vaccines has given us hope and a path toward better health, but immunizations among Black and other historically disenfranchised communities have always lagged white communities. In 2021, we joined Direct Relief, the Conference of National Black Churches (CNBC) and the National Black Church Initiative (NBCI) to strengthen connections between faith communities and community health care providers in urban areas that have traditionally experienced lower rates of immunization access and uptake.

Direct Relief works closely with the network of community health centers and free and charitable clinics we have supported for decades. CNBC and NBCI represents the leaders within faith-based communities and the more than 304,000 Black and Hispanic churches working to eradicate racial disparities in health care, technology, education, housing and the environment. Together, they form a safety net to support broader access to quality and affordable health care.

With \$1.1 million in funding from the CVS Health Foundation, Direct Relief, CNBC and NBCI will work to

strengthen the partnerships among communities of faith and community health care providers to increase immunizations in major U.S. cities, including Atlanta, Chicago, Dallas, New York and Oakland. The project will connect health centers and free and charitable clinics with local Black churches to provide outreach and education related to both COVID-19 and flu immunizations, with the aim of increasing trust and education in historically disenfranchised communities as well as increasing access to and the rates of vaccines. Funding will be provided to the health centers and free clinics to support increased immunization efforts, outreach, education and staffing and to Black churches to support trust building, influence and education among their congregants surrounding immunizations.

## Coordinating Care for the Underserved

In addition to new funding for telehealth, we continued our long-standing support for NAFC members to provide wraparound services for underserved patients and address prescription medication misuse. In 2020, we provided \$1.25 million from the CVS Health Foundation to 65 clinics in 17 states. Support included funding for capacity building, medication-assisted treatment and addressing the social determinants of health through programs providing increased food security, employment and education services.

## Our Impact

- **Health and Hope Clinic in Pensacola, FL**, provides free primary medical and dental care to the uninsured. The clinic was awarded funds to develop and pilot a comprehensive, drive-thru vaccination program, offering tetanus, measles, mumps, rubella, diphtheria, flu, hepatitis A and B, pneumococcal strep and HPV vaccines for its patients. The program also supports screening for tuberculosis, health literacy and outreach.
- **The Mercy Medical Clinic in Shelbyville, KY**, used grant funding to develop a case management program to complement the medical care it provides and identify and address social determinants of health that pose a barrier to effective health outcomes. Case managers will provide telephonic monitoring of patients between visits to monitor compliance with prescribed medications and treatments and connect them with community resources, as needed.
- **St. Mary's Health Clinic in St. Paul, MN**, received grant funding to expand physical activity classes to its members, survey mental health needs across its patient population and expand an existing partnership with St. Catherine University to include primary care as part of the university's clinical education.



## Supporting Community Health Centers to Battle Addiction

Beginning in 2017, the CVS Health Foundation partnered with the National Association of Community Health Centers (NACHC) to provide one-year grants to health centers across the U.S., enabling these centers to find innovative ways to care for patients and families impacted by addiction. Over the course of three years, our collaboration empowered more than 30 health centers to build their capacity to respond to the opioid epidemic and enabled NACHC to provide wraparound support to these centers through a structured learning community that featured access to expert faculty, coaching, technical assistance and peer support. As a result of grant funding:

- Every pediatric provider at the Brockton Neighborhood Health Center in Brockton, MA, was trained to identify and address early signs of substance use.
- One site of the PCC Community Wellness Center in Chicago, IL, went from screening no patients for post-traumatic stress disorder to 46 percent of patients.
- Harmony Health in California witnessed a 51 percentage point increase in patients with substance use disorders now receiving case management.

In 2020, NACHC developed a publication that provides a comprehensive overview of the partnership with the CVS Health Foundation to support innovative approaches in prevention, care and treatment of substance misuse in community health centers across the country. The publication outlining the impact and replicable success of these programs can be [accessed here](#).

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**“There’s been a whole transformation in how we practice not only with patients who are addicted and with mental health patients, but with all of our patients now. I think it’s transformed our whole practice.”**

**Rachel Farrell**  
*CEO, Harmony Health*

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## Project Health

Since it first launched in 2006, our Project Health initiative has eliminated cost barriers to preventive services that detect early risks for chronic conditions. Project Health has delivered more than \$134 million in free health care screenings to nearly 1.7 million people in racially diverse communities with large uninsured populations. Services include screenings for blood pressure, body mass index, glucose and total cholesterol as well as professional

consultation and access to resources addressing mental health, chronic conditions and follow-up care.

Though COVID-19 challenged our ability to hold as many in-person events in 2020, we were committed to maintaining this critical support, especially at a time when people were already delaying routine care. In October, we resumed Project Health events in markets with lower COVID-19 community transmission rates. Safety protocols included a reduced staff and customer limit to allow for social distancing, use of N95 masks, face shields and Plexiglas partitions and increased sanitizing protocols as well as the addition of digital engagement with patients. Our 2020 campaign reached more than 6,000 people across nine markets.

As part of our \$600 million commitment to address racial injustice and health equity, we developed plans to greatly expand the reach and impact of Project Health. This expansion includes eight new markets, bringing Project Health’s reach to a total of 25 communities across the U.S. and Puerto Rico and increasing our presence in communities with high populations of Black Americans in 2021, including Mississippi, Alabama and Louisiana. One benefit of our pivot throughout the pandemic was adding new digital components to be able to provide all Project Health participants with health resources electronically.

We will also introduce Project Health mobile units to bring free health care services to communities in Florida, Ohio, Pennsylvania, Arizona, Texas and New Mexico to expand our reach in rural and urban areas where we do not have a community location or want to meet people where they are. These self-sustained, mobile units will visit high-traffic areas such as affordable housing sites, places of worship and senior centers to provide access to impactful health care services to reach vulnerable communities. Through more than 1,700 Project Health events, we expect to reach up to 130,000 people with more than \$35 million in free health services in 2021.





### **Avoiding a “Twindemic”**

Preventing flu outbreaks amid surges in COVID-19 cases is a critical part of the public health strategy to help ensure hospital bed capacity for the sickest patients. In December 2020, through Project Health, we provided \$2 million to NAFC to help distribute flu vaccines in communities disproportionately impacted by COVID-19, with the message that it is never too late to get a flu shot.

We also worked with Bank of America and General Motors to support increased access to flu vaccines in several under-resourced communities nationwide. In collaboration with Bank of America and Direct Relief, we distributed vouchers for no-cost flu vaccines at CVS Pharmacy and MinuteClinic locations in seven major cities through community partners, including health centers and free clinics. We worked with General Motors to set up a pop-up flu clinic in Los Angeles and distribute no-cost CVS Pharmacy flu vouchers through community partners across Southern California.

Our Aetna Medicare teams have established themselves as a trusted resource in the communities they serve. Recognizing a need to expand access to flu vaccinations to Hispanic members in Southern California, Aetna Medicare collaborated with CVS Pharmacy on nine flu clinic events, including five in the parking lot of Northgate Gonzalez Markets, a Hispanic-owned grocery chain

with stores in the area. In addition to a flu shot, the clinic also provided information to seniors on Medicare coverage available to them, including Covered California and additional information. The clinics reached more than 700 people in October and November.

You can read more about our efforts to dramatically increase access to flu vaccinations in 2020 in the [Healthy People](#) section on page 34.

### **Addressing the Social Determinants of Health**

We see firsthand the impact we can have on people’s health by providing communities greater access to resources like education, food security and quality housing. These social determinants of health SDOH influence how long and how well people live and are the reason why a person’s ZIP code is a greater predictor of their health and well-being than their genetic code. Through our philanthropic investments, we are applying measurable and scalable approaches to SDOH in communities across the country.

Throughout this report, you can read more about our enterprise strategy to address SDOH — including our investments in affordable housing and workforce development and by addressing our climate impacts to support the health of all communities.

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# Healthiest Communities Rankings

In collaboration with U.S. News & World Report, in 2020, the Aetna Foundation funded the third annual Healthiest Communities rankings. The rankings measure the health and wellness of nearly 3,000 U.S. communities in the areas of population health, equity, education, economy and other SDOH. This year's rankings included new tools that tracked the impact of COVID-19 on community health and wellness and demonstrated the strong connection between these impacts and existing health disparities in Black and Hispanic communities.

We use data from the Healthiest Communities rankings to gain insight on how to better address disparities at the community level, identify areas of greatest need and support health care organizations in developing and implementing solutions. In 2020, the Aetna Foundation provided \$100,000 grants to 20 communities in 11 states.

In **Cleveland, OH**, a team led by Baldwin Wallace University and Old Brooklyn Community Development Corporation will develop and implement a Community Navigator model. Community Navigators are city residents hired and trained to screen families for food insecurity and conduct health assessments in low-income Cleveland neighborhoods. Families with the highest need are provided ongoing support and referrals to additional services. The collaboration will also establish an advisory board to oversee the Community Navigator implementation and expansion to the entire city.

In **Wilkes County, NC**, the Wilkes Healthy Action Team will use funding to reduce barriers to access healthy foods. The team will expand the reach of its mobile market, provide and enhance food benefits that support local farmers, increase access to Community Supported Agriculture and address healthy food needs in child care centers. A shared data system will track programmatic metrics and evaluate the community-level success of interventions.

In **Cambria County, PA**, a communitywide plan called Vision Together 2025 aims to address a number of health-related community needs. To enhance care coordination and social interventions to improve health outcomes, the program will engage residents to develop a team of Community Health Workers and establish a physical location that delivers whole-person care to community members. A Community Advisory Council will oversee the program and ensure that its interventions are responsive to community-identified priorities.



## Celebrating Five Years of #BeTheFirst Exceeding Our Goals

# \$55M

in philanthropic support

# 36%

decline in new youth smokers

# 3.5%

decline in the youth  
smoking rate

# 15M

youths reached through  
education, awareness,  
advocacy and healthy  
behavior programming

# 650K

young people reached through  
local community grants

# 200+

colleges and universities going  
smoke- or tobacco-free

### Helping Deliver the First Tobacco-Free Generation

In 2014, we became the first, and remain the only, national retail pharmacy to remove tobacco from our shelves. To build on this historic decision, in 2016 we launched *Be the First* — a five-year, \$50 million commitment through the company and our foundations, designed to deliver the first tobacco-free generation. Since then, we have worked with leading tobacco control and youth-serving organizations, researchers, colleges and universities and community health organizations to help those that smoke quit and help prevent those who do not smoke from ever starting.

Through comprehensive anti-smoking education, tobacco control advocacy and healthy behavior programming, *Be the First* has reached more than 15 million youths and contributed to a 36 percent decline in new youth smokers. As youth vaping and e-cigarette use began to rise alarmingly in 2018, we pivoted our strategy to combat this concerning trend.

### Pivoting to Combat Vaping

While overall rates of tobacco use among young people continue to decline, recent data shows that 3 million high school students and more than half a million middle school students use e-cigarettes. Complicating this challenge further is a 2020 Stanford University study that shows youth e-cigarette users are five times more likely to be diagnosed with COVID-19. Today, our work has shifted to help ensure e-cigarettes do

not reverse decades-long progress in reducing youth tobacco use across the nation. Our funding is focused across three areas: education and activation, clinician training and intervention and cessation.

### Education and Activation: Collaborations Through the CVS Health Foundation

- In 2019, we granted more than \$3 million to the CATCH Global Foundation and Discovery Education to digitize and disseminate engaging content for grades 5–12 on the risks of e-cigarettes. In its first year, [BeVapeFree.org](https://www.bevapefree.org) reached 550,000 youths with information to help them make healthier decisions. This digital content allowed for continued support through distance learning during the pandemic.
- Our 2020 support for the Campaign for Tobacco Free Kids built on the organization's Taking Down Tobacco initiative, with additional focus on the e-cigarette epidemic and direct outreach to youths through a new program called The Rise in Vaping. Since its inception, this new program has reached more than 25,000 at risk and experimenting youths, and in 2020, 86 percent of youths who completed the refusal component of the program said they felt confident that they can refuse vaping pressures.
- School and community policies and programs are struggling to keep pace with the rapid rise in e-cigarette usage among youths. In 2020, we provided funding to AHA and the

Alliance for a Healthier Generation to support school leaders in combating this health crisis through the development and dissemination of a model school tobacco and vaping policy. The policy employs a restorative approach, prioritizing intervention and education over disciplinary action that only results in lost learning time.

### Clinician Training

Throughout 2020, the Aetna Foundation invested in clinical education and training for screening and cessation services around e-cigarettes. In collaboration with the American Academy of Pediatrics (AAP), National Medical Association (NMA), National Hispanic Health Foundation (NHHF) and National Association of School Nurses (NASN), this work is focused on helping to ensure that all providers are well-versed in what vaping is and how to address it with patients. We also funded the American Association of Family Physicians in updating its tobacco-cessation program, Ask and Act, to include e-cigarettes.

### Intervention and Cessation

The Truth Initiative's text message cigarette-quit tool, This is Quitting, has been fueled by \$2 million in funding from the CVS Health Foundation. Over two years, the tool reached 13 million young people with powerful "quit vaping" messaging and encouraged 220,000 young people to enroll in the program. The current quit rate for youths who enroll in the program is 15.9 percent.

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# Collaborating for Impact

Funding spanned investments from our company, our in-store fundraising efforts and grants made through the CVS Health and Aetna Foundations.

**ALA:** \$13 million to support tobacco prevention and awareness initiatives

**Campaign for Tobacco-Free Kids:** Engaged 2.6 million youths in the Take Down Tobacco advocacy training program

**Scholastic:** 3 million youths reached through school-based campaigns

**Truth Initiative and ACS:** 200+ college campuses advocated for, adopted and implemented smoke- and tobacco-free policies

**CATCH Global Foundation:** Engaged more than 1 million youths in CATCH My Breath, the first evidence-based youth vaping prevention curriculum in the country

**Stanford Tobacco Prevention Toolkit:** More than 1.5 million youths reached; 97.2 percent agreed that their understanding of the addictive nature of the tobacco products increased

**Yale Smokescreen:** Launched first-of-its kind video game intervention targeting tobacco on Android and Apple stores, significantly increasing e-cigarette risk perception and knowledge

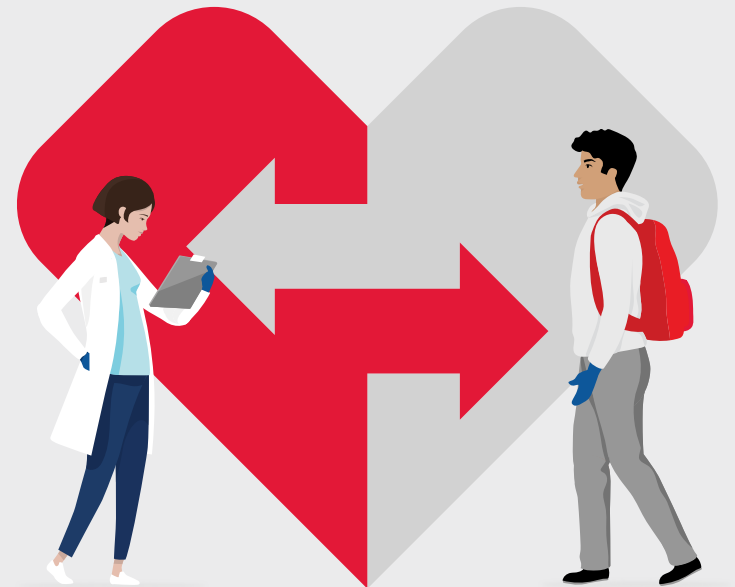
**DoSomething.org:** Engaged 250,000 youths through innovative and engaging social media campaigns

**BeVapeFree.org:** In partnership with Discovery Education and CATCH Global Foundation, launched online site to provide digital resources to schools across the country; reached 550,000 youths in the first year and supported schools with distance-learning during the pandemic

**AAP, NMA, NHHF, and NASN:** Supported clinical education and training for screening and cessation services around e-cigarettes for providers

**Alliance for Healthier Generation and AHA:** Working together to create a national tobacco policy for schools that addresses e-cigarettes

**Truth Initiative:** Supporting tobacco-free grants for community colleges and historically Black colleges and universities as well as funding for a text-message-based vaping quit program for youths, with 220,000 young people currently enrolled in the program





### Colleague Volunteerism

As our company grows, we continue to increase opportunities for colleagues who want to give back in their communities. This includes volunteer opportunities that not only benefit local nonprofit organizations, but also promote professional development. Our robust skills-based volunteerism program allows colleagues to utilize their skills in IT, strategy development, legal services, health care, human resources, marketing and more. In 2020, colleagues helped thousands of nonprofit organizations expand their reach and impact. Skills-based volunteerism has also been shown to increase colleague engagement and retention while growing colleagues' skills and talents.

The COVID-19 pandemic shifted the volunteer landscape significantly, as colleagues could no longer physically gather for volunteer activities. Despite this, our colleagues expressed a significant desire to give back due to the overwhelming increased needs in local communities. To give colleagues the opportunity to do so safely, regardless of their location, we launched a new Virtual Volunteer program in April. Colleagues have more opportunities to volunteer for multiple causes and organizations; there is greater flexibility in scheduling; and nonprofits and volunteers can match based on qualifications and interests, without being restricted by

geography. We also expanded virtual volunteerism to include opportunities for colleagues to become more educated, aware and supportive of organizations helping to advance social justice and race equity.

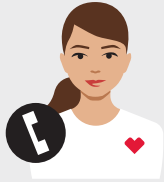
Another way we engaged our colleagues in virtual volunteering was by tailoring traditional campaigns to the needs of communities during the pandemic. CVS Health serves as the National Presenting Sponsor of the Walk to End Alzheimer's. In 2020, the Alzheimer's Association was tasked with pivoting its signature philanthropic and fundraising event series to be completely virtual, which ultimately enabled greater accessibility for CVS Health colleagues and other participants. Hundreds of CVS Health colleagues from communities across the country came together, regardless of distance, to raise support and awareness for Alzheimer's and other dementias. Product Development Advisor Mia Marcello shared: "My family had been struggling with my grandfather having Alzheimer's disease. He just passed away on September 1. It was a 2-mile walk. It really brought us comfort. We actually carried around a big picture of him for the whole walk."

Through the end of 2020, our colleagues donated more than \$6.6 million in value of volunteerism. The benefits of virtual volunteerism are

clear, and we plan to include these opportunities for the long-term — in 2020, we saw a 20 percent increase in skills-based volunteerism, driven by virtual opportunities. We recognized and rewarded our colleagues' spirit of volunteerism through our Volunteer Challenge Grant program, which supports the nonprofit organizations for which our colleagues volunteer and fundraise. In 2020, we expanded this program to include virtual fundraising efforts to support organizations impacted by the COVID-19 pandemic.

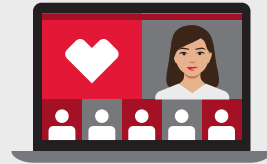
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# 2020 Volunteer Spotlights



“I have been volunteering as a Crisis Listener for [online therapy site] 7 Cups. I found [7 Cups] on the CVS Health volunteer opportunities page. This has been an amazing experience for me and has forced me to step out of my comfort zone. I try to volunteer at least five hours each week. The site protects both parties’ identity and allows the client to log in and communicate with a crisis listener via computer, phone or text. I have several personal requests from clients because my profile lists my RN credentials, and some of them want to talk about medical topics. Being a crisis listener has been just as beneficial [to me] as it has been for the clients that I help.”

**Sheri Olson**  
*Nurse Consultant*  
*Omnicare*  
*Salt Lake City, UT*



“I have been volunteering for many years, so doing it now is [not new], except for the logistics about how to volunteer with the pandemic restrictions . . . I am [a] volunteer team leader on the Computer Connection team, which is part of the Care Center at Willow Creek Community Church. We take donations of computers, rebuild them and give them away to people and organizations in need. We are working on 13 laptops [to be donated to] survivors of human trafficking through the Salt & Light Coalition. We are close to finishing 36 laptops for a school technology teacher on Chicago’s South Side who had no computers for her class. And we are in the process of completing 10 computers that will go to the Chicago Scholars organization, which supports honors students in some of the most underserved Chicago neighborhoods.”

**Mike Balles**  
*Senior Advisor, IT*  
*CVS Caremark*



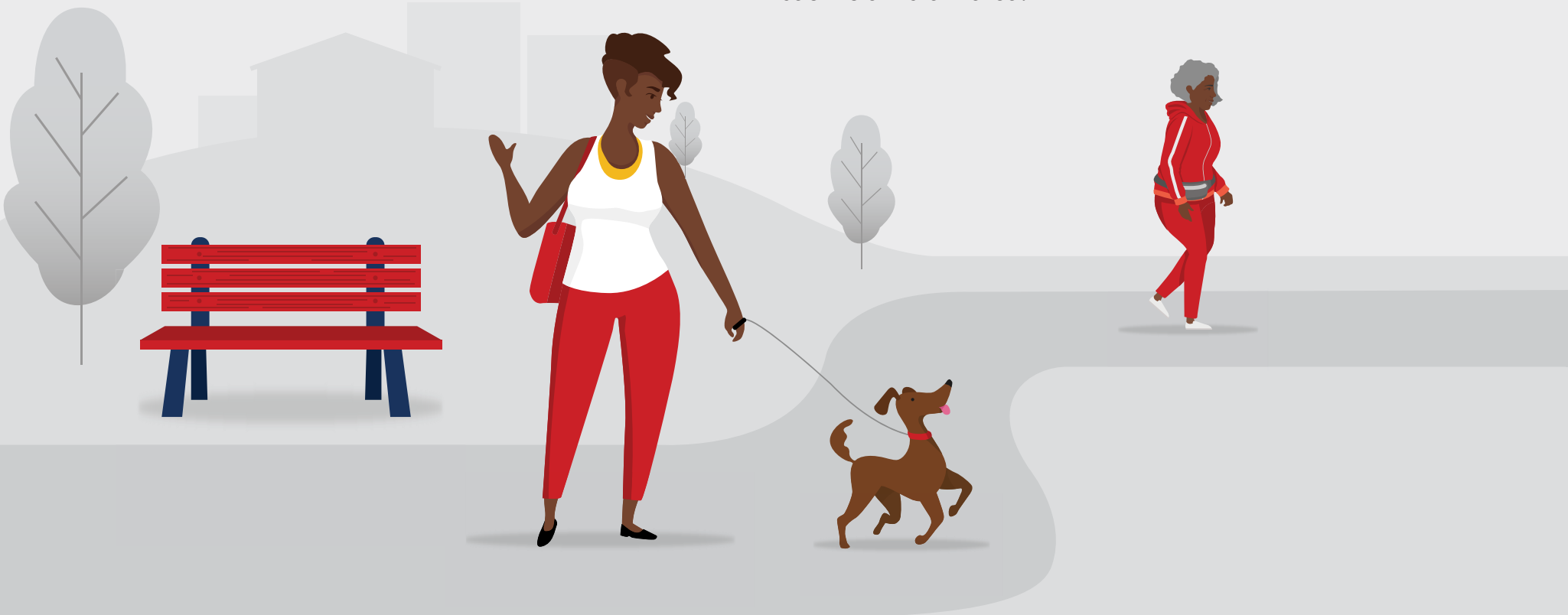
“As part of Remote Area Medical (RAM), I volunteered two days at a disaster medical clinic in Lake Charles, Louisiana. This community was struck by two hurricanes in addition to the pandemic. We saw more than 100 folks each day in our medical, dental and vision clinics. As an RN, I was able to triage, perform patient histories, provide emotional support, make community referrals, provide disease education and administer flu vaccines.”

**Bethany Martin**  
*Business Consultant*  
*Aetna*

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# Volunteer Challenge Grants in Action

Aetna Provider Relations Liaison Arkia Amira Gowins serves as an active volunteer and board member of the Turner Station Conservation Teams (TSCT) and received a Volunteer Challenge Grant from the CVS Health Foundation on the organization's behalf in 2020. TSCT works to develop a safe and healthy historic community of Turner Station, MD, by connecting people, resources and ideas. Arkia's family has deep roots in the community, where she also serves as a Girl Scouts Troop Leader. "Turner Station is one of the oldest African American communities that still exists in Baltimore County," Arkia said. "It has a rich history, but over the last 25 years, the community has suffered due to the loss of the steel mill that closed in the early '90s. We are trying to preserve the history of this community and help revive it back to a vibrant area."



### Colleagues Supporting Each Other

The CVS Health ERF is a public charity focused on supporting our own colleagues during times of unforeseen hardship such as natural disasters, medical and funeral expenses. Since its inception in 2011, ERF has provided more than \$5 million in grants to thousands of colleagues facing unforeseen financial hardships. Like millions of people, our colleagues were personally affected by the health and economic impacts of COVID-19, and ERF stepped up to support them. In addition to the expansion in employee benefits offered to colleagues, we also developed a COVID-19 Support Grant to assist those colleagues who had the greatest need. Colleagues earning less than \$75,000 a year were eligible to apply for an emergency grant of up to \$1,000 to cover immediate needs such as safe housing, dependent care and cleaning and medical supplies. The response to emergency grants was outstanding: More than 3,000 colleagues received donations totaling more than \$2.5 million.

As a result of the increased need, we launched a fundraising campaign to raise critical funds for ERF. The CVS Health Foundation made a commitment to match donations to ERF, up to \$200,000. The campaign was highly successful, and we saw an overwhelming amount of support from colleagues, board members and business partners — raising more than \$2 million.

### Advancing the academic aspirations of young people

Our scholarship programs continue to support a robust pipeline of talent and advance the aspirations of students pursuing health care careers. In 2020, we provided nearly \$1 million to nursing, nurse practitioner and physician assistant programs. These funds, which were awarded from the CVS Health Foundation to more than 300 accredited colleagues and universities in 2020, are supporting demands for skilled and diverse health care workers, and at least 25 of the scholarships must be awarded to bilingual and diverse candidates.

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**“I am truly honored to be selected as the recipient of the CVS Health Foundation scholarship. San Diego has a very large Hispanic population. As a fluent Spanish speaker, I am able to see the impact I have on Hispanic patients when I speak in Spanish. I am able to break down language and cultural barriers due to my ethnicity and bilingualism that others in the medical field struggle to overcome. I am proud to be an addition to diversity and representation in health care for the Hispanic community.”**

#### **Jessica Gutierrez**

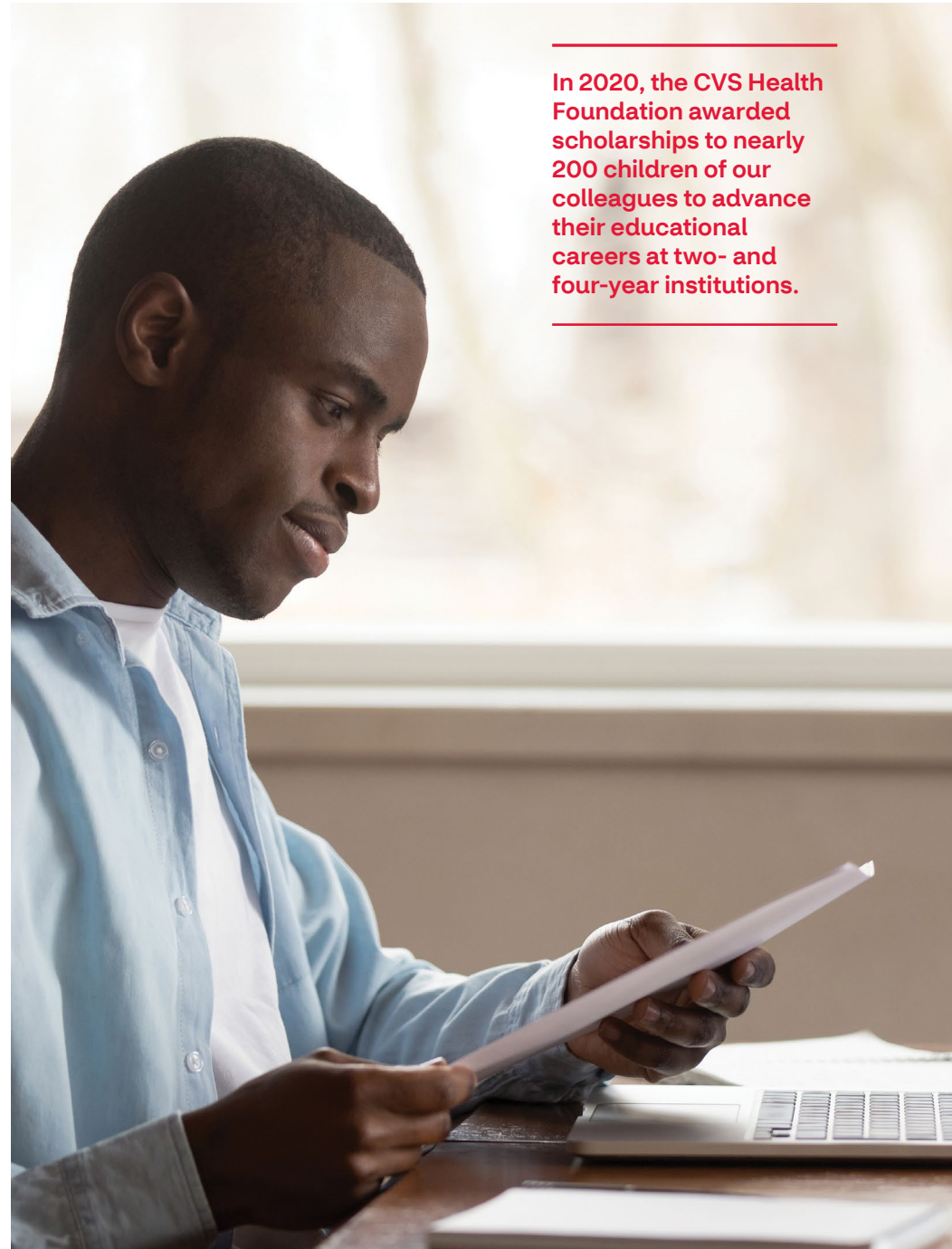
*Pharm.D. Candidate, Class of 2023  
University of California, San Diego  
Skaggs School of Pharmacy and  
Pharmaceutical Sciences*

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**In 2020, the CVS Health Foundation awarded scholarships to nearly 200 children of our colleagues to advance their educational careers at two- and four-year institutions.**

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Healthy  
**Planet** ♡

# Healthy Planet

**We believe that the health of our planet is inextricably linked to the health of all people. Yet our ecosystems are under immense strain, and the past decade was the hottest in human history.**

As a leading health care company, we know that mitigating our impact on the environment can help us to be part of the solution — in combating a warming climate, achieving cleaner air and water, and preserving a healthier environment for future generations.

We continue to make substantial progress against our sustainability agenda while laying the groundwork for more advancements. Over the next 10 years, we will reduce our environmental impacts by at least 50 percent, through strategic initiatives across all our operations. Chief among our priorities is advancing our newly restated GHG emissions-reduction targets, which align with the latest climate science and leading corporate commitments.

The innovations required to achieve this goal would not be possible without the ongoing collaboration of our many stakeholders. We have already begun engaging customers and colleagues in new programs and continue to rely on the expertise and support of our suppliers, industry peers, sustainability experts and advocacy organizations.

# Our Climate Action Strategy

CVS Health is committed to working alongside corporate, government and nonprofit leaders around the world to limit the worst impacts of climate change. In 2020, we restated our science-based emissions-reduction targets, aligning with the urgent call to limit global temperature rise to 1.5°C above preindustrial levels. We submitted these new targets to the Science Based Targets initiative (SBTi) in October 2020 and worked with the organization to validate and finalize our commitment in February 2021. With the restatement of our targets, CVS Health proudly joins more than 400 companies from around the world in a united effort to limit global warming to 1.5°C.

The majority of our emissions are generated through our retail footprint, including physical properties and transportation channels. We have established a strategy to target this single largest source of emissions in order to meet our 2030 targets. This includes working directly with our suppliers to help advance their own climate strategies. Through our collaboration with CDP Supply Chain, in 2020, we collected data from 80 percent of our suppliers, by spend, in order to target opportunities for reductions. We also continued discussions with our two largest suppliers regarding their climate disclosures. This work has earned CVS Health a place on CDP's Supplier Engagement Leaderboard for the third consecutive year.

## **Governance of Our Climate and Sustainability Strategy**

Our Board of Directors is responsible for guiding our climate strategy and

response to climate-related issues, and oversight is the responsibility of the Nominating and Corporate Governance and Audit Committees. This includes planning for and responding to physical risks from severe weather events, reviewing plans to reduce our environmental impacts and overseeing our progress against goals and targets.

In 2020, we established an ESG Steering Committee to better advance our strategic priorities in the area of sustainability. Composed of senior leaders, including our chief governance officer, chief sustainability officer, chief risk officer, controller and SVP of investor relations, this committee oversees progress against our environmental, social and governance commitments. It has also supported our work to align to two new reporting frameworks this year — [TCFD](#), focused on business risks and opportunities associated with climate change, and the SASB Foundation,

focused on financial material sustainability disclosures. The ESG Steering Committee is supported by an ESG Operating Committee, including leaders across CSR and sustainability, external reporting, investor relations, risk management and governance.

Colleagues with direct oversight of areas within our climate strategy are responsible for driving performance and meeting established targets as part of their business plan. Remuneration of leaders and business unit and facility managers is partially linked to performance against these plans.



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## **Our Greenhouse Gas (GHG) Emissions-Reduction Targets**

Through our aggressive emissions-reduction measures, we exceeded our first-generation Science Based Target, validated by SBTi in 2018, to reduce our combined Scopes 1 and 2 market-based emissions 36 percent by 2030 over a 2010 base year. Our new commitment is to work toward reducing absolute Scopes 1 and 2 GHG emissions by 67 percent by 2030 from a 2014 base year. Additionally, we will work to reduce our absolute Scope 3 GHG emissions from purchased goods and services by 14 percent by 2030 from a 2019 base year.

# Engaging Internal and External Stakeholders



Collaboration with stakeholders helps us advance our sustainability strategy through sound counsel and innovative solutions. Our decisions are informed by the feedback we receive from our colleagues, customers, clients, suppliers, business partners and

industry-leading subject matter experts. We are grateful for their active engagement in bringing our vision for a healthier planet to life. You can read more about our commitment to stakeholder engagement throughout this year's report.

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# Engaging Internal and External Stakeholders

## **CVS Health Board**

The board guides our climate strategy and response to climate-related issues and risks. The board is briefed on our sustainability strategy annually and is responsible for evaluating our goals and overseeing the fulfillment of our commitments.

## **CVS Health Colleagues**

Our colleagues support our sustainability strategy by embedding resource efficiency into their work, making small behavior changes in their day-to-day actions, volunteering their time to environmental causes and learning more about our initiatives and commitments so they can help advance our goals.

## **CDP**

We collaborate with CDP's Climate, Water, Forest and Supply Chain initiatives to provide greater transparency in our environmental reporting and progress. In 2020, CVS Health was named to the CDP's Climate Change A List for the second year in a row and as a Supplier Engagement Leader for the third consecutive year.

## **Ocean Conservancy**

As a member of Ocean Conservancy's Trash Free Seas Alliance, we share best practices with industry peers and experts to explore new ways to reduce the environmental impact of our packaging. In addition, we work with Ocean Conservancy as part of the Consortium to Reinvent the Retail Bag.

## **Sustainable Packaging Coalition**

We have been members of the Sustainable Packaging Coalition since 2017. In 2020, we also joined the How2Recycle® program and have begun including detailed recycling icons and instructions on our bags and store-brand product packaging.

## **WWF**

To better understand the impacts within our supply chain, in 2020 we engaged experts at WWF to assess our store-brand packaging materials using its ReSource Footprint Tracker.

## **Integrated Pest Management (IPM) Institute of North America**

We have engaged the IPM Institute to educate our retail sustainability leaders on issues and opportunities related to pesticide use in store-brand products.

## **TerraCycle®**

We work with our national brand partners and TerraCycle, a global leader in recycling hard-to-recycle materials, to implement programs that incent CVS Pharmacy customers to recycle products such as razors and toothpaste tubes.

## **CVS Health Suppliers**

To achieve our 2030 GHG emissions-reduction targets, we work directly with our suppliers to help advance their own climate strategies. Through our collaboration with CDP Supply Chain, in 2020, we collected data from 80 percent of our suppliers, by spend, in order to target opportunities for reductions.

## **Industry peers**

We participate in several industry roundtables, forums and consortiums to drive sustainability progress in the retail sector. In 2020, we joined Target, Walmart and Closed Loop Partners to found the Consortium to Reinvent the Retail Bag, a multiyear collaboration to identify, test and implement innovative new design solutions that serve the function of today's single-use plastic retail bag.



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## Unilever's The Right to Shower

In 2020, we worked with Unilever to bring an innovative new brand to CVS Pharmacy customers, offering them an opportunity to support local communities by purchasing sustainable personal care products. The Right to Shower is a new soap brand on a mission to give everyone the joy and hope that can come from a shower.

Offering both bar soaps and body washes made with natural cleansers, recycled packaging and organic ingredients, these products are crafted with a commitment to fairness and respect in the production process, from the people to the environment. With 550,000 Americans currently unhoused and with limited or no access to a shower, The Right to Shower donates a portion of profits to provide showers for people living on the streets.

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# Interface

Interface is a worldwide commercial flooring company and global sustainability leader specializing in carbon neutral carpet tile and resilient flooring. The company's Climate Take Back™ program invites its customers to join in a commitment to operating in a way that is restorative to the planet.

Our relationship with Interface began more than 30 years ago, and today, the company supplies an estimated 6.75 million square feet of flooring to our community locations annually. Working with Interface, we transitioned to a higher-performing carpet tile product that requires fewer raw materials and results in nearly 90 percent less waste than traditional broadloom carpet.

When we choose flooring with Interface, we know we are selecting products that are carbon neutral from their raw materials through manufacturing; transportation; maintenance; and, ultimately, end of life. In 2020, Interface supplied flooring for 680 CVS Pharmacy renovation projects, resulting in a carbon emission offset equivalent to taking 1,676 passenger cars off the road for one year.



# Sustainable Operations



As an essential business, many of our operations expanded in 2020 to meet increased customer demand for health care products and services. Most notably, our fulfillment operations managed unprecedented surges in home delivery orders.

At CVS Pharmacy, we increased hours at many locations to better serve customers and used more energy to cool community locations and maintain colleague and customer comfort while wearing masks. As our business units responded to evolving customer needs and adapted

operations to support public health, we relied on well-established systems and policies to manage our environmental impacts throughout.

We continue to build on our work to reduce the resources we consume and the waste we

generate, including an audit of solid waste practices at CVS Pharmacy. Despite the many challenges presented by COVID-19, in 2020 we piloted innovative solutions that will meet the needs of our customers into the future, create cost efficiencies and lessen our environmental impacts.



Sustainable  
Operations

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**27.5+**

GWh reduced  
in electricity usage

**2.5M+**

empty miles  
eliminated

**10%**

reduction in water usage  
per square foot

**66%+**

of our waste diverted  
to recycling or reuse

**104M+**

digital receipts sent to  
CVS Pharmacy customers

# Key Accomplishments

## Reducing Resource Consumption

Although our operational demand for energy remained flat, in 2020, we continued our work to increase efficiency and reduce total energy consumption, expenses and resulting emissions. Central to our energy, reduction program is the optimization of lighting across our operations.

- **LED lighting retrofits at CVS Pharmacy locations:** In 2020, we transitioned 886 CVS Pharmacy locations to LED interior lighting, reducing consumption by 33,000 megawatt-hours (MWh) and saving \$4.1 million in annual energy costs. Since transitioning to LED interior retrofits in 2015, we have invested nearly \$130 million to transition more than 7,000 community locations and have realized energy savings of \$31.8 million. All our community locations will be upgraded to interior LED lighting by the end of 2021. In 2018, we also began retrofitting CVS Pharmacy community locations to include exterior LED lighting. In 2020, we completed 300 of these upgrades, reducing consumption by 6,000 MWh and saving an estimated \$500,000.
- **LED lighting retrofits at distribution centers:** We continued LED retrofits in seven distribution centers, resulting in a reduction of 1,633,898 kilowatt-hours (kWh).
- **LED lighting retrofits at corporate offices:** We completed two interior LED upgrades at corporate offices

in Tennessee and Texas, reducing consumption by 800 MWh and achieving an estimated annual energy savings of \$90,000.

- **Optimizing lighting at HealthHUB locations:** We reduced the usage of track lighting in the remodeling of more than 500 HealthHUB locations in 2020 and achieved significant material and energy savings in comparison to previous tests in 2018 and 2019. We will implement this strategy in all future remodels and estimate an annual energy savings of 628,106 kWh.
- **Energy management system implementation:** Nearly 100 percent of our retail chain is controlled by a centralized energy management system that standardizes lighting and temperature levels. In 2020, we continued a multiyear rollout of enhanced controls that synchronize lighting with operating hours and separate pharmacy and sales floor lighting. We completed 1,320 community locations to add these controls, reducing consumption by 8,000 MWh and achieving an estimated annual energy savings of \$1 million.

The COVID-19 pandemic resulted in reduced energy demand at our corporate offices in 2020. As corporate colleagues shifted to remote work, we implemented a plan to reduce energy consumption at offices by 7,000 MWh, achieving an estimated \$1.4 million in savings.

## Investing in Renewable Energy

We continue to explore options to incorporate renewable energy as part of our operations. In 2020, we made significant progress toward a solar agreement for one of our distribution centers that we aim to finalize in 2021. We will also take the learnings from the process to apply to future opportunities.

## Water Use Reduction

Though we are a relatively small consumer of water outside our physical footprint, we recognize the link between water use and climate change. We have programs in place to manage water-related risks and govern our water usage beyond regulatory compliance, including guidelines for new construction of community locations, environmentally appropriate landscaping and other reduction initiatives. Additionally, we leverage the World Resources Institute (WRI) to evaluate water stress levels and conduct scenario planning for water availability as part of our annual enterprise-wide climate risk assessment.

We are committed to water data transparency in order to drive greater efficiencies and to inform ongoing engagement with our stakeholders. Each year, we undertake a third-party verified water inventory calculation, which accounts for more than 99 percent of water consumption from all sites in our real estate portfolio that are in our operational control.

Our annual target is to maintain a 10 percent significance threshold for these water inventory calculations, which means that we account for more than 90 percent of our retail square footage and, ultimately, strive to have no exclusions. In 2020, the water consumption from 99 percent of our retail square footage was reported, up from 95 percent in 2019. Our water usage per square foot decreased by 10 percent and our total water consumption decreased to 5,612 ML.

In 2021, we plan to publish our formal Responsible Water Use Policy in accordance with guidance from CDP.

## Building for Water and Energy Efficiency

All construction of new CVS Health properties aligns with established enterprise green building standards that mandate best practices in resource efficiency and the use of sustainable building materials. Our 15 Leadership in Energy and Environmental Design (LEED)-certified locations serve as a testing ground for energy and water efficiency features, and in 2020, we began construction of three CVS Pharmacy locations that align with LEED requirements. Stores in Clarksburg, MD, and San Jose, CA, are expected to be certified to LEED Silver, and our newest location in Austin, TX, will meet Austin Energy Green Building standards, which aligns with LEED requirements.

## Engaging Colleagues in Our Climate Strategy

CVS Health colleagues support our sustainability strategy by embedding resource efficiency into their work, making small behavioral changes in their day-to-day actions learning more about our initiatives and commitments so they can help advance our goals and volunteering their time to environmental causes. In 2020, colleagues logged thousands of green actions through our internal sustainability engagement platform and participated in hundreds of virtual volunteer events with organizations focused on supporting environmental causes like Ocean Conservancy and other wildlife and conservation organizations.

Our GreenTeam Group CRG supports this work in its efforts to make environmental sustainability a relevant part of every colleague's role. In 2020, the GreenTeam worked to embed sustainability into our colleagues' day-to-day actions as a large part of our workforce shifted to remote work. The GreenTeam worked closely with our Virtual CRG to promote the environmental benefits of virtual meetings and more sustainable workplace solutions. Additionally, GreenTeam members served as a focus group for a new green actions tracking tool on our colleague engagement site that launched in early 2021. Their insights helped to enhance the feature and create a more compelling and engaging experience for all colleagues.

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## Colleague Spotlight

Throughout the pandemic, CVS Health colleagues continued to find ways to lend their time and talents to help others and support their local communities. Rick Dubiel, a project manager with the Enterprise Women's Health and Genomics team, serves on the board of The Avon Land Trust, an organization that works to conserve 300 acres of natural resources in Avon, CT, and gives out several scholarships each year to students interested in pursuing ecology. As many people turned to outdoor recreational sites throughout 2020, Rick volunteered his time to maintain trails for future visitors. Of his work with The Avon Land Trust, Rick says, "You'd be really, really surprised how much a little time and a little investment goes an incredibly long way."



### Encouraging Smarter Consumption

In January 2020, we began implementing several strategies to modernize our business practices and analyze our usage of products and services to align with our goal of reducing our environmental impact by more than 50%. By emphasizing a “digital first” approach, our plan for smarter consumption aims to reduce our resource consumption; waste; and, ultimately, our environmental impacts by empowering colleagues to make voluntary behavior changes in their work styles. We have made significant investments in new digital tools, training and technology and are also supporting greater business innovation and agility.

Over the course of 2020, more than 4,000 corporate colleagues took the CVS Health Digital Pledge, a commitment to use technology to increase efficiency and reduce our carbon footprint. The pledge encourages small but impactful behavior changes such as sharing meeting materials on a screen instead of printing and using digital meeting tools as an alternative to travel.

The goal of this work, accelerated by the pandemic, has been to encourage colleagues to be more deliberate when using resources but also when choosing when and why to travel, as they become comfortable using remote collaboration tools as an alternative. Our updated travel and meeting policies encourage colleagues

to consolidate trips, travel for shorter durations and identify clearer requirements for in-person meeting attendance. Updates to our internal travel booking system allow us to track travel behavior monthly. Optimizing our travel patterns will bring significant reductions in carbon emissions; we estimate annual savings to include 30,000 fewer flights, 300,000 fewer miles driven, 100,000 pounds of waste eliminated and a carbon emissions reduction of 6,000 tons.

### Advancing Sustainability in Transportation and Logistics

On March 9, 2020, CVS Health announced several actions to increase access to medication and support for our customers who were sheltering in place. This included waiving home delivery charges for prescription medications from CVS Pharmacy, offering 90-day maintenance medication prescriptions for Aetna members and removing early refill limits on 30-day prescription maintenance medications for CVS Caremark members. These changes substantially increased delivery volume across our retail, mail-order and specialty pharmacy operations. Demand for CVS Pharmacy home delivery increased by more than 1,000 percent, peaking at 802,000 orders per week. Similarly, our CVS Caremark home deliveries, which have always served our patients well, increased almost 15 percent in the early days of the pandemic.

We believe demand for home delivery and contactless pickup options will continue, and we are committed to meeting our customers’ evolving needs while taking into account the resulting environmental impacts. Shipping from local CVS Pharmacy locations takes miles off the road, and we continue to explore programs and innovations that result in greater fuel efficiency and fewer carbon emissions. Amid this record-setting demand for CVS Pharmacy products and prescription medications, we built on years of progress in reducing the environmental impact of our 19 distribution centers and delivery fleet of more than 4,000 vehicles. We continue to evaluate opportunities to enhance our shipping and delivery programs as well as the packaging of these items. We regularly engage with our supply chain business partners at UPS and the U.S. Postal Service USPS to discuss innovations in packaging and customer-facing solutions to ensure packaging gets recycled at end of life.

Our total fuel consumption in 2020 was approximately 7 million gallons, and our private and dedicated fleets traveled nearly 50 million miles. In 2020, we:

- Introduced new routing technology to reduce mileage for outbound deliveries at four distribution centers. We are seeing improved results in early testing and will

- implement the tool across all distribution centers by the end of 2021.
- Eliminated more than 540,000 empty miles through our backhaul program, which adds freight to return trips to distribution centers. Since 2018, this program has eliminated more than 2.5 million empty miles, a target we achieved three years ahead of schedule.
- Began exploring the use of charging stations to power electric transport refrigeration units (TRUs) at our La Habra, CA, distribution center. Once implemented, this shift from diesel fuel to electric power will greatly reduce idling time and the distribution center’s annual TRU carbon emissions.
- Utilized our enterprise network to reduce shipping distances for mail-order pharmacy packages. For example, we began shipping insulin products to patients’ homes from more localized CVS Specialty sites rather than a centralized CVS Caremark facility. We will continue to explore ways to use our bricks and-mortar footprint to implement hyperlocal shipping. This strategy reduces miles driven and the amount of packaging required to maintain product quality, in addition to eliminating air transport.

Our work to reduce the emissions of our delivery fleet earned us recognition as an EPA SmartWay Carrier Partner for the 11th consecutive year. We have also been recognized as a SmartWay Transport Partner since 2011.

### **Piloting Delivery Models of the Future**

In June, we teamed up with robotics company Nuro to begin testing prescription delivery via autonomous vehicles. The pilot program, which leverages Nuro's fleet of autonomous Prius vehicles, serves customers across three zip codes adjacent to our CVS Pharmacy location in Bellaire, TX. Customers who place prescription orders using CVS.com or the CVS Pharmacy app can choose the autonomous delivery option and add other non-prescription items to their order. To help ensure the security of prescriptions, customers are required to confirm their identification when Nuro's autonomous vehicle arrives curbside at their home.

In 2020, Nuro completed home deliveries to CVS Pharmacy customers. Today we are analyzing network data to identify opportunities to further expand the model and give our customers more choice in accessing their medications without leaving home, including adding a second pilot location in Mountain View, CA. As the

usage of autonomous delivery vehicles expands, delivery can be batched to optimize routes and reduce multiple customer trips to the pharmacy. In the future, CVS Pharmacy will introduce the use of Nuro's R2 fully electric delivery vehicles, the company's autonomous robots that are custom built to transport products and goods without any occupants in the vehicle.

We also build on the 2019 success of our first prescription delivery via drone. In collaboration with UPS Flight Forward, in May 2020, we piloted a drone delivery program from our CVS Pharmacy location in The Villages, FL, a community that is home to more than 100,000 retirees. Over the eight-month pilot, we successfully completed 515 flights and delivered more than 1,000 prescription orders to CVS Pharmacy customers, offering a contactless delivery option to a vulnerable population during the pandemic. We are working with the UPS Flight Forward team to incorporate other CVS Pharmacy products into the delivery model and have expanded to a second launch and landing area. We are looking to expand our delivery radius from two to four miles, which has increased our eligible ecustomer listing by 3,000, and add a second pilot location in Florida.



## Reducing Waste and Expanding Recycling

We work collaboratively with regulators, industry peers and colleagues to share and implement best practices in waste reduction and recycling. Our goal is to reduce the amount of waste we generate in our operations and increase the percentage that is diverted from landfill. To achieve this, we rely on leading technology and innovative collaborations as well as opportunities to advance sound policy at the federal, state and local levels. Last year, we undertook a review of our solid waste receptacles at our CVS Pharmacy locations to establish a baseline of our waste diversion performance across our retail footprint. This will allow us to identify opportunities to enhance our paper, plastic, glass and cardboard recycling moving forward. We will be expanding this waste review further in 2021 to review additional sites, which will provide an even greater understanding of these areas of opportunity.

In November 2020, we implemented a best-in-class environmental management information system that centralizes data on waste generation and disposal, monitors our compliance with regulatory requirements and increases visibility into our waste-related performance, allowing us to report on additional waste streams. Developed in collaboration with leading environmental, health and safety software provider Intalex, the system breaks down waste

management performance to the facility level and is accessible to colleagues through a mobile app. Waste analysis and reporting that once took days to prepare is now available at our fingertips and allows for in-depth analytics used to target and improve waste-minimization efforts.

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**In 2020, we diverted more than 66 percent of all waste to recycling or reuse. Waste was diverted from landfill, with more than 71 percent diverted to recycling or reuse (i.e., fuel blending, waste to energy, recycled metals/reclamation and neutralization). As a result of waste-minimization efforts and donation optimization, the amount of hazardous waste generated in our community locations was reduced by 12 percent.**

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### Adjusting Our Strategy to Respond to COVID-19

Our COVID-19 testing operations resulted in a new stream of waste generation. As we began providing testing services at mega sites in spring 2020, we worked closely with the Federal Emergency Management Agency (FEMA) and HHS to develop a protocol to safely and responsibly dispose the resulting medical waste, including PPE, test kit waste and other collection materials. As our testing offerings cascaded to community locations, we developed a robust

training and waste management program to maintain the health and safety of our colleagues and customers. All waste resulting from COVID-19 testing operations is safely managed and disposed of through our regulated medical waste program.

Our environmental, health and safety teams support compliance with waste management requirements through annual in-person audits and ongoing training at our community locations and distribution centers. When COVID-19 travel restrictions put a hold on this work, we quickly developed a strategy for virtual auditing and training. Questionnaires are sent to sites in advance of virtual site walks and give facility managers time to gather the required information, engaging them more deeply in the process. We also supported a shift to desktop hazardous waste inspections by regulators in several states. Our virtual auditing programs have been well-received by colleagues in the field, and many will continue after the pandemic.

### Reducing Product Waste

Since 2018, we have implemented an innovative organics program to manage excess food products in our community locations. The program was initially responsive to a California law that prohibited retailers from sending food waste to landfill. Inventory-scanning technology identifies excess, seasonal or nearly expired food and directs colleagues to place items in a tote to be transported

for donation. Inedible food waste is processed to renewable energy and fertilizer, and quality items are donated to local charities and food banks. More than 87 percent of food products removed from our California stores were donated to local charities. Through 2020, this program has resulted in the donation of 12.5 million units, at a retail value of \$38.4 million.

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**Through a collaboration with recycling vendor Vision Wireless, in 2020, we recycled more than 3,300 mobile devices returned by colleagues, reducing GHG emissions by more than 35,000 pounds and diverting 9.94 pounds of toxic metals from landfill.**

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We apply a similar strategy outside of California with our in-store donation program. Active in more than 6,900 retail locations, the program identifies eligible food and nonfood products sold at retail that are usable but slightly damaged or out of season, such as unexpired food products associated with a specific holiday. The program was expanded in 2020 to include more than 2,000 new items eligible for donation, and we donated more than 29.7 million items, a retail value of approximately \$116 million.



### **Managing Pharmaceutical Waste**

To prevent the diversion of unwanted prescription medication and protect drinking water supplies, we offer safe medication disposal options at all CVS Pharmacy locations, including through 2,900 safe medication disposal units and no-cost DisposeRx drug disposal packets. These options are in addition to 1,000 medication disposal units we have donated to local law enforcement, which together have collected nearly 2 million pounds of unwanted medication. Our environmental, health and safety and operations teams continue to support efforts to prevent diversion and in 2020, piloted a prescription takeback program at independent and assisted living facilities. Our pharmacists provide the required Drug Enforcement Administration (DEA) services to help ensure compliant tracking and disposal.

For several years, we have collaborated with the EPA to help inform a law that streamlines the collection of hazardous pharmaceutical waste and protects the health and safety of our nation's waterways. The law took effect in August 2019, and we are actively engaged with state agencies advocating for state-level adoption to promote consistency nationwide.

### **Expanding Sustainable Paper Solutions**

We have made substantial improvements in eliminating unnecessary paper usage and increasing opportunities for recycled content across our enterprise. In 2020, we worked to reduce paper usage across our retail setting, including driving increased adoption of digital receipts. Earlier this year, we reduced our circular printing by more than half and have begun to examine ways to apply established best practices in our direct mail strategy. In cases where paper is necessary, we use paper that is sourced responsibly, is recyclable and contains post-consumer recycled content, whenever possible. In 2020, 93 percent of the paper we used was sustainably sourced, and 87 percent was certified by the Forest Stewardship Council (FSC).

### **Digital Receipts**

In the five years since we announced the launch of digital receipts for CVS Pharmacy customers, we have continued to grow the program to reach more people with more sustainable options. As customers sought out touchless shopping experiences in 2020, we introduced a universal prompt at checkout for customers to opt in to digital receipts and digitized printed coupons for

mobile and online use. For those customers who do choose a printed receipt, we reduced receipt paper usage by 10 percent, replaced our thermal receipt paper with phenol-free, recyclable paper; and added the recycle symbol to confirm to customers that they could recycle their receipt at home.

By year-end, 6.5 million CVS Pharmacy customers were enrolled in digital receipts, including 600,000 new enrollees in 2020. We sent more than 104 million digital receipts to CVS pharmacy customers in 2020, saving approximately 90 million yards of receipt paper.

Our progress in this area was recognized by Green America, a nonprofit organization that utilizes the strength of consumers, investors and businesses to achieve greater social justice and environmental health. Since 2017, we have engaged with Green America on more sustainable receipt solutions. In its 2020 Skip the Slip report, Green America gave CVS Health an “A” rating for our commitments to digital receipts and phenol-free paper use. We were among five U.S. retailers to receive an “A” grade out of 35 U.S. retailers evaluated.

### **Advancements in the Pharmacy**

In September 2020, we completed the conversion of all pharmacy bags to an unbleached paper bag made of 90 percent recycled content. More customers can now recycle their pharmacy bags at home. Additionally, while patients filling a prescription for the first time will still receive a printed summary with information about their medication, including drug facts and interactions, we have created an online portal with all the same critical information: [www.cvs.com/druginfo](http://www.cvs.com/druginfo); Directing patients to the new portal provides them with access to the most current drug information, makes critical information more accessible at any time of day or night and eliminates the need to print pages of information that may otherwise become stale or lost. This action alone reduces paper usage by 700 million pages annually.

We also began engaging consumers to support increased recycling of our pharmacy vials and receipts. We have added a message to recycle pharmacy vials once empty and added the recycling symbol to our phenol-free receipts.





# Sustainable Products and Packaging



We know how important it is to engage our colleagues and customers in our commitment to reducing our impacts on the environment. We know that to bring them along on our journey, we need to make sustainable choices more accessible and affordable and highlight the benefits of products that not only support their health, but also the health of our planet. In 2020, we deployed innovative solutions —

to rethink the plastic bag, reduce chemicals of consumer concern, replace single-use products with more sustainable alternatives and expand access to more options with sustainability attributes.

We earn our customers' trust by providing transparency in all aspects of a product's life cycle — including where it comes from, how it is made and the ingredients inside. When a customer

purchases one of our store-brand products, they can be assured it has moved through the supply chain safely and responsibly.

We are excited by the progress we have made to work toward more sustainable packaging models, use cleaner ingredients and adopt meaningful certifications to build trust and preference for our products. As sustainability becomes increasingly important

in our customers' purchasing decisions, we will continue to enhance their experience in selecting sustainable product options.

## Sustainable Products and Packaging



began adding  
How2Recycle labels to  
store-brand packaging

**20%**

increase in organic  
offering



committed to replacing  
single-use plastic  
straws, plastic cutlery,  
and Styrofoam cups,  
plates and bowls with  
sustainable alternatives

# Key Accomplishments

## Sustainable Products

Each year, we make it easier for customers to make more sustainable choices at CVS Pharmacy. In 2020, we launched [CVS.com/gogreen](https://www.cvs.com/gogreen), providing a single digital resource for customers to learn more about our sustainable product offerings, how to avoid waste and how to recycle our products and packaging.

In addition to expanding product offerings with sustainability attributes, we have also committed to ending the sale of products that do not meet our standards. By June 2021, CVS Pharmacy will stop shipping all single-use plastic straws and cutlery and Styrofoam cups, plates and bowls to community locations. These products will be replaced with more sustainable options, such as straws made with cornstarch, paper and silicone, bamboo or birchwood cutlery, compostable plates and bowls and biodegradable foam cups.

## Expanding Sustainable Product Offerings

In June, we announced more than 80 new products under the Live Better™ by CVS Health brand. Spanning nine categories, including vitamins, probiotics and oral care, Live Better makes wellness products more accessible and competitively priced. In addition to featuring emerging ingredients such as elderberry, ashwagandha, turmeric and maca, many Live Better products are also labeled USDA-certified organic, non-GMO project verified, gluten-free,

cruelty-free or vegan. All Live Better packaging is at least 80 percent recyclable.

We have also begun requiring Fair Trade certification for all store-brand coffee products. Launching in 2021, the line of nine premium coffee products includes ground and single-serve cups, with flavors of Donut Shop Blend, Colombian, French Vanilla and French Roast.

Several of our store-brand product lines with sustainability attributes continue to perform well within their categories. In 2021, we are adding incremental organic products by 20 percent across our portfolio of store-brand products. We also continuously review opportunities to enhance existing products and embed sustainability attributes.

In 2020, we made progress on our goal to provide 100 percent cage-free eggs by the end of 2025. As of early 2021, cage-free eggs are available in 2,200 CVS Pharmacy stores.

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**All of our store-brand suppliers of items containing palm oil have become members of the Roundtable on Sustainable Palm Oil or obtained Rainforest Alliance certification. When new store-brand products contain palm oil, suppliers must demonstrate proof of required compliance with our CVS Pharmacy Palm Oil Policy.**

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In 2020, we engaged the IPM Institute of North America, a nonprofit focused on improving sustainability in agriculture, to educate our retail sustainability leaders on issues and opportunities related to pesticide use. Over the course of 2021, our procurement and quality assurance teams will be trained on risk reduction, leading industry practices and sustainability issues related to pesticide use. IPM will also facilitate roundtable discussions to evaluate potential policies we are considering for food categories and will offer recommendations on future opportunities for collaboration.



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# Rethinking the Single-Use Retail Shopping Bag

In 2020, we joined Target and Walmart as Founding Partners of the Consortium to Reinvent the Retail Bag, convened by circular economy experts at Closed Loop Partners. The Consortium is a multiyear collaboration across retail sectors that aims to identify, test and implement innovative new design solutions that serve the function of today's single-use plastic retail bag. The Consortium now includes DICK'S Sporting Goods; Dollar General; The Kroger Co.; The TJX Companies, Inc.; Ahold Delhaize USA Brands; Albertsons Companies; Hy-Vee; Meijer; Wakefern Food Corp.; and Walgreens. Conservation International and Ocean Conservancy act as environmental advisors, while global design firm IDEO supports innovation. Collectively, Founding Partners committed more than \$15 million to fund consumer research, public policy work, recovery systems innovation and design solutions.

In August, the Consortium's [Beyond the Bag Challenge](#) invited innovators to think beyond the single-use shopping bag with new design solutions and models that are convenient for customers and lessen environmental impact. After reviewing more than 450 submissions in fall 2020, our consortium narrowed proposals to a shortlist of 58 ideas that included reusable designs and systems, innovative materials and the use of smart or enabling technologies. Semifinalists spent three weeks refining their prototypes and proposed business models; in early 2021, nine winners were selected for pushing the boundaries of systems design, technology and material innovation: ChicoBag, Domtar, Eon, Fill it Forward, GOATOTE, PlasticFri, Returnity, SmartC and Sway. The winning solutions fall into three categories: Reuse and Refill, Enabling Technology and Innovative Materials.

Winners will receive a portion of \$1 million in prize money; depending upon the type of solution, they will either be invited to join the Consortium's Circular Accelerator or begin product testing to hone the solution's performance, customer experience and more. The Consortium will work closely with winning solutions throughout 2021, supporting prototyping, mentoring and iterative developments, with the ultimate goal of piloting select solutions at community locations beginning this summer. To learn more about this initiative, visit: <https://www.closedlooppartners.com/beyond-the-bag/>.





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A new playground at Hasbro Children's Hospital in Providence, RI, opened in October 2020 following a successful 2019 TerraCycle campaign in collaboration with Colgate-Palmolive.

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### **Removing Ingredients of Concern**

Each year, we review and update our restricted substances list to remove ingredients of consumer concern from product formulations. In 2021, we are expanding the restricted substances list to include restrictions on per- and polyfluoroalkyl substances (PFAS) in our Spring Water products and glyphosate in our products in the Household category.

### **Sustainable Packaging**

We are responding to growing consumer demand for more sustainable packaging options through meaningful collaboration with our national and store-brand suppliers, industry experts and across our own retail teams. As members of the Sustainable Packaging Coalition and Ocean Conservancy's Trash Free Seas Alliance, we continue to explore new ways to reduce the environmental impact of our packaging and provide more sustainable choices to our customers.

### **Establishing a Baseline for Sustainable Packaging Goals**

To better understand the impacts within our supply chain, in 2020, we engaged experts at WWF to assess our store-brand packaging materials using its ReSource Footprint Tracker. The tool's survey was sent to a select group of store-brand suppliers responsible for producing 90 percent of plastic packaging within our store-brand portfolio of products.

This baseline assessment will inform the development of a sustainable packaging policy that applies to both our store-brand and national-brand suppliers and standardizes our requirements for all packaging.

### **How2Recycle Labeling**

In 2020, we joined the Sustainable Packaging Coalition's How2Recycle® program and began including detailed recycling icons and instructions on our bags and store-brand product packaging. The How2Recycle label includes details on the type of packaging material, which components of the packaging are recyclable and directions for how customers should prepare each component for recycling (such as rinsing). The label also drives customers to [how2recycle.info](https://www.how2recycle.info) where they can access additional information, such as the availability of recycling programs in their municipality. We have already begun adding How2Recycle labels to our Total Home and CVS Health Vitamins, which will begin shipping to community locations by the end of 2021. Later this year, we will expand to our rebranded store-brand beauty items. By 2025, we aim to include How2Recycle information on all store-brand products.

### **Challenging Customers to Recycle**

In 2019, TerraCycle and Gillette launched the first national razor recycling program in the U.S., and in 2020, we worked with the brands to pilot a new shopper marketing program

that empowered CVS Pharmacy customers to easily recycle shave-care waste. Through July and August, CVS Pharmacy customers were challenged to a recycling contest with the reward of a recreation area, constructed using the recycled material made from the collected products, for military families in their community. Through the recycling program, participating customers were provided a shipping label to send blades, razors and plastic shave-care packaging to TerraCycle for processing. The program reached millions of customers nationwide, and CVS Pharmacy shoppers recycled three times more than other similar TerraCycle programs. The top recycling state, Vermont, will receive a new recreation area installed at the nearest Fisher House Foundation facility, which families of service members and veterans can enjoy while they stay free of charge when a loved one is in the hospital.

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**A total of 73 percent of people would definitely change their consumption habits to reduce their environmental impact.**

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# About This Report

CVS Health's 2020 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 2019 CSR Report.

## Boundary and Scope

Consistent with previous reports, the boundaries for this report extend to all 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 one percent of the total enterprise and are not covered in this report. Data contained in this report covers activities that occurred in fiscal year 2020 (January 1–December 31, 2020), unless otherwise noted.

## Content and CSR Materiality

In 2020, we conducted a materiality assessment refresh 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 the [CSR Material Topics section on page 19](#).

## 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, 2020. 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 GHG emissions data from 2016–2019 have been externally assured. Data from 2020 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 GRI Standards. More

information on GRI is available at: [www.globalreporting.org](http://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](mailto:CSR@CVSHealth.com).

## CVS Health Corporation

Attn: SVP and CSO, Corporate Social Responsibility and Philanthropy  
One CVS Drive, Woonsocket, RI 02895;  
telephone: 401-765-1500

## 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.

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