



2022 Supplier Diversity Economic Impact Brief



Quote from the President and CEO

“Our world-class community of diverse suppliers plays an integral role in helping us reshape health care in America—making it simpler, more convenient, and more personalized. Their expertise and unique perspective on our business ensures we deliver products and services that meet our customers’ needs. When we invest in these suppliers, we help create jobs and provide equal opportunities for businesses that represent the diversity of our colleagues, customers and the communities we serve.”



Karen S. Lynch
President and
Chief Executive Officer

Message from the Executive Director, Supplier Diversity

We believe that when diverse and small businesses thrive, so do our communities, and our business.

“At CVS Health, we're committed to developing supplier relationships that reflect the diversity of the communities and customers we serve. We demonstrate our commitment by proactively managing the inclusion of certified diverse businesses in our purchasing activities while facilitating the sustainable development of diverse suppliers. A diverse supply chain builds on the strength of our business, but it also has the power to reinvigorate communities. By doing business with small to medium sized businesses, we're fueling economic growth and giving local customers more disposable income to spend, resulting in greater revenue potential.”



Monette Knapik
Executive Director
Supplier Diversity

Supplier Diversity Mission and Purpose



Mission

We maintain a competitive advantage through the proactive inclusion of diverse suppliers in our supply chain.

We recognize the value of a diverse supply chain and remain committed to integrating and leveraging Supplier Diversity into the way we do business.

We relentlessly pursue competitive and innovative diverse businesses and drive this effort through supplier development, training, outreach, and sourcing initiatives.



Purpose

CVS Health proactively includes and manages the purchase of products and services from diverse businesses and diverse-owned independent retail pharmacies—adding value in the delivery of expert care and innovative pharmacy and health care solutions that are effective and easy for our customers and communities.





Our Commitment to Supplier Diversity

At CVS Health, our approach to diversity touches every aspect of our business, considers every population we serve and informs the many ways our business impacts people – and society.

We believe that when diverse and small businesses thrive, so do our communities. That's why we're committed to advancing an increasingly **diverse marketplace** that mirrors the people we serve—ensuring all businesses are provided equal opportunity to be included in our enterprise procurement processes.

Through this commitment, we provide small and diverse suppliers across the country with education, training and networking opportunities that help them harness the skills they need to reach their full potential—fueling economic growth and building stronger communities.

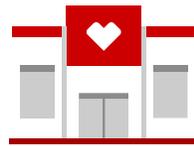
Our Supplier Diversity Program demonstrates CVS Health's commitment both to sound business practices and to the communities in which we serve.

Supplier Diversity: the key to “Healthy Business”



Healthy People

Deliver health care products and services that create a more equitable, affordable, and accessible, health care experience for all



Healthy Business

Ensure the CVS Health workforce and suppliers mirror the people we serve



Healthy Community

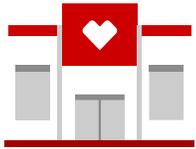
Philanthropic and business investments to improve the health of the communities where we live and work



Healthy Planet

Improve the health of our planet and the lives of the people who live on it by advancing our sustainability commitments and addressing the environmental factors that contribute to health inequities

Supplier Diversity: “Healthy Business”



Healthy Business

Ensure the CVS Health workforce and suppliers mirror the people we serve

At CVS Health, our Supplier Diversity Program is an important component of our Healthy Business pillar in our Environmental, Social, and Governance strategy and a key contributor to our Healthy 2030 impact.

To make this lasting impact, we work with business units across our enterprise to integrate supplier diversity into procurement activities and expand business opportunities for these diverse businesses in ways that create jobs and increase economic opportunities for the people and local businesses in communities we serve, while also growing our competitive advantage and reinforce our bottom line.

Through our Supplier Diversity Program, we offer diverse products from diverse suppliers, and commit to investing in minority and woman-owned supplies to create a better, healthier world today, by 2030, and for generations to come.

The value of our diverse marketplace...

“Creating opportunity for our diverse Business Enterprises is not only the right thing to do for society, but also the right thing to do for our business. Diverse suppliers are essential to growing our triple bottom line: driving innovation, helping achieve our Environmental and Social Governance (ESG) goals, and supporting the national economy.”

At CVS Health, our Supplier Diversity Program provides significant value through a multi-tier value proposition that:



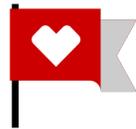
Empowers communities:

by extending opportunities for diverse suppliers from underserved populations to do business with CVS Health, our Supplier Diversity Program helps to drive economic stability amongst these groups that improve access to education, healthcare, and overall quality of life.



Enhances competitive advantage:

The inclusion of diverse suppliers increases competition and adds different solutions and variety to goods and services that fuel economic growth and gives local customers more disposable income to spend, resulting in greater revenue potential.



Builds Reputation:

prioritizing our Supplier Diversity Program, an important component ESG Healthy 2030 Strategy, speaks to our values as a company and highlights the socially responsible and equitable ways we do business—enhancing customer loyalty and employee morale.



Diverse Suppliers

At CVS Health, a **Diverse Supplier** is any business located within the United States of America or US territory that is at least fifty-one percent (51%) unconditionally owned and operated by a person(s) who is either a citizen or lawful permanent resident of the United States and is certified by a 3rd Party Certifying Agency Recognized by CVS Health as one of the following.



In our enterprise procurement activities, CVS Health's Supplier Diversity Program includes:

- Minority Business Enterprises (MBE)
- Women Business Enterprises (WBE)
- Veteran Business Enterprises (VBE)
- Serviced Disabled Veteran Business Enterprises (SDVBE)
- Disabled Business Enterprises
- Lesbian, Gay, Bisexual and/ or Transgender Business Enterprises (LGBTBE)
- Small Business Enterprises (SBE)
- Small Disadvantaged Business Enterprises (SDBE)
- Disadvantaged Business Enterprises (DBE)



Supplier Diversity Programs, Sponsorships, and Events

To further support CVS Health's commitment to increasing its selection of diverse-owned brands, new tools and processes have been created to ensure increased diverse spend and a more inclusive supplier and product landscape, including:

- CVS Health Merchandising, in partnership with the CVS Health Enterprise Procurement Supplier Diversity team, hosts an annual **Supplier Diversity in Merchandising Program** to identify new diverse suppliers and assist in eliminating barriers to starting in retail.
- Our Supplier Diversity program also **hosts an annual Executive Learning Series**, which provides training across a variety of skills focused on pitching and landing expanded retail distribution of products, including the opportunity to engage in individualized executive coaching.
- CVS Health Supplier Diversity Team regularly **sponsors and attends supplier diversity advocacy conferences**, such as National Minority Supplier Development Council (NMSDC) and Women's Business Enterprise National Council (WBENC), to meet with diverse suppliers.
- CVS Health works to reinforce the diversity of both product assortment and suppliers throughout its **planogram process** to deliver relevant offerings to the communities it serves.



2022 Supplier Diversity & Minority Owned Summit

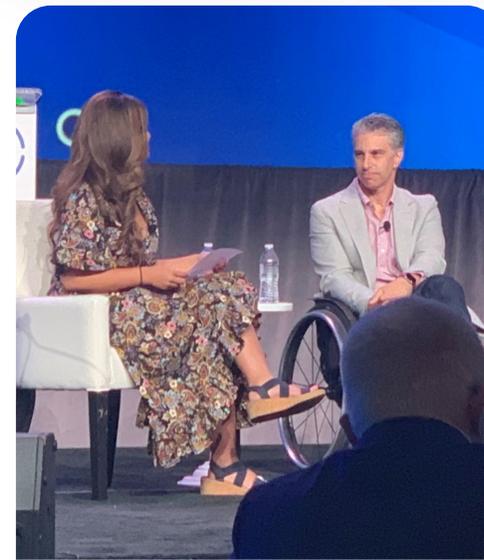
April 5 – 8, 2022

Hosted by CVS Health in partnership with ECRM and RangeMe. This summit is part of CVS Pharmacy's ongoing efforts to bring a broader assortment of products from diverse suppliers and brands to customers and work with those suppliers and brands to ensure mutual success through customized support and services.



"We're at our best when our priorities and actions reflect the needs of the communities we serve. We'll continue to feature the brands and trends that speak to the diversity of our customers while simultaneously offering the value, innovation and trust they expect from the products across our aisles."

Andrea Harrison,
VP of Merchandising,
Beauty & Personal
Care at CVS Health.



Events



Partnership with Morehouse College, Accelerating Growth Accelerator Program



National Veterans Business Development Council Conference, CVS Health named 2022 Top Corporation



2022 National Minority Supplier Development Council (NMSDC) Business Opportunity Exchange Conference



2022 Disability:IN National Conference



2022 Women's Business Enterprise National Council (WBENC) Innovate Conference



2022 United States Hispanic Chamber of Commerce National Conference



2022 National LGBTQ Chamber of Commerce Conference – CVS Health, Health & Wellness Sponsor



2022 National Minority Supplier Development Council (NMSDC) Business Opportunity Exchange Conference



2022 National Minority Supplier Development Council (NMSDC) Business Opportunity Exchange Conference

Executive Learning Series

a partnership with Roger Williams University College

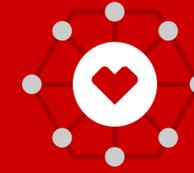
For the eighth consecutive year, CVS Health teamed up with Roger Williams University to offer CVS Health's Executive Learning Series (ELS) for Diverse Suppliers, an innovative training and mentorship program that helps diverse vendors gain critical management skills in leadership, business innovation, marketing and finance.



Measuring the Success of the ELS Program

To capture the value the CVS Health & Roger Williams University Executive Learning Series Program brings to participants, we developed a survey to send to program alumni, one year post graduation.

These are the results¹...



The diverse suppliers report leveraging their learning to **drive change** in their business approach. One participant notes their "greatest benefit" was "the exposure to a range of people and their ideas" and "an opportunity for consistent dialogue."



Overall Program Benefits

Most program alumni said the program helped their business expand their professional network, strengthen their leadership skills, form business relationships with others, increase marketing and social media presence, and expand business capabilities.



Skill Development

As a result of the program, participants reported skill development in:

- Strategic Planning
- Marketing
- Social Media
- Communication
- Presentation Skills



Program Components

Business growth and skill development was attributed to the 1:1 Executive Coaching and bi-weekly workshops made available to participants.



18 out of 20

(or 90%) of students successfully completed the 2021 program.

Nearly **30** unique connections were made between suppliers, instructors, coaches, and Fortune 500 companies.

In the next 12 months...

Alumni plan to further develop relationships, expand office space, hire more employees, leverage social media, and network marketing, establish new distribution channels, and introduce sustainable products.

HBCU Business Development Programs

As a part of our commitment to advancing Social Justice and Equity, and as a result of the Roger Williams University Executive Learning Series' accolades and successes, CVS Health extended their business development programming to **Historically Black Colleges & Universities (HBCUs)**.

These relationships will continue to drive our goal of arming diverse suppliers and program participants with skills needed to succeed in business and flourish in their industry, supporting initiatives that inspire and fuel innovation.



\$60K in sponsorships

were donated by the CVS Health Supplier Diversity Team to support the three HBCU partnerships and the associated programming in 2022.



Partnered with NCA&T to host “**Surviving & Thriving in a Post-Pandemic Economy Summit**”



Morehouse College Innovation and Entrepreneurship Center Staff



Partnered with Florida A&M University to host “**2-Day Business Development Summit**”



Partnered with Morehouse College to host “**Accelerating Growth Activators Program**”

2022 Mentorships

Providing valuable insights, best practices, and hands on guidance on how to do business with **Fortune 500 companies** such as CVS Health supports the business growth of diverse suppliers and **positively impacts** the communities which we serve.

As part of the Supplier Education and Development pillar, the CVS Health Supplier Diversity Team served as mentors to three diverse suppliers:

 **Tiffany Gil**
Founder, Sheeza Socks

 **Ray Perez**
Vice President, King Uniform

 **Anne Ruoizzi**
Founder, Therapy Clean



WBENC Collegiate Accelerator

Accelerated development of **influential young female founders** while networking with distinguished industry leaders.

2 months

Sheeza Socks made it to the **final round** of pitch competitions!



NMSDC Centers of Excellence Certificate Program

Served as a **growth engine** for NMSDC MBEs and enables its members to advance economic equity.

14 hours

Helped develop a **business development plan** that speaks to opportunities and challenges within their business.

THE THERAPY CLEAN logo: the words 'THERAPY CLEAN' inside a rectangular box.

CWE Mentorship Program

Enhanced Therapy Clean's presentation and spoke to CVS Health **Merchandising** for greater product visibility.

9 SKUs

Therapy Clean will now be selling in **200 CVS Health Retail stores.**



Supplier Spotlight

Stealth Bros & Co.



“...Throughout the process, my CVS leadership team has helped me through step-by-step processes for making my retail adventure a success.”

Braxton Fleming
CEO & Founder, Stealth Bros & Co



Who is Stealth Bros & Co?

*Stealth Bros & Co is a **luxury Dopp kit supply company** that provides travel and at home personal storage for medical/personal necessities. Innovative, convenient and stylish injectable storage for the transgender, diabetic, IVF and other personal/medical communities.*



The Journey

Braxton Fleming, CEO & Founder of Stealth Bros & Co, participated in the 2021 CVS Health & Roger Williams University Executive Learning Series Program.

After graduating from the **Executive Learning Series Program**, Braxton went on to secure business in **4,000 of our CVS Health retail stores** beginning in September 2022 and is partnering with a **diverse broker, C&D**, to distribute product to CVS Health pharmacy locations.

4,000
CVS Health
retail stores

Stealth Bros & Co appeared on Season 14 of **Shark Tank**. Braxton accepted an offer of \$200K from Barbara Corcoran and Mark Cuban in exchange for 20% equity.



Supplier Spotlight

B Condoms



Who is B Condoms?

*B Condoms offers odorless, vegan friendly, all natural, free of spermicide, animal products (organic), parabens, casein, gluten and glycerin and **partner with non-profits**, donate thousands of condoms and work to reduce sexually transmitted infections, unplanned pregnancy, and human trafficking in the Black community; in essence, **reducing minority health disparities.***



The Journey

As a certified Minority owned business, B Condoms was selected to participate in the **CVS Health Supplier Diversity in Merchandising (SDIM) Program** and as of Dec. 2022 their brand of products has been included onto **nearly 7,000** of our **CVS Health Retail locations.**



Awards & Recognitions

Throughout the year, the Supplier Diversity Team worked diligently and was recognized for the hard work they put in day after day. Below is a listing of the awards the CVS Health Supplier Diversity Team received and was also recognized for:



Top 25 Women in Power
Impacting Diversity –
Monette Knapik, Executive
Director, Supplier Diversity



U.S. Veterans Magazine
2022 Best of the Best
Supplier Diversity
Programs



PRMSDC Development
Champion &
Special Recognition



WEUSA Outstanding
Support for WBE
Supplier Inclusion



2022 Supplier Diversity Team



WBENC America's Top
Corporations for Women's
Business Enterprises



Military Friendly Supplier
Diversity Company



NBIC Top 50 best of
the Best Corporation
for Inclusion



NVBDC Corporation
of the Year



#28 on the Diversity
Inc. Top 50 Companies
for Diversity

What's Next for Supplier Diversity?

2023 & Beyond

The CVS Health Supplier Diversity Team has made great strides since the inception of the program in 2000 to leave a lasting impact on the communities in which we serve, but there is always more we can be doing. Check out what's in store over the next 5 years for the Supplier Diversity Team!

2023



Supplier Diversity Advisory Committee

The Supplier Diversity Advisory Committee (SDAC) will consist of various business advocates from across the organization, fueled and working for a common purpose.



Breaking Down Barriers in Enterprise Procurement

Doing business with CVS Health can be a challenge for some small and diverse businesses, so the Supplier Diversity Team will be joining forces with Enterprise Procurement colleagues to revise payment terms available to diverse suppliers, create simplicity with a streamlined contract while still mitigating risk for the business, as well as providing hands-on supplier onboarding support.



ESG & Philanthropy Partnership

The Supplier Diversity team has engaged with the CSR & Philanthropy Team to be at the forefront of the ESG movement to support the transition to sustainable operations.

Through this cross-functional collaboration, Supplier Diversity will assist in implementing solutions to support the Healthy 2030 Strategy contributing to healthy people, healthy business, healthy community and healthy planet.

2024



Supplier Diversity Mentoring Program

To provide education and development opportunities for the diverse supplier community, the Supplier Diversity Team plans to host a mentoring program in 2024 providing tailored coaching and support to the diverse supplier community.

2027



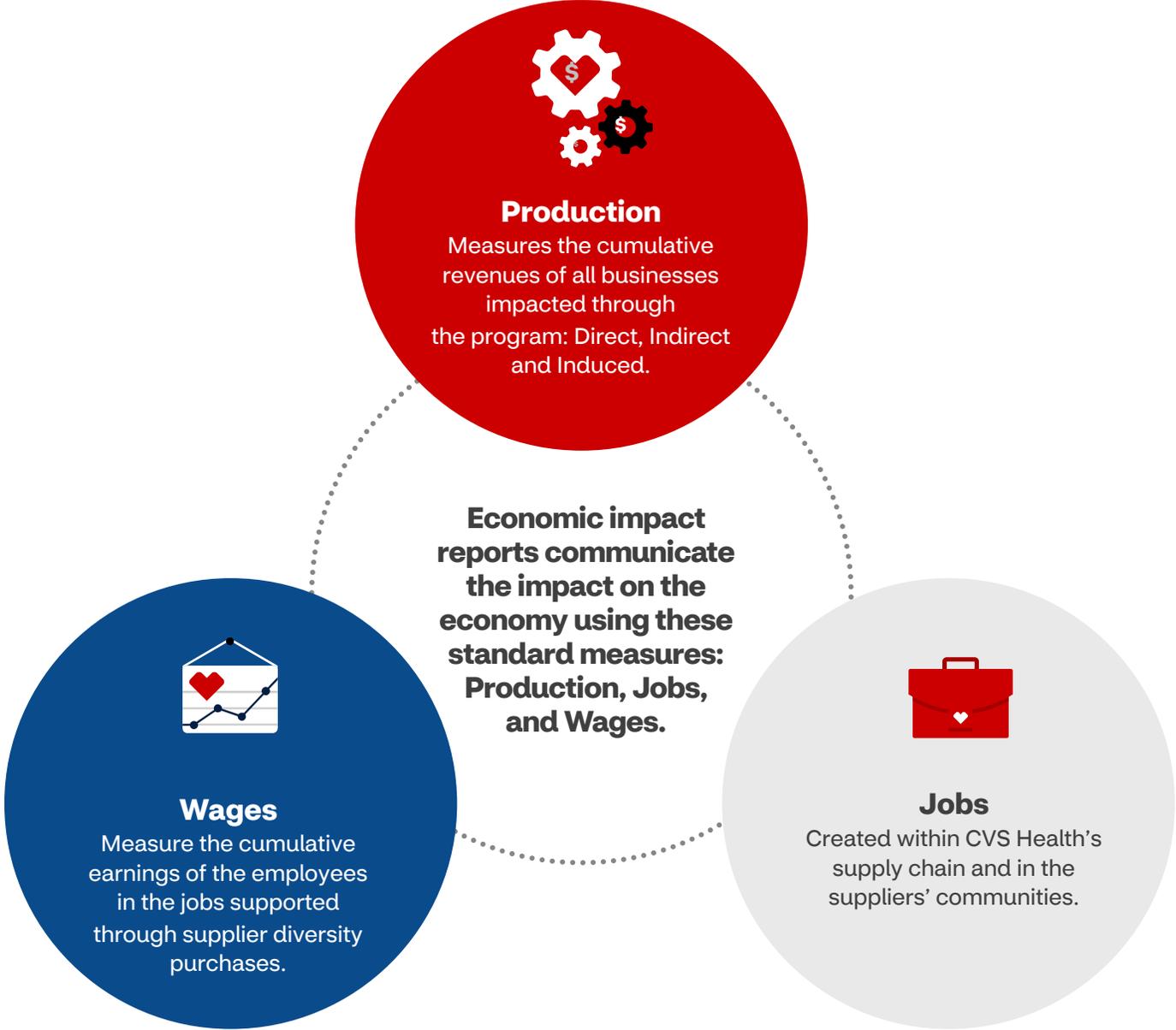
Reach New Diverse Spend Goal

The Supplier Diversity Team has a goal to spend **\$5B in Tier 1 spend** and **\$3B in Tier 2 spend** with small and diverse suppliers by 2027.



2022 Economic Impact

Economic Impact Metrics



Economic Impact

Through our Supplier Diversity Program in 2022

\$7.4B

Production impact of our program

Measures the cumulative revenues of all businesses impacted through the program: Direct, Indirect and Induced.



41,023

Jobs supported

Created within CVS Health's supply chain and in the supplier's communities.



\$2.8B

Wages supported

Measures the cumulative earnings of the employees in the jobs supported through our supplier diversity program purchases.



\$4.2B

Small and diverse purchases

CVS Health's spending with small and diverse suppliers.



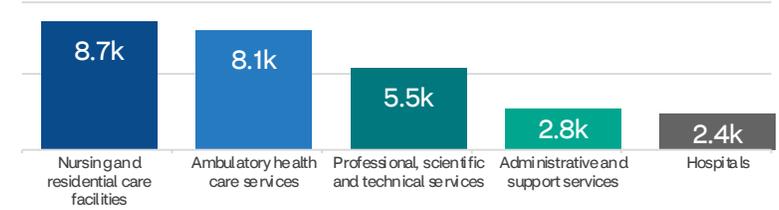
Supplier Diversity Spending in 2022

\$4.2B

Spending with small and diverse suppliers



Top 5 Jobs Supported at Small and Diverse Businesses



\$3.3B

Small business spend



\$1.1B

Minority-owned business spend



\$611.2M

Women-owned business spend



\$130.1M

Veteran-owned business spend



\$43.9M

Disabled-owned business spend



\$42.4M

Disadvantaged business enterprise spend



\$40.3M

SD-VET-owned business spend



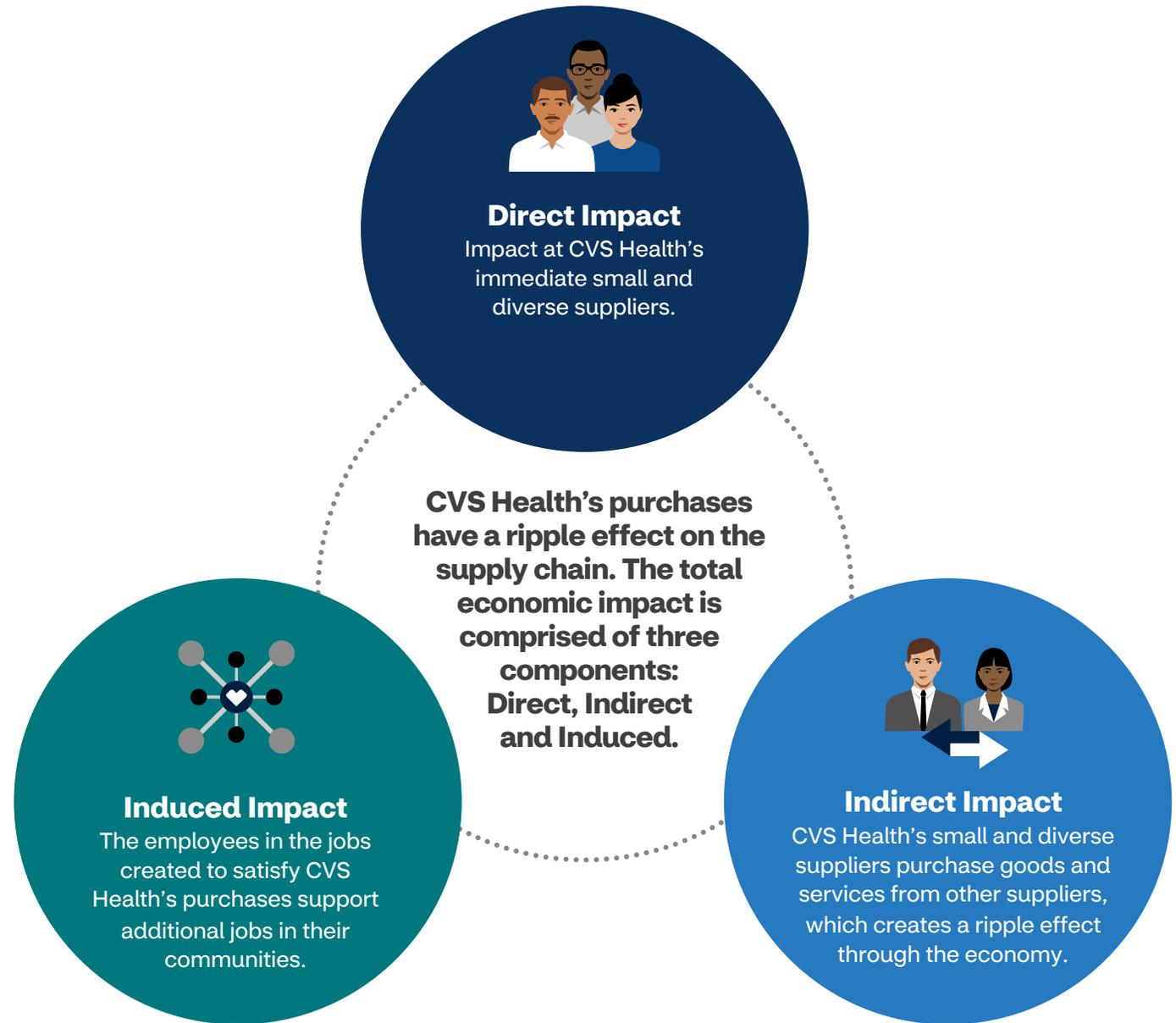
\$36.1M

LGBTQ-owned business spend

Notes:
Jobs are assigned to industries included in the North American Industry Classification System (NAICS) that was developed by the federal government.

Supplier spend is included in every category for which the supplier qualifies. Therefore, spend dollars by category will add up greater than the total spend.

Economic Impact Channels



Making an Impact

Through our entire supply chain and in our communities



\$4.2B

Direct Impact from Small and Diverse Supplier Purchases

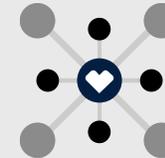
CVS Health purchased \$4.2 billion from small and diverse businesses in 2022. These purchases supported 41,023 jobs and \$2.8 billion in wages and benefits at these businesses.



\$1.4B

Indirect/Supply Chain Impact

These small and diverse businesses purchased \$1.4 billion in goods and services from their suppliers and supported an additional 6,754 jobs.



\$1.8B

Induced/Community Impact

The employees in supported jobs generated nearly \$1.8 billion in economic activity and supported 9,844 additional jobs in their communities.

Total Production



\$7.4B

\$4.2B Direct

\$1.4B Indirect

\$1.8B Induced

Total Jobs



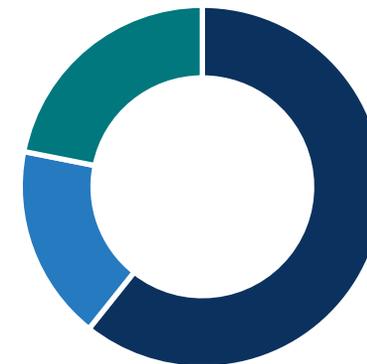
41,023

24,425 Direct

6,754 Indirect

9,844 Induced

Total Wages



\$2.8B

\$1.7B Direct

\$487.9M Indirect

\$612.9M Induced

Note: Direct, Indirect and Induced numbers may not add up to the total due to rounding.

Supported Jobs & Wages

at Small and Diverse Suppliers

Our work with diverse suppliers plays an important role in business across the enterprise. For example, we're meeting contractual requirements with our CVS Caremark® clients for diverse supplier inclusion. Additionally, prospective pharmacy benefits management (PBM) clients take many of our supplier diversity efforts into consideration when selecting CVS Caremark for PBM services.

With one of the most active and progressive supplier diversity programs among U.S. corporations, CVS Health is committed to working with minority- and women-owned business enterprises to build supply chain excellence, add distinctive goods, services and capabilities to our business offerings, and create competitive advantages.

Small businesses

19,040

Jobs

\$1.3B

Wages

Minority-owned businesses

6,272

Jobs

\$457.9M

Wages

Women-owned businesses

4,042

Jobs

\$273.7M

Wages

Veteran-owned businesses

781

Jobs

\$58.7M

Wages

Disabled-owned businesses

292

Jobs

\$26.7M

Wages

Disadvantaged Business Enterprises

245

Jobs

\$18.8M

Wages

SD-VET-owned businesses

271

Jobs

\$24.3M

Wages

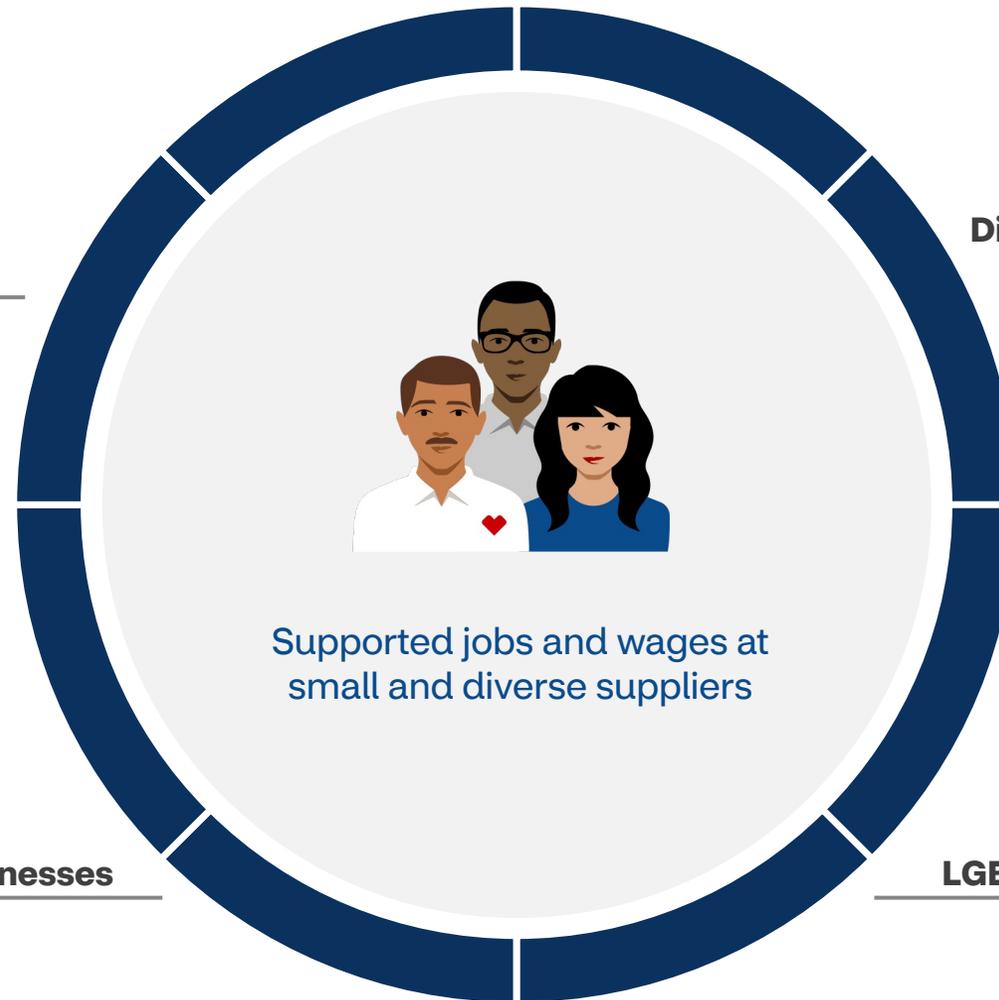
LGBTQ-owned businesses

258

Jobs

\$17.2M

Wages



Supported jobs and wages at small and diverse suppliers

Note: Supplier spend is included in every category for which the supplier qualifies. Therefore, spend dollars by category will add up greater than the total spend.

Our Impact by State

State	CVS Health Purchases	Total Output	Total Wages	Total Jobs	Jobs at Small and Diverse Suppliers	Taxes Supported
CA	\$623.3 million	\$1.1 billion	\$441.6 million	4,803	2,649	\$144.0 million
IL	\$394.2 million	\$730.2 million	\$301.7 million	4,874	3,154	\$90.8 million
AZ	\$313.8 million	\$606.4 million	\$216.8 million	3,827	2,252	\$63.3 million
FL	\$292.2 million	\$554.4 million	\$205.1 million	3,585	2,087	\$59.5 million
NJ	\$277.7 million	\$468.0 million	\$179.5 million	2,296	1,377	\$58.8 million
NY	\$258.4 million	\$414.5 million	\$147.0 million	1,897	1,214	\$47.6 million
TX	\$254.1 million	\$469.9 million	\$155.0 million	2,284	1,174	\$40.1 million
MO	\$173.5 million	\$314.0 million	\$135.9 million	1,818	1,012	\$35.4 million
OH	\$159.2 million	\$305.4 million	\$121.7 million	2,103	1,287	\$33.3 million
CT	\$142.3 million	\$201.3 million	\$48.8 million	599	308	\$16.5 million
VA	\$142.0 million	\$255.0 million	\$103.8 million	1,708	1,097	\$30.9 million
PA	\$126.6 million	\$211.5 million	\$71.7 million	1,069	625	\$22.1 million
HI	\$114.8 million	\$159.7 million	\$33.7 million	539	280	\$10.9 million

Note: State production, jobs and wages may not add up to the total due to rounding.

Our Impact by State

State	CVS Health Purchases	Total Output	Total Wages	Total Jobs	Jobs at Small and Diverse Suppliers	Taxes Supported
MA	\$108.6 million	\$188.5 million	\$78.8 million	955	566	\$22.9 million
NH	\$89.1 million	\$162.3 million	\$89.3 million	895	528	\$22.1 million
GA	\$87.9 million	\$147.8 million	\$39.1 million	666	362	\$11.0 million
RI	\$68.2 million	\$111.0 million	\$41.2 million	572	339	\$12.4 million
MI	\$62.2 million	\$109.2 million	\$43.2 million	749	487	\$11.6 million
KS	\$57.7 million	\$97.2 million	\$39.7 million	790	557	\$10.7 million
WV	\$50.2 million	\$79.1 million	\$32.6 million	607	423	\$8.4 million
MD	\$43.9 million	\$68.0 million	\$22.5 million	314	189	\$6.8 million
NC	\$34.2 million	\$63.7 million	\$25.6 million	496	326	\$7.4 million
OK	\$32.0 million	\$60.1 million	\$28.9 million	411	239	\$6.2 million
SC	\$30.3 million	\$46.3 million	\$13.9 million	221	131	\$4.2 million
CO	\$29.8 million	\$64.2 million	\$31.9 million	379	194	\$8.5 million
LA	\$26.8 million	\$46.9 million	\$19.2 million	345	216	\$3.9 million

Note: State production, jobs and wages may not add up to the total due to rounding.

Our Impact by State

State	CVS Health Purchases	Total Output	Total Wages	Total Jobs	Jobs at Small and Diverse Suppliers	Taxes Supported
NV	\$24.0 million	\$43.0 million	\$16.9 million	228	126	\$5.0 million
AK	\$23.9 million	\$32.9 million	\$13.2 million	196	145	\$2.2 million
WI	\$22.3 million	\$37.6 million	\$12.4 million	197	110	\$3.8 million
KY	\$22.0 million	\$38.8 million	\$16.1 million	285	183	\$4.0 million
WA	\$16.9 million	\$27.6 million	\$11.3 million	138	89	\$3.4 million
DE	\$15.5 million	\$20.3 million	\$3.8 million	56	33	\$1.7 million
MN	\$14.1 million	\$26.4 million	\$8.8 million	134	71	\$2.9 million
IN	\$12.1 million	\$19.5 million	\$6.2 million	109	67	\$1.8 million
DC	\$11.0 million	\$15.6 million	\$6.3 million	73	55	\$1.5 million
NE	\$10.5 million	\$19.5 million	\$8.1 million	123	72	\$2.1 million
TN	\$10.1 million	\$18.5 million	\$8.0 million	106	59	\$1.9 million
UT	\$9.9 million	\$20.4 million	\$7.7 million	125	67	\$2.2 million
NM	\$7.4 million	\$12.4 million	\$5.0 million	72	42	\$1.4 million

Note: State production, jobs and wages may not add up to the total due to rounding.

Our Impact by State

State	CVS Health Purchases	Total Output	Total Wages	Total Jobs	Jobs at Small and Diverse Suppliers	Taxes Supported
OR	\$7.1 million	\$12.6 million	\$4.7 million	72	42	\$1.4 million
IA	\$6.1 million	\$9.3 million	\$3.7 million	53	35	\$916.2 thousand
AL	\$5.5 million	\$7.8 million	\$2.0 million	34	20	\$576.9 thousand
MS	\$4.4 million	\$7.2 million	\$2.6 million	45	26	\$633.6 thousand
AR	\$3.5 million	\$5.4 million	\$2.3 million	48	36	\$618.7 thousand
VT	\$3.2 million	\$5.9 million	\$1.2 million	30	15	\$580.7 thousand
SD	\$2.9 million	\$4.4 million	\$1.4 million	19	10	\$354.8 thousand
ID	\$2.7 million	\$4.8 million	\$2.1 million	38	25	\$561.9 thousand
ME	\$1.4 million	\$2.5 million	\$986.1 thousand	17	10	\$299.5 thousand
MT	\$932.0 thousand	\$1.6 million	\$627.6 thousand	12	7	\$170.1 thousand
WY	\$710.1 thousand	\$1.1 million	\$452.2 thousand	7	5	\$121.4 thousand
ND	\$322.8 thousand	\$423.0 thousand	\$101.6 thousand	2	2	\$26.9 thousand

Note: State production, jobs and wages may not add up to the total due to rounding.

Appendix: Economic Impact Modeling

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spend, cycles through the economy in terms of “indirect and induced output,” or additional spend, personal income, and employment.

There are several Input-Output models used by economists to estimate multiplier effects. supplier.io employed the IMPLAN input-output model in developing estimates of spend, income and employment impacts. This model, initially developed by the U.S. Department of Agriculture, examines inter-industry relationships in local, regional, and national economies.

The Input-Output multipliers are derived from a comprehensive and complex set of inputs based on the collection of business and employment data. Indirect impacts of economic activity in a targeted geographic area are calculated by applying multiplier coefficients to the direct impact spending. Since most of the businesses in the study are considered as local businesses, each supplier was assumed to have operations primarily in one state. These multipliers consider an amount of “leakage” from the state economy because some incomes and expenditures will be spent outside of the state. The economic activity is calculated by state and these state-level results are aggregated to determine the national totals.

Analysis performed by supplier

Assumptions

This analysis relies on the following assumptions:

For suppliers that have multiple locations, all impact is evaluated at the headquarters location. This may overestimate the impact in the headquarters state and underestimate the impact in other states.

For suppliers that provide services in multiple NAICS code, unless otherwise indicated, all impact is calculated using the supplier's primary NAICS code.

A supplier impact is assumed to be localized within a state.

The model predicts impact results based on industry averages and is an aggregate across all companies. The calculations cannot be applied to individual companies and may differ from actual jobs and incomes at specific companies.

References

This report is based on an analysis of data provided by the customer and information from the following sources:

US Government Revenues: http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n

IMPLAN (<https://implan.com>)

United States GDP: <http://www.tradingeconomics.com/united-states/gdp>

RIM II User Guide - A essential tool for regional developers

and planners: https://www.bea.gov/sites/default/files/methodologies/RIMSII_User_Guide.pdf

Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II

Multipliers <https://www.bea.gov/system/files/papers/WP2012-3.pdf>



2022 Supplier Diversity Economic Impact Report

Learn more about our commitment to supplier diversity, our recognition and our impact at <http://cvshealth.com/supplierdiversity>