



Healthy 2030  
2023 Impact Report  
**Appendix**

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# Corporate profile

## Organization Details

- CVS Health® Corporation
- Public Corporation (NYSE: CVS)
- Headquartered in Woonsocket, RI
- Operates in the United States in 50 states plus the District of Columbia and Puerto Rico
- Over 300,000 colleagues
- [Our purpose](#) Bringing our heart to every moment of your health™

\*As of 1/1/2024

## Our Locations

**9,000+**

retail locations

**35M+**

Aetna® members

**85%**

of the U.S. population lives within 10 miles of a CVS Health® location

**1,000+**

walk-in medical clinics

**~5M**

daily interactions across over 9,000 locations

**90M+**

members and patients of CVS Healthspire™\*

## Financial Results

**\$18.2B**

in wages earned by our employees

## Economic Impact

**\$357.8B**

in total revenues

**\$5.5B**

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

**\$2.4B**

in benefits

**\$5.6B**

to providers of capital

# Healthy 2030 impact strategy and governance

Our Healthy 2030 impact strategy outlines how we are creating a more equitable health care system and sustainable future. It reinforces our company's strategy and is embedded in our purpose-driven culture. This strategy centers on our most important topics and aligns with the Global Reporting Initiative (GRI) Standards. Healthy 2030 is constructed through our four-pillar framework – Healthy People, Healthy Business, Healthy Community and Healthy Planet. We are focused on making a meaningful, measurable impact within each of these pillars.

Our Board of Directors and our President and Chief Executive Officer (CEO) lead governance of our Healthy 2030 framework. The Nominating and Corporate Governance Committee of the Board of Directors is formally charged with oversight of impact strategy and performance, along with our President and Chief Executive Officer.

Our Chief Sustainability Officer (CSO) shares relevant impact-related impacts, risks and opportunities with the Nominating and Corporate Governance Committee semiannually, and the full Board annually. Additionally, the full Board reviews our annual Healthy 2030 Impact report.

In 2023, the Nominating and Corporate Governance Committee was engaged on several key topics, including:

- Climate change reporting and risks
- Progress toward achieving emissions reduction targets, including net-zero targets
- Sustainability initiatives across plastic, paper, waste and other resource reduction
- Renewable energy procurement
- Philanthropic programs and investments

The Committee assesses how to oversee new initiatives through action and approval. Our CSO is responsible for developing our impact strategy and ensuring we progress against our goals. Under this direction, the Corporate Social Responsibility (CSR) & Philanthropy team regularly works with enterprise leaders to align our strategy with key business imperatives, and collaborates with colleagues throughout the company on programs and initiatives that drive social and environmental impact.

Our Environmental, Social and Governance (ESG) Steering Committee is charged with advancing impact initiatives and progress to achieving our Healthy 2030 goals. The ESG Steering Committee is comprised of senior leaders across the company at the vice president level and above, including representatives from Human Resources (HR), legal, finance, as well as each of our business segments. These leaders and their teams are responsible for executing the day-to-day initiatives driving our progress.

Through our Healthy 2030 strategy, we have established several policies that govern our approach to issues of importance to our business and our stakeholders. Topics addressed include climate change, deforestation, human rights and chemical management, all of which are located in our online [Resource Library](#). These policies are reviewed and updated annually.

## Remuneration

To advance our Healthy 2030 strategy, we have identified key colleagues and business leaders with direct oversight of initiatives that will help us achieve our goals. These colleagues are responsible for driving performance and meeting established targets as part of their business plans and annual goals. This includes members of our ESG Steering Committee and their teams, and key senior leaders. The remuneration of these colleagues is partially linked to performance against these business plans.

In support of our long-established Strategic Diversity Management Framework, we are committed to making progress in racial, ethnic and gender representation in our workforce. In 2023, colleagues at Vice President and above had a downward-only modifier reflecting this goal.



# Healthy 2030 strategy

Healthy 2030 supports the advancement of our roadmap in four key areas:

## Healthy People

We are delivering on our bold vision for health care delivery with an incomparable set of assets that are uniquely CVS Health®. Every day, we work to make health care simpler, more accessible, affordable and more convenient for every person we serve.

### Priority topics aligned with this pillar:

- Affordability and fair pricing
- Consumer health outcomes
- Consumer service and experience
- Fair marketing and information
- Health access
- Health equity
- Innovation of products and services
- Occupational health and safety
- Product quality and safety
- Service quality and safety

## Healthy Business

We are purpose-driven — all of us. Diversity, equity, inclusion and belonging are a part of our core values and imperative to operating at our best. We work daily to create value for everyone who trusts and relies on us and ensure every action we take is done ethically and transparently. We integrate governance and partnership across our business units and seek responsible and equitable purchasing practices throughout our supply chain.

### Priority topics aligned with this pillar:

- Community engagement and economic opportunity
- Data security, privacy and cybersecurity
- Diversity, equity and inclusion
- Ethics and compliance
- Fair and decent employment
- Fair marketing and information
- Innovation of products and services
- Occupational health and safety
- Product quality and safety
- Public policy and advocacy
- Responsible financial practices
- Service quality and safety
- Supply chain due diligence and procurement practices
- Supply chain labor conditions
- Talent recruitment, retention and development

## Healthy 2030 strategy

Healthy 2030 supports the advancement of our roadmap in four key areas:

### Healthy Community

We are strengthening our communities by addressing the unique barriers to improving health outcomes locally. We will make a lasting impact by pulling together all our assets to encourage a more holistic approach and collaboration across our programs, investments and organizations.

#### Priority topics aligned with this pillar:

- Affordability and fair pricing
- Community engagement and economic opportunity
- Consumer health outcomes
- Diversity, equity and inclusion
- Health access
- Health equity
- Talent recruitment, retention and development

### Healthy Planet

We are inseparable from the environment we operate in and the people we serve. That's why we continue to invest in initiatives and programs that focus on improving the health of our planet by advancing our sustainability commitments and addressing the environmental factors that contribute to health inequities.

#### Priority topics aligned with this pillar:

- Climate risk, resilience and adaptation
- Green House Gas (GHG) emissions and energy use
- Nature
- Sustainable products, services and circularity
- Waste
- Water

# Impact strategy prioritization assessment

## Prioritizing impact in our Healthy 2030 strategy\*

In 2023, we completed an assessment to identify the sustainability topics that generate both impacts inward (on our business) and impacts outward (on society and the environment). This work was done in collaboration with sustainable business network and consultancy [BSR](#) and aligns with leading reporting standards and frameworks.

To reflect current best practice, our latest assessment represents a shift to an impact-based approach, measuring potential and actual impacts of environmental sustainability, social impact and governance topics. It assesses the severity of potential impact of each topic on enterprise value and the business impact of these topics on society and the environment, as well as the likelihood of the impact to occur. Our Healthy 2030 strategy is continuously evolving. This assessment demonstrates our iterative approach to refining and strengthening our programming and initiatives.

The findings of this assessment are unique from our previous prioritization assessments due to this impact-based methodology, whereas in the past our methodology was perception-based. Our topic list was also consolidated and select current topics are inclusive of multiple past topics, included in their definitions.

More information on our priority topics and their definitions can be found [on our website](#).

## Assessment methodology included:

- development of a full list of environmental sustainability, social impact and governance topics and definitions relevant to CVS Health® based on global sustainability standards and frameworks, including GRI, SASB, human rights conventions and the United Nations Sustainable Development Goals;
- desktop research and identification of how each topic impacts enterprise value, society and the environment, and how it is currently incorporated into our enterprise risk management process;
- development of criteria to assess and grade impacts;
- engagement with colleagues across our enterprise and members of our executive leaders, including our Chief Executive Officer, Chief Sustainability Officer, Chief Medical Officer, Chief Strategy Officer and President of Retail, among others. External stakeholders engaged include investors, clients, customers, industry associations, issue advocacy groups, community partners and suppliers;
- scoring of impacts and aligning topics in a prioritization matrix;
- and additional engagement with senior leaders to review findings and validate results.

The results of our assessment are reflected below and have informed the content of our 2023 Healthy 2030 Impact Report.

\*Our priority topics reference which economic, environmental, social and governance issues are most impactful to our stakeholders and our business. The inclusion of topics in this assessment and the inclusion of information in this report generally should not be construed as a characterization regarding its materiality or significance for any other purpose, including for purposes of applicable securities laws.



# Prioritization Assessment

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Healthy 2030 Impact Topic Assessment Results

## Very high

Impact on enterprise value & impact on society and environment

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- Affordability and Fair Pricing
- Climate Risk, Resilience and Adaptation
- Consumer Health Outcomes
- Data Security, Privacy, and Cybersecurity
- GHG Emissions and Energy Use
- Health Access
- Health Equity
- Occupational Health and Safety
- Public Policy and Advocacy
- Service Quality and Safety
- Sustainable Products and Services and Circularity
- Talent Recruitment, Retention and Development

## High

Impact on enterprise value & impact on society and environment

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- Community Engagement and Economic Opportunity
- Consumer Service and Experience
- Diversity, Equity, and Inclusion
- Ethics and Compliance
- Fair and Decent Employment
- Innovation of Products and Services
- Supply Chain Due Diligence and Procurement Practices
- Supply Chain Labor Conditions
- Water

## Medium

Impact on enterprise value & impact on society and environment

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- Fair Marketing and Information
- Product Quality and Safety
- Waste

# Stakeholder engagement

Advancing our Healthy 2030 roadmap and achieving our goals requires the input and collaboration of a diverse set of external and internal stakeholders. We maintain regular, open communication with a broad range of stakeholders who share our commitments to support the health of all we serve. The feedback provided by our stakeholders is integral to advancing our strategy and the initiatives we drive to achieve our goals. We establish a two-way dialog with advocates, policymakers, shareholders, customers, colleagues, partners and patients.

## 2023 engagement highlights:

- Collaborated with Cardinal Health, one of our largest suppliers, on an electronic invoicing initiative, saving more than 66 tons of paper a year, while helping both companies advance commitments to reduce our impacts.
- Signed White House responsible artificial intelligence (AI) in health care pledge, a voluntary commitment of health care organizations to use and buy “safe, secure and trustworthy” artificial intelligence products.
- Participated in reusable bag pilots through Beyond the Bag Consortium in collaboration with more than 375 retail locations and 150 other retailers

in three different markets to reduce single-use bags.

- Hosted Investor Day in December where senior leaders shared updates to our strategy and introduced drug pricing transparency tools and a new brand for our Health Services segment.
- Donated one million period products to Feeding America through the “buy one, donate two” customer program in-store and online.
- Engaged with dozens of shareholders on key topics including our workforce, plastic reduction efforts, decarbonization workstreams and data protection.

More information on our stakeholders and work with them can be found [on our website](#).



# Stakeholder engagement

## Stakeholder groups & engagement channels

### Patients and consumers

- In-person interactions
- Telehealth appointments
- Virtual consultations
- Focus groups
- Customer relations inquiries
- Surveys
- Social media
- Websites
- Mail/email

### Colleagues

- Meetings and interviews with leaders and business owners
- Engagement surveys
- Training and professional development opportunities
- CVS Health® intranet
- Colleague Resource Groups (CRGs) virtual and in-person meetings
- Town Hall meetings

- Ongoing memos from leadership with enterprise updates
- Company website

### Investors and stockholders

- Annual stockholders meeting
- Quarterly earnings calls
- Investor Day
- Virtual meetings
- Email correspondence
- Response to ratings and rankings
- Conferences
- Surveys and data requests
- Website

### Suppliers

- Meetings
- Email/mail communications
- Industry/collaborative associations
- Conferences and events
- Factory audits

- Human Rights Policy
- Code of Conduct
- Training and workshops
- Surveys and audits

### Government and regulators

- Briefings and meetings
- Phone briefings
- Email correspondence
- White papers and other briefing materials
- Trade organizations
- Participation in coalitions
- Roundtable discussions
- Public events
- Sponsorship of events
- Speaking engagements
- Media engagements

### Nonprofit organizations and NGOs

- Roundtables
- Strategic relationships
- Participation on boards and

advisory councils

- Attending annual meetings
- Virtual engagement meetings
- Webinars
- Surveys
- Thought leadership

### Industry groups and forums

- Conferences
- Virtual meetings
- Strategic relationships
- Pilot/initiative collaboration
- Surveys

### Local communities

- Community engagement programs
- Volunteerism
- Board memberships
- Event sponsorship
- Grantmaking
- Small and diverse supplier engagement and economic development

- Workforce development and job training programs
- Community development and investment programs

### Client

- Meetings
- Phone and email correspondence
- Surveys
- Disclosure requests
- Meetings and conferences

### Media

- Direct outreach
- Website
- Social media
- Responses to inquiries
- Interviews, roundtables and/or panels
- Conferences

# United Nations (UN) Sustainable Development Goals

## SDG Overview

Our Healthy 2030 strategy is aligned with the United Nations Sustainable Development Goals (SDGs), which are 17 aspirational goals designed to facilitate significant global development by 2030. The SDGs serve as a framework to guide how companies, governments and non-governmental organizations contribute to a more just, healthier and sustainable future. We believe we can most meaningfully contribute to eight SDGs that closely align with our business impact. We work to advance these goals each year through efforts implemented across our enterprise.

To further our progress, we collaborate with organizations that help us advance our Healthy 2030 strategy – including the United Nations Global Compact (UNGC). CVS Health® was the first U.S. pharmacy chain to hold membership in the UNGC, which confirms our commitment to the Compact's Ten Principles with respect to human rights, labor, the environment and anti-corruption.



### Goal 2: Zero Hunger

The food we eat impacts our health at every stage of life. Healthy eating can lower the risk of chronic disease, boost immunity, and extend life expectancy, among other benefits. But today, nutrition-related diseases are contributing to rising health care costs. And for many people who need them, medically tailored nutrition remains out of reach. We're working to address these challenges, with multi-year commitments designed to support those facing food insecurity and increase access to fresh, healthy food in communities we serve. In 2023, we contributed nearly seven million pounds of unsold food product, helping ensure that neighbors have the food and grocery products they need.



### Goal 4: Quality Education

We continue to invest in developing a diverse workforce to support the needs of under-resourced communities. Our scholarship programs support students working toward pharmacy, clinical practice and retail management degrees across higher education institutions in the U.S. In 2023, we awarded \$1.3 million in scholarship funding. Over 11,000 CVS Health® colleagues participated in our tuition assistance benefit in 2023, which provides tuition reimbursement of up to \$3,000 at any nationally accredited college or university.



### Goal 3: Good Health and Well-Being

We continue to expand on our ability to provide care and fundamentally restructure how health care is delivered in the U.S. – how, by whom and where. With touchpoints throughout a person's health journey, we support patients and members with interventions, early diagnosis and treatment optimization. The results are improved health outcomes, lower costs, more durable relationships with providers, and broader access to high-quality care.

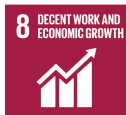
In 2023, we made significant strides in elevating value-based care, a framework that rewards improved health outcomes and lowered health care costs. Through the acquisitions of Signify Health and Oak Street Health, we are creating a value-based, person-centered care platform propelled by the powerful connections between our unique capabilities and assets. Signify and Oak Street Health add primary care, home-based assessments and provider enablement capabilities to our platform, as well as cutting-edge technology and talent to accelerate innovation.



### Goal 5: Gender Equality

As part of our work to help ensure health equity, we are taking action to address health inequities impacting women. Period poverty, the inability of people with periods to purchase the menstrual products they need to attend work or school or participate in daily life, is one of the issues we are tackling, by paying the sales tax on menstrual products in 12 states, reducing the prices of CVS Health store brand period products in core stores by 25 percent and expanding MinuteClinic® women's health care services. Our workforce comprises 70% women, including 56% at management level and above\*.

# United Nations (UN) Sustainable Development Goals



## Goal 8: Decent Work and Economic Growth

We are delivering on our bold vision for health care delivery with an incomparable set of assets that are uniquely CVS Health®. The greatest of these strengths is our workforce of more than 300,000 purpose-driven colleagues. In 2023, we invested in their growth, provided them with comprehensive benefits and implemented new policies to improve their workplace experience. We also hired more than 112,000 new colleagues, paid out \$18.2 billion in wages; \$2.4 billion in benefits; and \$5.5 billion in income, property and employer taxes in the U.S.

At the intersection of health care, workforce and education, our workforce initiatives programming creates pathways to employment in more than 1,150 communities across the U.S. In partnership with federal, state and local agencies, nonprofit, faith-based and career development organizations, in 2023 we streamlined access to career development and meaningful employment for more than 1,400 individuals.



## Goal 13: Climate Action

We are working to achieve carbon neutrality by 2030 and net zero emissions across our value chain by 2050 – a commitment that will require collaboration, innovation and drive. Our path forward will focus on significant investments in renewable energy, electrification of our fleet, and continuous improvement in operational efficiency. By the end of 2023, we had completed six physical purchase power agreements (PPAs) representing more than 500,000 MWh of clean, renewable energy that will power over 2,000 locations. We continue to enhance our collaboration with suppliers, ensuring that they set their own science-based emissions reduction targets and take steps to reduce their emissions accordingly.



## Goal 12: Responsible Consumption and Production

A growing plastic waste crisis significantly impacts human health – through the air we breathe, the water we drink and the food we eat. At the same time, plastic is an incredibly valuable material for safe health care delivery and product quality. We believe we have an important role in solving this challenge – through external industry collaboration and thoughtful strategy in addressing non-essential, single-use plastic. Most of our plastic usage by weight comes from our mail order/specialty packaging, store brand packaging, prescription bottles and plastic bags. In 2023, we worked to eliminate or use less plastic where we can; replace plastic with alternative materials; identified end-of life solutions that increase recyclability; and encouraged customers to join us in our efforts.



## Goal 15: Life on Land

Our efforts to transform the health of our planet include reducing our consumption of natural resources. All palm oil used in our store brand products is sourced sustainably by our suppliers in compliance with our Responsible Palm Oil Policy. To continue to reduce the impacts of our operations, we are investing in digital tools and solutions to reduce our paper usage, including through receipts at CVS Pharmacy®. We strive to have all paper-based store brands packaging come from certified sustainable sources by 2025. We enforce these commitments in various policies, including our [Forestry Policy](#), [Timber Commodities Policy](#), [Anti-deforestation Commitment](#), and [Responsible Sourcing Standard](#).

# Tracking our progress

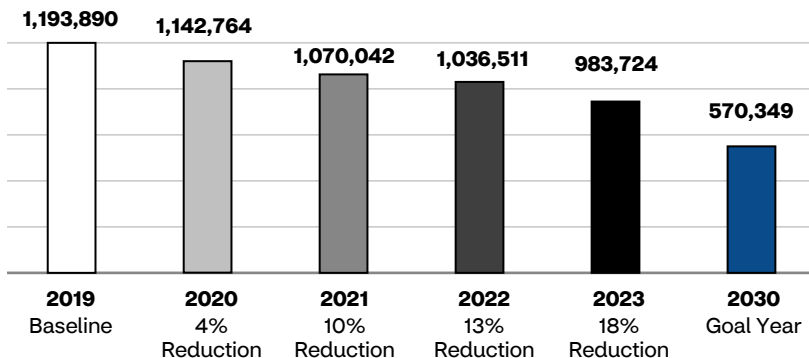
We have set ambitious goals and are holding ourselves accountable to drive impact towards our Healthy 2030 strategy. Key progress made in 2023 toward achieving these goals is below and included in our annual Healthy 2030 Impact Report.

## 18% reduction

Execute SBTi-validated net-zero target by reducing absolute scope 1 and 2 emissions by 47% by 2030

- Executed five agreements in 2023 to source 400,000 MWh of renewable energy
- Total executed agreements to date represent 500,000 MWh of renewable energy
- Targeted upgrades and proactive replacement of interior and exterior lighting, HVAC, retail coolers and control systems resulted in an annual energy usage reduction of 11,560 MWh

## Scope 1 and 2 GHG Emissions Reduction from 2019 Baseline (mt CO2e)

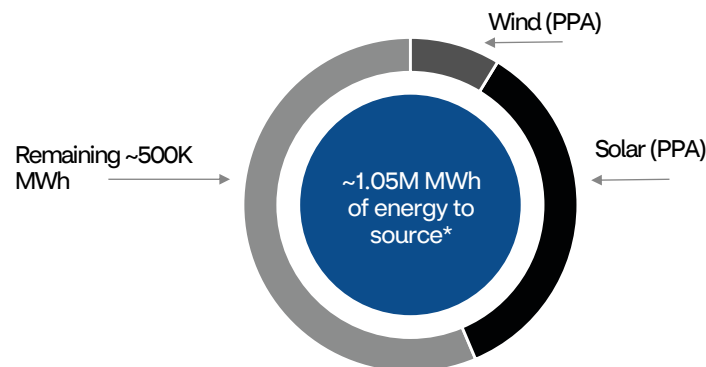


## 500,000 megawatt hours (MWh) sourced to date\*

Continue to make progress on our renewable energy strategy sourcing 50% of our total by 2040

- Executed five agreements in 2023 to source 400,000 MWh of renewable energy
- Total executed agreements to date represent 500,000 MWh of renewable energy
- Established a pipeline of future projects to maintain progress

## Renewable Energy Sourced (MWh)



\*Progress measured from 2023 electric consumption of 2.1M MWh, 50% target equates to roughly 1.05M MWh

## Tracking our progress

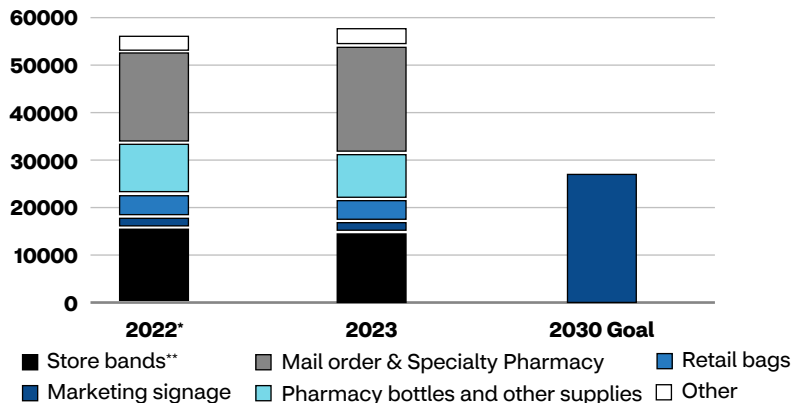
### Advance strategies to reduce plastic usage by 50% across operations by 2030

- Invested in data collection and assessment tools to track plastic inputs, packaging components, and other metrics that will be instrumental in driving our progress moving forward
- Eliminated over 550 MT of plastic bags
- Conducted life cycle assessment of mail order packaging to identify areas of opportunity in 2024 and beyond

### Advance strategies to reduce single-use virgin plastic in store brands by 50% by 2030

- We still have considerable progress to make and our data collection and assessment tool will help us evaluate and drive progress.

### Enterprise Plastic Use - Category by Weight (MT)

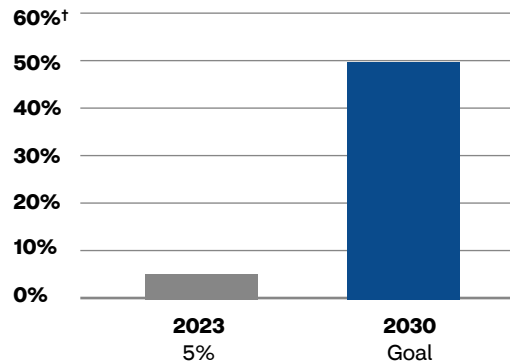


\*Historical data prior to 2022 is not available

\*\*Store brand packaging data reflects actual data for 75% of items and estimates for the remaining 25% for 2022 and 2023 due to data availability; we expect to provide 100% actuals moving forward.

†Percentages by item count/# of SKUs

### Store Brand Non-Virgin Plastic Use\*\*, †



## Tracking our progress

### Making progress

Ensure all store brand packaging is 100% reusable, recyclable or compostable by 2030

- Invested in data collection and assessment tools to track plastic inputs, packaging components, and other metrics that will be instrumental in driving our progress moving forward.
- Completed efforts to identify problematic packaging and began building a path to address it through innovative design and the use of alternate, more sustainable materials.
- Finalized new packaging for nut items, moving from non-recyclable composite canisters to PET jars in 2024.

### On track

Ensure all store brand paper-based packaging is from recycled or certified sustainably sourced content by 2025

- As of December 31, 2023, 13% of paper packaging in store brand products contained PCR or sustainable sourcing certification.
- We notified all paper packaging suppliers of our new requirements to ensure adoption by the beginning of 2025.

By 2023, define a list of packaging to be designated as problematic or unnecessary and take measures to eliminate them by 2030

### Complete

Define a list of problematic or unnecessary packaging

### In Progress

Take measures to eliminate problematic or unnecessary packaging

- The work to build out the data system of all packaging components for all store brand items will allow us to sort, filter and search by specific packaging attributes. We have identified key features that we have defined to be problematic, such as single-use packaging containing PVC and packaging that is not recyclable based on specific components. Through this system and with these definitions, we will be able to target individual items and components to implement more sustainable solutions to achieve our 2030 goals.





# Human capital and diversity data

## Diversity data\*

Total employee count 307,611 as of 12/31/2023. Additional workforce diversity data is available in our [Consolidated Employer Information report EEO-1](#)

## Employment + Type

Type	2023	2022	2021
Full-time	73%	73%	72%
Part-time	27%	27%	28%

## Employment + Gender

Gender	2023	2022	2021
Female	70%	70%	71%
Male	30%	30%	29%
Unspecified	<1%	<1%	<1%

\*The percentages in the tables throughout this section may not total 100 percent due to rounding. Oak Street Health, Signify Health and Cordavis are not included in the data throughout this section and will be included in future reports.

## Employment + Age

Age	2023	2022	2021
Under 30	32%	33%	34%
30–50	43%	42%	42%
50+	25%	25%	24%

## Employment + Ethnicity

Ethnicity	2023	2022	2021
White (not Hispanic or Latino)	48%	49%	52%
Black/African American (not Hispanic or Latino)	18%	18%	17%
Hispanic/Latino	16%	16%	14%
Asian (not Hispanic or Latino)	12%	12%	10%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	1%	1%	<1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%	<1%	<1%
Two or more races	4%	4%	3%
Unspecified	1%	1%	3%

# Human capital and diversity data

## Gender by Employment Level

### Board of Directors + Gender

Total board member count: 13 as of 12/31/2023

Gender	2023	2022	2021
Female	38%	42%	38%
Male	62%	58%	62%

### Executive Leadership Team (EVP level and above) + Gender\*

Total employee count, executive leadership team: 14 as of 12/31/2023

Gender	2023
Female	29%
Male	71%
Unspecified	0%

## Selected Roles + Gender

Role	Female	Male	Unspecified
Customer Support Roles	85%	15%	<1%
Nurses	94%	6%	<1%
Physician Assistants & Nurse Practitioners**	93%	7%	<1%
Pharmacists	63%	37%	<1%
Pharmacy Technicians	80%	19%	1%
Medical Directors	59%	41%	0%
Social Workers	91%	9%	0%
Care Concierge	88%	12%	<1%
Field Leadership	38%	62%	<1%
Front Store Colleagues	63%	36%	1%
Distribution Center Colleagues	46%	54%	<1%
Hourly Wage Colleagues	72%	28%	1%

\*Prior year data is not included as this is the first year that we are including this data

\*\*Due to updates in internal role categorization, this role group has been update to include both physician assistants and nurse practitioners for 2023 reporting.

## Human capital and diversity data

### Vice President and Above + Gender

Total employee count, vice president and above: 475 as of 12/31/2023

Gender	2023	2022	2021
Female	40%	39%	39%
Male	60%	60%	60%
Unspecified	<1%	<1%	1%

### Manager Level and Above + Gender\*

Total employee count, manager level and above: 34,503 as of 12/31/2023

Gender	2023	2022	2021
Female	56%	55%	55%
Male	44%	44%	45%
Unspecified	<1%	<1%	0%

\*Manager is defined as colleagues who have a direct report.

\*\*Prior year data is not included as this is the first year that we are including this data

### Junior Management Level + Gender\*\*

Total employee count, junior manager level: 26,932 as of 12/31/2023

Gender	2023
Female	58%
Male	42%
Unspecified	<1%

### Revenue-Generating Roles + Gender\*\*

Total employee count, revenue-generating roles: 1,537 as of 12/31/2023

Gender	2023
Female	60%
Male	40%
Unspecified	0%

### STEM Roles + Gender\*\*

Total employee count, STEM roles: 7,071 as of 12/31/2023

Gender	2023
Female	37%
Male	63%
Unspecified	<1%

# Human capital and diversity data

## Race/Ethnicity by Employment Level

### Executive Leadership Team (EVP level and above) + Race/Ethnicity\*

Total employee count, executive leadership team: 14 as of 12/31/2023

Ethnicity	2023
White (not Hispanic or Latino)	71%
Black/African American (not Hispanic or Latino)	0%
Hispanic/Latino	0%
Asian (not Hispanic or Latino)	29%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	0%
American Indian/Alaskan Native (not Hispanic or Latino)	0%
Two or more races	0%
Unspecified	0%

### Vice President and Above + Race/Ethnicity

Total employee count, vice president and above: 475 as of 12/31/2023

Ethnicity	2023	2022	2021
White (not Hispanic or Latino)	78%	79%	80%
Black/African American (not Hispanic or Latino)	6%	6%	6%
Hispanic/Latino	4%	3%	2%
Asian (not Hispanic or Latino)	9%	10%	8%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	<1%	<1%	0%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%	<1%	0%
Two or more races	1%	1%	0%
Unspecified	1%	<1%	2%

\*Prior year data is not included as this is the first year that we are including this data

## Human capital and diversity data

### Manager Level and Above + Ethnicity\*

Total employee count, manager level and above: 34,503 as of 12/31/2023

Ethnicity	2023	2022	2021
White (not Hispanic or Latino)	64%	64%	65%
Black/African American (not Hispanic or Latino)	10%	10%	9%
Hispanic/Latino	9%	9%	8%
Asian (not Hispanic or Latino)	14%	13%	12%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	1%	1%	1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%	<1%	0%
Two or more races	2%	2%	0%
Unspecified	1%	1%	3%

\*Manager is defined as colleagues who have a direct report.

## Human capital and diversity data

### Selected Roles + Race/Ethnicity

Role	White	Black/African American	Hispanic/Latino	Asian	American Indian/Alaskan Native	Native Hawaiian or Other Pacific Islander	Two or more races	Unspecified
Customer Support Roles	37%	35%	18%	3%	1%	1%	5%	1%
Nurses	72%	13%	7%	4%	<1%	<1%	2%	1%
Physician Assistants & Nurse Practitioners*	56%	19%	6%	15%	<1%	1%	3%	1%
Pharmacists	53%	12%	4%	26%	<1%	1%	2%	1%
Pharmacy Technicians	43%	18%	19%	14%	<1%	1%	4%	1%
Medical Directors	60%	14%	5%	18%	<1%	0%	2%	1%
Social Workers	58%	30%	9%	1%	0%	0%	2%	1%
Care Concierge	31%	41%	16%	3%	<1%	<1%	6%	2%
Field Leadership	70%	7%	6%	13%	<1%	1%	2%	1%
Front Store Colleagues	44%	18%	23%	8%	1%	1%	4%	1%
Distribution Center Colleagues	36%	22%	32%	5%	<1%	1%	3%	1%
Hourly Wage Colleagues	44%	20%	18%	12%	<1%	1%	4%	1%

\*Due to updates in internal role categorization, this role group has been update to include both physician assistants and nurse practitioners for 2023 reporting.

## Human capital and diversity data

### Occupational data\*

Occupational data category	All Colleagues	Retail**	Distribution Centers**
Number of Work-Related Fatalities	5	2	0
Rate of Work-Related Fatalities***	0.0022	0.0017	0.0
Number of Recordable Injuries	3,684	2,678	551
Rate of Recordable Injuries***	1.61	2.32	7.2
Lost Time Injury (LTI) Frequency Rate***	0.44	0.51	4.15
Lost Time Injury (LTI) Severity Rate***	35.50	41.77	336.01
List of the main types of work-related injury	Strains and Contusions	Strains, Contusions, and Punctures	Strains and Contusions
Number of hours worked	458,215,487	230,435,044	15,309,007

At CVS Health®, we are committed to the health, safety, and well-being of our colleagues, customers, contractors, vendors, and other key stakeholders. Our occupational health and safety (OHS) program is applicable to our entire operations, including employees as well as clients, contractors, suppliers, and other visitors to our facilities. Learn more in our [OHS Statement](#).

\*This data does not include temporary labor. Temporary labor contracts are such that the companies that provide temporary labor are responsible for reporting their own injuries.

\*\*We include occupational data figures specific to retail and distribution centers due to the nature of these business segments.

\*\*\*Rates are calculated based on 200,000 hours.

# Human capital and diversity data

## Employee engagement data

Engagement	2023
Levels of employee engagement	<p>We believe engaged colleagues produce stronger business results and are more likely to build a career with the Company. Each year we conduct engagement surveys that provide colleagues with an opportunity to share their opinions and experiences with respect to their role, their team and the enterprise to help CVS Health® Corporation's Board of Directors (the "Board") and our management identify areas where we can improve colleague experience. These surveys cover a broad range of topics including development and opportunities, diversity management, recognition, performance, well-being, compliance and continuous improvement. In 2023, we conducted engagement surveys in both January and November. More than 145,000 colleagues participated in each survey and overall engagement stayed consistent across surveys.</p>
Average hours of training per employee per year	<p>CVS Health offers a number of resources and programs that attract, engage, develop, advance and retain colleagues. Training and development provide colleagues the support they need to perform well in their current role while planning and preparing for future roles and career growth. We offer an online orientation program that pairs new hires with seasoned colleagues and the training continues throughout a colleague's career, through in-person, virtual and self-paced learning at all levels. We also provide mentoring, tools and workshops for colleagues to manage their career development. We offer a variety of management and leadership programs that develop incumbent diverse and other high-potential colleagues. In addition, we offer leadership development to all leaders across the organization to best support their growth and their leadership of our colleagues. Our broad training practices include updated, tech-enabled tools and keep our colleagues informed of new developments in our industry that are relevant to their roles. During the year ended December 31, 2023, CVS Health colleagues invested approximately 14 million hours in learning and development courses.</p> <p>Our colleague development programming also promotes the importance of compliance across our business. CVS Health colleagues demonstrate this commitment through our annual Code of Conduct training, which nearly 100% of active colleagues completed in 2023. In 2023, we launched approximately 70 different training courses as part of our annual Enterprise Compliance Training Program.</p>



# Human capital and diversity data

## Employment Data

Employment Data Category	2023
Paid parental leave	Full-time employees with 12 months of continuous service and who welcome a new child into their home are eligible to take up to four weeks away from work at 100% of their pay to ensure the latest addition to their family gets off to a strong start in life. In 2023, 7,807 colleagues requested an average of six weeks of paid parental leave, comprised of 75% women and 25% men.*
New employee hires	112,073 new employee hires in 2023
Number of positions filled with internal candidates	77,170
Ratio of entry level wage to minimum wage	2.1
Percentage of employees earning minimum wage or higher	100%
Median annual compensation	\$40,810

\*The six week average is above the four paid weeks provided by the company due to some states providing for paid leave beyond four weeks and some colleagues taking additional unpaid leave.

## New Hires + Gender

Gender	2023
Female	65%
Male	31%
Unspecified	4%

## New Hires + Race/Ethnicity

Ethnicity	2023
White (not Hispanic or Latino)	35%
Black/African American (not Hispanic or Latino)	25%
Hispanic/Latino	19%
Asian (not Hispanic or Latino)	10%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%
Two or more races	5%
Unspecified	5%

## New Hires + Age

Age	2023
Under 30	58%
30–50	28%
50+	8%
Unspecified	5%

## Human capital and diversity data

### Rate of Employee Turnover for Full Enterprise\*

Rate of Employee Turnover	2023
Rate of employee turnover	Involuntary employee turnover in 2023 was 7.4%; Voluntary employee turnover in 2023 was 32.2%

### Colleague Turnover + Gender\*\*

Gender	Involuntary	Voluntary
Female	6%	31%
Male	9%	31%

\* Full enterprise turnover rates are calculated by dividing the total number of involuntary or voluntary terminations among all colleagues by the total headcount of all colleagues.

\*\*Gender, age, and race/ethnicity turnover rates are calculated by dividing the total number of involuntary or voluntary terminations among each gender, age and race/ethnicity category by the total headcount of colleagues who identify in that respective category.

†Data is incomplete for colleagues who do not specify a race.

### Colleague Turnover + Age\*\*

Age	Involuntary	Voluntary
Under 30	10%	54%
30–50	7%	22%
50+	5%	14%

### Colleague Turnover + Race/Ethnicity\*\*, †

Ethnicity	Involuntary	Voluntary
White (not Hispanic or Latino)	5%	26%
Black/African American (not Hispanic or Latino)	12%	41%
Hispanic/Latino	8%	35%
Asian (not Hispanic or Latino)	5%	26%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	6%	33%
American Indian/Alaskan Native (not Hispanic or Latino)	10%	33%
Two or more races	11%	46%

# Human capital and diversity data

## Average hourly wage by region

Location State	All Colleagues
AK	\$39.28
AL	\$28.12
AR	\$31.40
AZ	\$35.00
CA	\$31.24
CO	\$41.26
CT	\$40.98
DC	\$30.57
DE	\$30.32
FL	\$28.20
GA	\$30.11
HI	\$24.24
IA	\$32.25

Location State	All Colleagues
ID	\$31.91
IL	\$36.76
IN	\$27.35
KS	\$33.56
KY	\$30.37
LA	\$29.09
MA	\$31.52
MD	\$29.77
ME	\$33.91
MI	\$28.59
MN	\$36.34
MO	\$29.04
MS	\$28.28

Location State	All Colleagues
MT	\$33.61
NC	\$29.40
ND	\$30.81
NE	\$33.88
NH	\$32.53
NJ	\$30.43
NM	\$31.26
NV	\$25.89
NY	\$28.74
OH	\$30.31
OK	\$29.03
OR	\$36.76
PA	\$30.22

Location State	All Colleagues
PR	\$23.37
RI	\$42.29
SC	\$28.33
SD	\$39.78
TN	\$26.51
TX	\$30.49
UT	\$33.93
VA	\$30.22
VT	\$33.53
WA	\$41.17
WI	\$31.95
WV	\$28.72
WY	\$39.78

# Social compliance audit summary

As indicated in our [Human Rights Policy](#), we require our suppliers and their factories to provide fair and safe working conditions for all workers and to treat their employees with dignity and respect. Through risk-based audits conducted by our independent third-party, UL, our Ethical Sourcing & Customs Trade Partnership Against Terrorism (CTPAT) Compliance Program monitors factories for compliance with social, legal, and trade security standards. Since 2015, we have mandated that factories, along with their suppliers, participate annually in e-learning courses on those topics.

CVS Health® maintains a strict Zero Tolerance policy when auditing factories and we take this commitment seriously. If a Zero Tolerance issue is found, the factory is immediately put on probation and orders are cancelled. Alert Notification issues are serious issues that require immediate action. If an Alert Notification issue is found during an audit, factories must provide evidence that the issue has been addressed and undergo a verification process. Failure to successfully complete the verification process will result in the factory being placed on probation. A probationary period lasts one year, after which we conduct a new audit to determine if we will work together again.



## Social compliance audit summary

Zero Tolerance Issues	Number of Audits Found to Have an Issue
Child Labor	1
Abuse and Harassment	1
Bribery	1
Forced or Prison Labor, Human Trafficking	1
Confirmed Falsified Audit Report and/or Business License	0
Intentional Non-Disclosure of Finished Goods Subcontracting (Tier 1 and Tier 5 Subcontractors)	0
Life-Threatening Conditions <sup>1</sup>	0

<sup>1</sup> “Life Threatening Conditions” as a Zero Tolerance Issue is for situations in which CVS Health feels a factory is knowingly putting workers in harm by purposefully preventing or making it challenging for them to exit (ex: permanently locking/blocking exits and/or evacuation pathways). “Life Threatening Finding” as an Alert Notification Issue captures situations in which there is no harmful intent on the part of the factory.

## Social compliance audit summary

Alert Notification Issues	Number of Audits Found to Have an Issue <sup>1</sup>	Action Taken
Life Threatening Finding (Locked/Blocked Exits, Blocked Pathways)	37	All factories provided evidence that the issue(s) had been corrected within the required timeframe. 30 factories underwent the Verification process, which confirmed the issue(s) were not reoccurring. 2 factories underwent the Verification process, which confirmed the issue(s) were not reoccurring, however new issue(s) were identified. Additional Verification took place, which confirmed the issue(s) were not reoccurring. 1 factory had a reoccurring issue cited during the Verification process. This factory was placed on Probation. 1 factory did not go through the Verification process and was placed on Probation as they also had a Zero Tolerance Issue (Bribery, noted in the Zero Tolerance section).
Discrimination	4	All factories provided evidence that the issue(s) had been corrected within the required timeframe. All factories underwent the Verification process, which confirmed the issue(s) were not reoccurring.
Non-Disclosure of Finished Goods Subcontracting (Tier 1 and Tier 5 Subcontractors)	6	The suppliers provided information on their subcontractors within the required timeframe. All subcontractors were audited, and passed their audits
Missing Business License	1	The factory applied for and received a legal business license, at which point the issue was verified.
Passport Retention	0	N/A
Life-Threatening Finding (Locked/Blocked Exits, Blocked Pathways) AND Discrimination	1	The factory provided evidence that the issue(s) had been corrected within the required timeframe. The factory underwent the Verification process, which confirmed the issue(s) were not reoccurring, however new issue(s) were identified. Additional Verification took place, which confirmed the issue(s) were not reoccurring.

<sup>1</sup> To provide additional transparency and to more accurately disclose findings within our supply chain, the 2023 data reported in 2024 includes issues found in Tier 4 subcontractor factories, in addition to issues found in Primary, Tier 1, and Tier 5 factories which we have historically reported.

# Colleague health, safety and well-being

As a company that is meaningfully impacting public health issues, our colleagues' safety, health and well-being is our top priority. We actively encourage our colleagues to take care of their own health and provide programs and tools to improve financial, emotional and physical well-being to all colleagues, not just those enrolled in benefits. We recognize how vital our colleagues are to our success and strive to offer a comprehensive and competitive mix of pay and benefits to meet the varying needs of our colleagues and their families. In addition to competitive wages, the comprehensive list of programs and benefits that we offer includes annual bonuses, stock awards, 401(k) plans including matching company contributions, no cost comprehensive wellness screenings, tobacco cessation and weight management programs, no-cost confidential counseling and no-cost financial navigation support, an employee stock purchase plan, health care and insurance benefits, paid time off, flexible work schedules, family leave, dependent care resources, colleague assistance programs and tuition assistance, retiree medical access, and discount programs, among many others, depending on eligibility.

Our Total Rewards philosophy is straightforward — provide competitive pay and benefits and a fulfilling work experience that help attract and retain talented colleagues and engage them in our journey to bringing our heart to every moment of health. Our Total Rewards comprise four key components — compensation programs, health benefits, financial benefits and time away from work. Additionally, our My Well-being program offers personalized and holistic support.

As an equal opportunity and affirmative action employer, we do not discriminate in recruiting, hiring or promotion based on race, ethnicity, sex/gender, sexual orientation, gender identity or expression, age, disability, protected veteran status or on any other basis or characteristic prohibited by applicable federal, state or local law.

To learn more about working at CVS Health® and our colleague health and safety measures, access our [Benefits page](#) and [Employee & Consumer Rights commitment](#).

## 2023 Benefits highlights

10 free counseling sessions per issue, per year for every CVS Health colleague

Expanded doula coverage reimbursement from \$1,600 to \$10,000 a year as part of comprehensive family-building benefits

Added digital support for family building and heart health

Expanded infertility benefits to all enrolled colleagues

Provided on-site preventive care services at locations with over 500 colleagues, including vaccinations and mammograms

Over 11,000 colleagues participated in the CVS Health tuition assistance benefit in 2023, which provides tuition reimbursement of up to \$3,000 at any nationally accredited college or university

Retail colleagues comprised 50% of all tuition assistance benefit participants

3,400 colleagues participated in our expanded offerings of free degree programs offered by Capella University, Strayer University and Colorado Technical University, which include over 50 degree programs

A no-cost English Language Learning pilot program assisted distribution center colleagues

# Environmental data

## Energy and Emissions\*

CVS Health® is committed to reducing the impacts of our operations. More information on our programs and initiatives is detailed in our Healthy 2030 Impact Report [Healthy Planet section](#).

We have set ambitious goals and report on our progress annually. Learn more in [Tracking Our Progress](#).

Additional information on our climate-related progress, is available in our [Climate-related risks and opportunity disclosure](#).

## Energy Usage and Greenhouse Gas Data

### Total Energy Usage by Type (2021-2023)

Year	Electricity (Million MWh)	Natural Gas (Million Therms)	Propane & Oil (Therms)	Fuel Consumption (Million Gallons)**
2021	2.4	14.4	466,025	11.8
2022	2.2	22.5	551,822	5.9
2023	2.1	19.8	408,359	8.1

\*Oak Street Health, Signify Health and Cordavis are not included in the data throughout this section and will be included in future reports.

\*\*Scope 1 and 2 market-based method

## Progress Towards 1.5-degree Scopes 1 and 2 SBT 2021-2023, 2019 baseline

Year	Scopes 1 and 2 CO <sub>2</sub> e** (MT)	Reduction against baseline
2019	1,193,890	N/A
2021	1,070,042	-11%
2022	1,036,511	-13%
2023	983,724	-18%
2030 Target	570,349	-47%

## Intensity Metric

Year	Emissions Intensity** (mtCO <sub>2</sub> e/\$mil Revenue)
2023	2.75



## Environmental data

### GHG Emissions by Scope 2021–2023

A breakdown of Scope 1, 2 and 3 data are included below. The baseline year for data provided is 2019; the standards used are in accordance with the Greenhouse Gas Protocol published by the World Resources Institute and the World Business Council for Sustainable Development, as well as the Climate Registry’s General Reporting Protocol; and the consolidation approach is based on operational control.

#### GHG Emissions (Metric Tonnes of CO<sub>2</sub>e) 2021–2023, 2019 baseline

Scope 1 Breakdown	2023 Tonnes of CO <sub>2</sub> e	2023 % of total Scope 1 and 2 emissions	2022 Tonnes of CO <sub>2</sub> e	2022 % of total Scope 1 and 2 emissions	2021 Tonnes of CO <sub>2</sub> e	2021 % of total Scope 1 and 2 emissions	2019 Tonnes of CO <sub>2</sub> e	2019 % of total Scope 1 and 2 emissions
Scope 1 Total	269,225	27%	250,022	24%	188,257	18%	157,199	13%
Natural Gas	105,245	11%	120,005	12%	76,472	7%	77,664	7%
Other Fuels	2,732	0%	3,073	0%	3,006	0%	3,104	0%
Corporate Fleets	34,850	4%	19,190	2%	9,133	1%	8,861	1%
Private Delivery Fleet	33,567	3%	31,385	3%	30,763	3%	30,250	3%
Refrigerants	85,330	8%	71,098	7%	65,946	6%	30,681	3%
Air Fleet	7,501	1%	5,271	1%	3,016	0%	6,639	1%

Scope 2* Breakdown	2023 Tonnes of CO <sub>2</sub> e	2023 % of total Scope 1 and 2 emissions	2022 Tonnes of CO <sub>2</sub> e	2022 % of total Scope 1 and 2 emissions	2021 Tonnes of CO <sub>2</sub> e	2021 % of total Scope 1 and 2 emissions	2019 Tonnes of CO <sub>2</sub> e	2019 % of total Scope 1 and 2 emissions
Scope 2 Total (market-based)	714,499	73%	786,489	76%	881,786	82%	1,036,690	87%
Scope 2 Total (location-based)	718,743	N/A	795,681	N/A	842,057	N/A	1,024,682	N/A
Scope 1 and 2 Total (market-based)	983,724	100%	1,036,511	100%	1,070,042	100%	1,193,890	100%

\*Scope 2 emissions are based on purchased electricity, steam, and chilled water.

## Environmental data

Scope 3 Breakdown	2023 Tonnes of CO <sub>2</sub> e	2023 % of total Scope 3 emissions	2022 Tonnes of CO <sub>2</sub> e	2022 % of total Scope 3 emissions	2021 Tonnes of CO <sub>2</sub> e	2021 % of total Scope 3 emissions	2019 Tonnes of CO <sub>2</sub> e	2019 % of total Scope 3 emissions
Scope 3 Total	10,448,640	100%	14,284,896	100%	8,833,505	100%	24,608,123	100%
1. Purchased Goods and Services	9,113,142	87%	12,959,465	91%	7,636,483	86.4%	23,184,944	94%
2. Capital Goods	179,504	2%	171,511	1%	811,709	9%	1,011,730	4%
3. Fuel and Energy Related Activities	287,866	3%	306,957	2%	50,881	1%	51,657	0.2%
4. Upstream Transportation <sup>1,2</sup>	230,116	2%	247,807	2%	N/A	N/A	N/A	N/A
5. Waste	129,925	1%	103,198	1%	132,727	2%	116,374	0.5%
6. Business Travel	51,758	0.5%	38,545	0.3%	28,826	0.3%	106,796	0.4%
Business Air Travel	17,369	N/A	11,011	N/A	6,000	N/A	77,964	N/A
Rental Cars	6,972	N/A	5,909	N/A	3,382	N/A	10,199	N/A
Personal Cars	24,626	N/A	19,303	N/A	19,444	N/A	18,632	N/A
Hotel Stays	2,709	N/A	2,256	N/A	0	N/A	0	N/A
Rail Travel	82	N/A	66	N/A	0	N/A	0	N/A
7. Employee Commuting	436,239	4%	437,707	3%	20,404	0.2%	20,400	0.1%
8. Upstream Leased Assets	20,090	0.2%	19,706	0.1%	N/A	N/A	N/A	N/A
9. Downstream Transportation & Distribution <sup>1</sup>	N/A	N/A	N/A	N/A	152,475	1.7%	116,222	0.5%
10. Processing of Sold Products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1 Due to a comprehensive review of the inventory, what was previously included in Category 9 has been updated to be reported under Category 4. This category includes all middle mile and outbound transportation services (emissions from transportation of products to retail outlets through dedicated third party fleets) that are paid for by CVS Health®.

2 Due to a refinement in emissions factors, our methodology for Category 4 has been updated for 2023 reporting and we have restated our 2022 figure.

## Environmental data

Scope 3 Breakdown continued	2023 Tonnes of CO <sub>2</sub> e	2023 % of total Scope 3 emissions	2022 Tonnes of CO <sub>2</sub> e	2022 % of total Scope 3 emissions	2021 Tonnes of CO <sub>2</sub> e	2021 % of total Scope 3 emissions	2019 Tonnes of CO <sub>2</sub> e	2019 % of total Scope 3 emissions
11. Use of Sold Products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12. End-of-Life of Sold Products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13. Downstream Leased Assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14. Franchises	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15. Investments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

# Environmental data

## Waste Data

### Regulated Waste Disposal Methods 2021-2023<sup>1</sup>

Waste Disposal Methods	2023 Waste in Tonnes	2023 %	2022 Waste in Tonnes	2022 %	2021 Waste in Tonnes*	2021 %*
Total Waste Generated	5,561	100%	9,606	100%	5,640	100%
Total Hazardous <sup>2</sup>	2,141	39%	5,277	55%	N/A	N/A
Total Non-Hazardous <sup>3</sup>	2,798	50%	3,447	36%	N/A	N/A
Total Regulated Medical Waste (RMW)	621	11%	881	9%	N/A	N/A
Waste Reused	0.5	0%	0.2	0%	0.2	0%
Total Hazardous	0	0%	0	0%	N/A	N/A
Total Non-Hazardous	0.5	100%	0.2	100%	N/A	N/A
Total Regulated Medical Waste (RMW)	0	0%	0	0%	N/A	N/A
Waste Recycled	2,376	43%	5,631	45%	1,780	32%
Total Hazardous	1,271	53%	3,787	67%	N/A	N/A
Total Non-Hazardous	512	22%	964	17%	N/A	N/A
Total Regulated Medical Waste (RMW)	594	25%	880	16%	N/A	N/A

\*We have re-categorized our waste disposal reporting for clarity. 2021 historical data in these categories is unavailable.

<sup>1</sup> Percentages that do not total 100 percent are due to rounding.

<sup>2</sup> The waste categories included are hazardous waste and hazardous pharmaceutical waste.

<sup>3</sup> The waste categories included are non-hazardous regulated waste, non-hazardous pharmaceutical waste, and organics.

## Environmental data

### Waste Data

#### Regulated Waste Disposal Methods 2021-2023<sup>1</sup>

Waste Disposal Methods	2023 Waste in Tonnes	2023 %	2022 Waste in Tonnes	2022 %	2021 Waste in Tonnes*	2021 %
Waste Incinerated with energy recovery	1,979	36%	2,094	35%	2,430	43%
Total Hazardous	0	0%	0	0%	N/A	N/A
Total Non-Hazardous	1,979	100%	2,094	100%	N/A	N/A
Total Regulated Medical Waste (RMW)	0	0%	0	0%	N/A	N/A
Waste Incinerated without energy recovery	1,182	21%	1,796	19%	1,780	20%
Total Hazardous	870	74%	1,485	83%	N/A	N/A
Total Non-Hazardous	285	24%	311	17%	N/A	N/A
Total Regulated Medical Waste (RMW)	27	2%	0.3	0%	N/A	N/A
Waste to Landfill	23	0.4%	84	0.9%	291	5%
Total Hazardous	1	4%	5	6%	N/A	N/A
Total Non-Hazardous	22	96%	79	94%	N/A	N/A
Total Regulated Medical Waste (RMW)	0	0%	0	0%	N/A	N/A

\*We have re-categorized our waste disposal reporting for clarity. 2021 historical data in these categories is unavailable.

## Environmental data

### Recycling Figures 2023

**50%**

overall diversion rate for 2023. This means we diverted half of all waste away from the landfill for the year.

**175,885**

tons were recycled through all programs at retail stores, corporate offices and distribution centers (including Coram®, CVS Caremark® and Omnicare®)

**7.4**

tons of plastic bags were diverted from landfills to our plastic bag recycling program

**1,839**

tons of white paper

**1.3**

tons of plastic bottles and cans

**7**

tons of mixed paper

### Water Data

#### Water Use Intensity Measurement (2021-2023)

Year	Total Water Usage (ML)	SF of Retail Space (Millions)	Normalized Water Usage (Per SF of Retail Space in ML)
2021	5,728	79.9	0.000072
2022	6,303	78.9	0.00008
2023	5,017	76.2	0.000066

# Protecting data privacy and upholding information security

Safeguarding the data and information we receive about our members, patients, customers and colleagues is of the utmost importance to us. Under the leadership of our chief privacy officer, we regularly 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. We ensure consistent, transparent, accountable, compliant, secure and ethical use of Artificial Intelligence (AI) technology across the enterprise.

Our Information Security program, led by our Chief Information Security Officer, works to ensure that CVS Health® has implemented comprehensive defensive controls to protect our company, customers and colleagues. All colleagues are required to complete security and privacy training annually. These trainings cover a range of topics to ensure all colleagues understand their responsibility to safeguard data and how to apply best practices when using technology.

We continue to make significant investments in our cybersecurity program, modernizing our capabilities and accelerating our ability to adapt to a changing cyber landscape. Our team of cybersecurity experts uses advanced protection technologies to identify, detect and respond to cyber threats. An example is our deployment of a significant number of machine learning models to detect complex threats. Through planned scenarios, our teams regularly practice responding to different types of attacks.

Our robust cybersecurity program enables business resiliency. We continuously monitor our third parties' ability to deliver services securely, and we are building zero trust principles into our operating models.

We collaborate across the health care, retail and financial services sectors through participation in Information Sharing and Analysis Centers (ISACs) that allow us to collaborate with both corporate and government entities to create a stronger joint defense.

We continue to build digital trust into our omnichannel customer experiences through integrated data security and privacy safeguards.

# Global Reporting Initiative (GRI) Index

The 2023 CVS Health® Healthy 2030 Impact Report has been developed in accordance with the GRI Standards (2021) for the period from January 1, 2023 to December 31, 2023. CVS Health also supports the Culture of Health for Business Framework, which was developed in 2019 by a group of leading companies, nonprofits and academia with support from the Robert Wood Johnson Foundation. Disclosures reflected within that Framework are included within our GRI Index disclosures.





# GRI Index

## Organizational & Reporting

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
2-1	Organization details	<p>Corporate Profile, p. 3, 2023 Healthy 2030 Impact Report Appendix</p> <p>CVS Health® Corporation is a publicly traded corporation on the New York Stock Exchange.            Ticker Symbol: CVS</p> <p>Corporate Headquarters is located at:            CVS Health            One CVS Drive            Woonsocket, RI 02895</p>
2-2	Entities included in the organization's sustainability reporting	<p>About this Report, p. 40, 2023 Healthy 2030 Impact Report</p> <p><a href="#">2023 Proxy Statement</a></p>
2-3	Reporting period, frequency and contact point	<p>About this Report, p. 40, 2023 Healthy 2030 Impact Report</p> <p>Reporting period covers calendar year 2023, January 1–December 31, 2023</p> <p>Both sustainability and financial reporting cycles at CVS Health run on a calendar year. Report publication, April 5, 2024</p> <p><a href="mailto:CSR@CVSHealth.com">CSR@CVSHealth.com</a></p> <p>CVS Health Corporation            Attn: SVP and CSO, Corporate Social Responsibility &amp; Philanthropy            One CVS Drive, Woonsocket, RI 02895  <a href="tel:401-765-1500">401-765-1500</a></p>
2-4	Restatements of information	<p>In 2023, we undertook a comprehensive review of our GHG emissions methodology in alignment with the GHG Protocol published by the WRI and WBCSD. As a result of this review, new sources of Scope 3 emissions have been included and the prior datasets have been refined and restated.</p>
2-5	External Assurance	<p>This report has been externally assured and verified by an independent third party. CVS Health carbon footprint and water data from 2016-2023 has been externally assured. The Healthy 2030 impact report appendix has also been reviewed and assured to the AA1000 standard. Prior reports have also been reviewed and assured to the AA1000 standard. Verification statements are available on our <a href="#">report archives website</a>. The Company may consider having additional content and data in its future Healthy 2030 Impact Reports externally assured.</p>
2-6	Activities, value chain and other business relationships	<p>Corporate Profile, p. 3, 2023 Healthy 2030 Impact Report Appendix</p> <p><a href="#">Creating Value</a></p> <p>About this Report, p. 40, 2023 Healthy 2030 Impact Report</p> <p><a href="#">CVS Health Form 10-K</a></p>

## Organizational & Reporting (continued)

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
2-7	Employees	All work is performed by our company's employees, with a large majority of them performing retail-related duties and are located primarily in the U.S. Human Capital and Diversity Data, p. 17, 2023 Healthy 2030 Impact Report Appendix
2-8	Workers who are not employees	Human Capital and Diversity Data, p. 17, 2023 Healthy 2030 Impact Report Appendix About this Report, p. 40, 2023 Healthy 2030 Impact Report Requirements 2-8-b and 2-8-c: We do not publicly disclose this data. CVS Health contractors are not included within the boundaries of our reporting as they are considered employees of the respective organizations we do business with.

## Governance

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
2-9	Governance structure and composition	Healthy 2030 Impact Strategy and Governance, p. 4, 2023 Healthy 2030 Impact Report Appendix Committees of the Board, <a href="#">2023 Proxy Statement</a>
2-10	Nomination and the selection of the highest governance body	<a href="#">CVS Health Corporate Governance Guidelines</a>
2-11	Chair of the highest governance body	Board Structure and Processes, <a href="#">2023 Proxy Statement</a> Roger N. Farah serves as Independent Chair of our Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	Healthy 2030 Impact Strategy and Governance, p. 4, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix <a href="#">2023 Proxy Statement</a>
2-13	Delegation of responsibility for managing impacts	Healthy 2030 Impact Strategy and Governance, p. 4, 2023 Healthy 2030 Impact Report Appendix
2-14	Role of the highest governance body in sustainability reporting	Healthy 2030 Impact Strategy and Governance, p. 4, 2023 Healthy 2030 Impact Report Appendix About this Report, p. 40, 2023 Healthy 2030 Impact Report
2-15	Conflicts of interest	Related Person Transaction Policy, <a href="#">2023 Proxy Statement</a> <a href="#">CVS Health Investors Corporate Governance Guidelines</a> <a href="#">CVS Health Code of Conduct</a>

# GRI Index

## Governance (continued)

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
2-16	Communication of critical concerns	Healthy 2030 Impact Strategy and Governance, p. 4, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix Information unavailable/incomplete. There are many ways in which critical concerns of stakeholders are brought to our Board of Directors. Our President and CEO and executive leadership team bring these issues to our Board on an ongoing basis
2-17	Collective knowledge of the highest governance body	Committees of the Board, <a href="#">2023 Proxy Statement</a> <a href="#">CVS Health Corporate Governance Guidelines</a>
2-18	Evaluation of the performance of the highest governance body	<a href="#">CVS Health Corporate Governance Guidelines</a>
2-19	Remuneration policies	Compensation Discussion and Analysis, <a href="#">2023 Proxy Statement</a> <a href="#">CVS Health Corporate Governance Guidelines</a> Strategy and Governance, p. 4, 2023 Healthy 2030 Impact Report Appendix
2-20	Process to determine remuneration	Compensation Discussion and Analysis, <a href="#">2023 Proxy Statement</a> CVS Health Corporate Governance Guidelines
2-21	Annual total compensation ratio	Compensation Discussion and Analysis, <a href="#">2023 Proxy Statement</a>

## Strategy

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
2-22	Statement on sustainable development strategy	Letter from Chief Executive Officer and Chair of the Board, p. 3, 2023 Healthy 2030 Impact Report Letter from Chief Sustainability Officer, p. 4, 2023 Healthy 2030 Impact Report

# GRI Index

## Ethics and Integrity

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
2-23	Policy commitments	<p>All CVS Health® colleagues, members of its Board of Directors, and suppliers, are required to acknowledge receipt of the Code of Conduct and Human Rights Policy annually. Additionally, all colleagues must complete an annual Code of Conduct and Compliance training. In 2023, nearly 100% of active colleagues completed this training.</p> <p><a href="#">CVS Health Code of Conduct</a>  <a href="#">CVS Health Human Rights Policy</a></p>
2-24	Embedding policy commitments	<p>All CVS Health colleagues, members of its Board of Directors, and suppliers, are required to acknowledge receipt of the Code of Conduct and Human Rights Policy annually. Additionally, all colleagues must complete an annual Code of Conduct and Compliance training. In 2023, nearly 100% of active colleagues completed this training.</p> <p><a href="#">CVS Health Code of Conduct</a>  <a href="#">CVS Health Human Rights Policy</a></p>
2-25	Process to remediate negative impacts	<p><a href="#">CVS Health Human Rights Policy</a>  <a href="#">CVS Health Code of Conduct</a>            CVS Health Ethics Line 1-877-CVS-2040</p>
2-26	Mechanisms for seeking advice and raising concerns	<p><a href="#">CVS Health Code of Conduct</a>            CVS Health Ethics Line 1-877-CVS-2040</p>
2-27	Compliance with laws and regulations	<p><a href="#">CVS Health Form 10-K</a>            Any significant instances of noncompliance with laws and regulations and material fines in the current and prior reporting periods are set forth in our annual reports on Forms 10-K filed with the SEC, which include our audited financial statements.</p>
2-28	Membership associations	Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix

## Stakeholder Engagement

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
2-29	Approach to stakeholder engagement	Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
2-30	Collective bargaining agreements	<p>As of December 31, 2023, 5% of employees were covered by collective bargaining agreements.</p> <p>CVS Health has very good relations with the unions that represent our employees. We have successfully negotiated over 15 collective bargaining agreements over the past three years covering thousands of union employees, with no work disruptions. For example, in the fall of 2021, CVS Health finalized a successor collective bargaining agreement with union locals representing employees in California. Through good faith negotiations we were able to address the concerns of our employees related to health care costs, store safety and wages, and the final agreement was endorsed by all of the unions and overwhelmingly ratified by our employees within a month of a petition that we received.</p>

## Material Topics

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-1	Process to determine material topics	<p>About this Report, p. 40, 2023 Healthy 2030 Impact Report</p> <p>Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix</p> <p>Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix</p>
3-2	List of material topics	Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix
3-3	Management of material topics	<p>Healthy 2030 Impact Strategy and Governance, p. 4, 2023 Healthy 2030 Impact Report Appendix</p> <p>Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix</p> <p>Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix</p>

## 201: Economic Performance

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	Healthy 2030 Impact Strategy and Governance, p. 4, 2023 Healthy 2030 Impact Report Appendix Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
201-1	Direct economic value generated and distributed	Corporate Profile, p. 3, 2023 Healthy 2030 Impact Report Appendix CVS Health® does not currently capture EVG&D data by country/region/market levels.
201-2	Financial implications and other risks and opportunities due to climate change	Climate-Related Risks and Opportunity Disclosure, p. 74, 2023 Healthy 2030 Impact Report Appendix <a href="#">2023 CDP Climate Change</a>
201-3	Defined benefit plan obligations and other retirement plans	CVS Health considers these data points to be confidential.
201-4	Financial assistance received from government	CVS Health considers these data points to be confidential.

## 202: Market Presence

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-1	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Human Capital and Diversity Data, p. 17, 2023 Healthy 2030 Impact Report Appendix As a company with a national footprint, we have broken this data out by state. Gender wage data is considered confidential.
202-2	Proportion of senior management hired from the local community	100% of senior leaders at Vice President and above live in the United States. Local community is defined by country

## GRI Index

### 203: Indirect Economic Impacts

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
203-1	Infrastructure investments and services supported	In 2023, we provided more than \$286M in philanthropic giving. Healthy Community, p. 25, 2023 Healthy 2030 Impact Report Corporate Profile, p. 3, 2023 Healthy 2030 Impact Report Appendix In 2023, CVS Health® invested \$226M in affordable housing and \$1.6B since inception.
203-2	Significant indirect economic impacts	Healthy Business, p. 15, 2023 Healthy 2030 Impact Report

### 204: Procurement Practices

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
204-1	Proportion of spending on local suppliers	In 2023, more than \$161 million was spent on diverse and small business suppliers located in Rhode Island and Connecticut. Total procurement spend is confidential.

# GRI Index

## 205: Anti-Corruption

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
205-1	Operations assessed for risks related to corruption	Social Compliance Audit Summary, p. 28-30, 2023 Healthy 2030 Impact Report Appendix
205-2	Communication and training about anti-corruption policies and procedures	100% of CVS Health® colleagues are required to acknowledge receipt of the Code of Conduct and complete an annual Code of Conduct and Compliance training. Members of our Board of Directors, when doing work for CVS Health, as well as our supplier partners, are also governed by the Code of Conduct. <a href="#">Code of Conduct</a>
205-3	Confirmed incidents of corruption and actions taken	Social Compliance Audit Summary, p. 28-30, 2023 Healthy 2030 Impact Report Appendix

## 206: Anti-Competitive Behavior

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	CVS Health considers these data points confidential.



# GRI Index

## 301: Materials

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
301-1	Materials used by weight or volume	In 2023, we used 55,000 metric tons of plastics. 9% contained PCR content. Tracking Our Progress, p. 15, 2023 Healthy 2030 Impact Report Appendix Healthy Planet, p. 37-39, 2023 Healthy 2030 Impact Report <a href="#">ReSource: Plastic Progress Report</a>
301-2	Recycled input materials used	In 2023, we used 55,000 metric tons of plastics. 9% contained PCR content. Tracking Our Progress, p. 15, 2023 Healthy 2030 Impact Report Appendix Healthy Planet, p. 37-39, 2023 Healthy 2030 Impact Report <a href="#">ReSource: Plastic Progress Report</a>
301-3	Reclaimed products and their packaging materials	In 2023, we used 55,000 metric tons of plastics. 9% contained PCR content. Tracking Our Progress, p. 15, 2023 Healthy 2030 Impact Report Appendix Healthy Planet, p. 37-39, 2023 Healthy 2030 Impact Report <a href="#">ReSource: Plastic Progress Report</a>

# GRI Index

## 302: Energy

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
302-1	Energy consumption within the organization	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 32, 2023 Healthy 2030 Impact Report Appendix <a href="#">CVS Health annual CDP Submission</a> Energy Consumption (Global), p. 61, 2023 Healthy 2030 Impact Report Appendix
302-2	Energy consumption outside of the organization	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 32, 2023 Healthy 2030 Impact Report Appendix <a href="#">CVS Health annual CDP Submission</a> Energy Consumption (Global), p. 61, 2023 Healthy 2030 Impact Report Appendix
302-3	Energy intensity	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 32, 2023 Healthy 2030 Impact Report Appendix <a href="#">CVS Health annual CDP Submission</a> Energy Consumption (Global), p. 61, 2023 Healthy 2030 Impact Report Appendix
302-4	Reduction of energy consumption	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 32, 2023 Healthy 2030 Impact Report Appendix <a href="#">CVS Health annual CDP Submission</a> Energy Consumption (Global), p. 61, 2023 Healthy 2030 Impact Report Appendix
302-5	Reductions in energy requirements of products and service	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 32, 2023 Healthy 2030 Impact Report Appendix <a href="#">CVS Health annual CDP Submission</a> Energy Consumption (Global), p. 61, 2023 Healthy 2030 Impact Report Appendix

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## 303: Water & Effluents

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
303-1	Interactions with water as a shared resource	Water Use Intensity Measurement, Environmental Data, p. 38, 2023 Healthy 2030 Impact Report Appendix Water Management, p. 62, 2023 Healthy 2030 Impact Report Appendix <a href="#">CVS Health annual CDP Water Security Submission</a>
303-2	Management of water discharge-related impacts	Water Use Intensity Measurement, Environmental Data, p. 38, 2023 Healthy 2030 Impact Report Appendix Water Management, p. 62, 2023 Healthy 2030 Impact Report Appendix <a href="#">CVS Health annual CDP Water Security Submission</a>
303-3	Water withdrawal	Water Use Intensity Measurement, Environmental Data, p. 38, 2023 Healthy 2030 Impact Report Appendix Water Management, p. 62, 2023 Healthy 2030 Impact Report Appendix <a href="#">CVS Health annual CDP Water Security Submission</a> A breakdown of water withdrawals from freshwater sources is not available.
303-4	Water discharge	Not applicable: Nearly all of our water is discharged to local municipal treatment plants or to groundwater from irrigation; a small subset of sites, about 105, discharge into local septic systems. The rest discharges into municipal sewers.
303-5	Water consumption	Not applicable: We do not store water.

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## 305: Emissions

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
305-1	Direct (Scope 1) GHG emissions	GHG Emissions, Environmental Data, p. 33, 2023 Healthy 2030 Impact Report Appendix CO2, CH4, N2O, and HFCs are included in our GHG calculations
305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions, Environmental Data, p. 33, 2023 Healthy 2030 Impact Report Appendix CO2, CH4, N2O, and HFCs are included in our GHG calculations
305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions, Environmental Data, p. 34-35, 2023 Healthy 2030 Impact Report Appendix
305-4	Water discharge	GHG Emissions, Environmental Data, p. 38, 2023 Healthy 2030 Impact Report Appendix <a href="#">CDP Climate Change</a>
305-5	Reduction of GHG emissions	GHG Emissions, Environmental Data, p. 32, 2023 Healthy 2030 Impact Report Appendix
305-6	Emissions of ozone-depleting substances (ODS)	Not Applicable: CVS Health® determined not material.
305-7	oxides (NOx), sulfur oxides (Sox), and other significant air emissions	Not Applicable: CVS Health determined not material.

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## 306: Waste

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
306-1	Direct (Scope 1) GHG emissions	Regulated Waste Disposal Methods, p. 36-37, 2023 Healthy 2030 Impact Report Appendix Embedding Sustainability at Retail, Meeting Ambitious Sustainable Packaging Goals, p. 37, 2022 ESG Report Reducing Waste and Expanding Recycling, p. 118-119, 2020 CSR Report Decreasing Waste, Increasing Recycling, p. 100-104, 2019 CSR Report Minimizing Waste and Increasing Recycling, p. 69-71, 2018 CSR Report
306-2	Energy indirect (Scope 2) GHG emissions	Regulated Waste Disposal Methods, p. 36-37, 2023 Healthy 2030 Impact Report Appendix Recycling Impact, p. 38, 2023 Healthy 2030 Impact Report Appendix
306-3	Other indirect (Scope 3) GHG emissions	Regulated Waste Disposal Methods, p. 36-37, 2023 Healthy 2030 Impact Report Appendix Recycling Impact, p. 38, 2023 Healthy 2030 Impact Report Appendix
306-4	Water discharge	Regulated Waste Disposal Methods, p. 36-37, 2023 Healthy 2030 Impact Report Appendix Recycling Impact, p. 38, 2023 Healthy 2030 Impact Report Appendix
306-5	Reduction of GHG emissions	Regulated Waste Disposal Methods, p. 36-37, 2023 Healthy 2030 Impact Report Appendix Recycling Impact, p. 38, 2023 Healthy 2030 Impact Report Appendix

## 308: Supplier Environmental Assessment

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
308-1	New suppliers that were screened using environmental criteria	CVS Health® includes environmental guidance in supplier requests for proposals. We also evaluated suppliers of our store brand products for environmental criteria through our social compliance program. CVS Health and suppliers are engaged in legal agreements and therefore subject to confidentiality.
308-2	Negative environmental impacts in the supply chain and actions taken	CVS Health and suppliers are engaged in legal agreements and therefore subject to confidentiality.

# GRI Index

## 401: Employment

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
401-1	New employee hires and employee turnover	Employee Recruitment, Development & Retention, p. 25-26, 2023 Healthy 2030 Impact Report Appendix Job security and pay practices data, p. 25-27, 2023 Healthy 2030 Impact Report Appendix
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">CVS Health Benefits</a>
401-3	Parental leave	<a href="#">Occupational Health and Safety Statement</a> <a href="#">CVS Health Code of Conduct</a> Human Capital and Diversity Data, p. 17, 2023 Healthy 2030 Impact Report Appendix

## 403: Occupational Health and Safety

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
403-1	Occupational health and safety management system	<a href="#">Occupational Health and Safety Statement</a> <a href="#">CVS Health Code of Conduct</a> Human Capital and Diversity Data, p. 23, 2023 Healthy 2030 Impact Report Appendix
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Occupational Health and Safety Statement</a> <a href="#">CVS Health Code of Conduct</a> Human Capital and Diversity Data, p. 23, 2023 Healthy 2030 Impact Report Appendix
403-3	Occupational health services	<a href="#">Occupational Health and Safety Statement</a> <a href="#">CVS Health Code of Conduct</a> Human Capital and Diversity Data, p. 23, 2023 Healthy 2030 Impact Report Appendix

## 403: Occupational Health and Safety continued

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Occupational Health &amp; Safety Statement</a> <a href="#">CVS Health Code of Conduct</a> Human Capital and Diversity Data, p. 23, 2023 Healthy 2030 Impact Report Appendix
403-5	Worker training on occupational health and safety	<a href="#">Occupational Health &amp; Safety Statement</a> <a href="#">CVS Health Code of Conduct</a> Human Capital and Diversity Data, p. 23, 2023 Healthy 2030 Impact Report Appendix
403-6	Promotion of worker health	Colleague Safety and Well-being, p. 31, 2023 Healthy 2030 Impact Report Appendix <a href="#">Occupational Health &amp; Safety Statement</a> <a href="#">Total Rewards</a>
403-7	Prevention and mitigation of occupational health and safety impact directly linked by business relationships	<a href="#">Occupational Health &amp; Safety Statement</a> <a href="#">CVS Health Code of Conduct</a> Human Capital and Diversity Data, p. 23, 2023 Healthy 2030 Impact Report Appendix
403-8	Workers covered by an occupational health and safety management system	<a href="#">Occupational Health &amp; Safety Statement</a> <a href="#">CVS Health Code of Conduct</a> Human Capital and Diversity Data, p. 23, 2023 Healthy 2030 Impact Report Appendix
403-9	Work-related injuries	Occupational Data, p. 23, 2023 Healthy 2030 Impact Report Appendix
403-10	Work-related ill health	Occupational Data, p. 23, 2023 Healthy 2030 Impact Report Appendix

# GRI Index

## 404: Training and Education

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
404-1	Average hours of training per year per employee	Employee Engagement Data, p. 24, 2023 Healthy 2030 Impact Report Appendix
404-2	Programs for upgrading employee skills and transition assistance programs	Healthy Business, p. 15, 2023 Healthy 2030 Impact Report Healthy Community, p. 25, 2023 Healthy 2030 Impact Report
404-3	Percentage of employees receiving regular performance and career development reviews	CVS Health® considers these data points confidential.

## 405: Diversity and Equal Opportunity

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
405-1	Diversity of governance bodies and employees	Human Capital and Diversity Data, p. 17, 2023 Healthy 2030 Impact Report Appendix Director Qualification Criteria Diversity, <a href="#">2023 Proxy Statement</a>
405-2	Ratio of basic salary and remuneration of women to men	CVS Health considers these data points confidential.



# GRI Index

## 406: Non-Discrimination

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
406-1	Incidents of discrimination and corrective actions taken	We have robust policies and avenues in place for reporting grievances or violations of our <a href="#">Code of Conduct</a> . The Company investigates all reports of wrongdoing and handles appropriately. We do not disclose further details on incidents as this information is considered confidential.

## 407: Freedom of Association and Collective Bargaining

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	All factories within scope for our Ethical Sourcing & Customs Trade Partnership Against Terrorism (CTPAT) Compliance Program are considered to have risk for the right to freedom of association and collective bargaining to be at risk. Social Compliance Audit Summary, p. 28-30, 2023 Healthy 2030 Impact Report Appendix <a href="#">Human Rights Policy</a> <a href="#">Code of Conduct</a>

## 408: Child Labor

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
408-1	Operations and suppliers at significant risk for incidents of child labor	All factories within scope for our Ethical Sourcing & Customs Trade Partnership Against Terrorism (CTPAT) Compliance Program are considered to have significant risk for incidents of child labor. Social Compliance Audit Summary, p. 28-30, 2023 Healthy 2030 Impact Report Appendix <a href="#">Human Rights Policy</a>

# GRI Index

## 409: Forced or Compulsory Labor

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	All factories within scope for our Ethical Sourcing & Customs Trade Partnership Against Terrorism (CTPAT) Compliance Program are considered to have significant risk for incidents of forced or compulsory labor. Social Compliance Audit Summary, p. 28-30, 2023 Healthy 2030 Impact Report Appendix <a href="#">Human Rights Policy</a>

## 410: Security Practices

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
410-1	Percentage of security personnel who have received formal training in the organization's human rights policies	100% of colleagues must undergo annual Code of Conduct and Compliance training. <a href="#">Human Rights Policy</a>

## 413: Local Communities

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate Profile, p. 3, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Healthy Community, p. 25, 2023 Healthy 2030 Impact Report
413-2	Operations with significant actual and potential negative impacts on local communities	Corporate Profile, p. 3, 2023 Healthy 2030 Impact Report Stakeholder Engagement, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Healthy Community, p. 25, 2023 Healthy 2030 Impact Report

# GRI Index

## 414: Supplier Social Assessment

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
414-1	New suppliers that were screened using social criteria	All suppliers within scope for our Ethical Sourcing & Customs Trade Partnership Against Terrorism (CTPAT) Compliance Program are required to undergo risk-based audits. Social Compliance Audit Summary, p. 28-30, 2023 Healthy 2030 Impact Report Appendix
414-2	Negative social impacts in the supply chain and actions taken	All suppliers within scope for our Ethical Sourcing & Customs Trade Partnership Against Terrorism (CTPAT) Compliance Program are required to undergo risk-based audits. Social Compliance Audit Summary, p. 28-30, 2023 Healthy 2030 Impact Report Appendix

## 415: Public Policy

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
415-1	Political contributions	<a href="#">2023 Political Activities and Contributions Report</a>

## 416: Customer Health and Safety

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
416-1	Assessment of the health and safety impacts of product and service categories	CVS Health® assesses 100% of our store brand products through our robust quality assurance processes. This includes the factory the product is manufactured in, as well as adherence to our <a href="#">Restricted Substances List</a> , <a href="#">Chemical Safety Policy</a> , and <a href="#">Responsible Palm Oil Policy</a> , among others.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	CVS Health considers this information confidential.

## GRI Index

### 417: Marketing and Labeling

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
417-1	Requirements for product and service information and labeling	Healthy Business, p. 24, 2023 Healthy 2030 Impact Report Healthy Planet, p. 38, 2023 Healthy 2030 Impact Report <a href="#">Tested to Be Trusted</a> <a href="#">Cosmetic Safety Policy</a> <a href="#">CVS Store Brand Restricted Substances List</a> <a href="#">Commitment to Responsible Marketing Practices</a>
417-2	Incidents of non-compliance concerning product and service information and labeling	CVS Health® considers this information confidential
417-3	Incidents of non-compliance concerning marketing communications	CVS Health® considers this information confidential

### 418: Customer Privacy

GRI Disclosure No.	GRI Disclosure Title	2023 CVS Health Response
3-3	Management of material topics	About this Report, p. 40, 2023 Healthy 2030 Impact Report Impact strategy prioritization assessment, p. 8-9, 2023 Healthy 2030 Impact Report Appendix Stakeholder Engagement, p. 10-11, 2023 Healthy 2030 Impact Report Appendix
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We publicly report breaches as required to the U.S. Department of Health and Human Services Office of Civil Rights. See <a href="#">Breach Portal</a> .

# Sustainability Accounting Standards Board (SASB) Index

## Environment, Energy Consumption (Global)

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Consumer Goods	Multiline and Specialty Retailers & Distributors	CG-MR-130a.1	Total energy	10,657,767 GJ
Consumer Goods	Multiline and Specialty Retailers & Distributors	CG-MR-130a.1	Proportion of power use from renewable sources	0.02%
Consumer Goods	Multiline and Specialty Retailers & Distributors	CG-MR-130a.1	Proportion of power use from grid electricity	99.98%
Food & Beverage	Food Retailers & Distributors	FB-FR-130a.1	Operational energy consumed	7,413,346 GJ
Food & Beverage	Food Retailers & Distributors	FB-FR-110a.1	Fleet fuel consumed, percentage renewable	998,317 GJ, 3.58%

## Air Emissions from Refrigeration

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Food & Beverage	Food Retailers & Distributors	FB-FR-110b.1	Gross global scope 1 emissions from refrigerants	85,330 Mt CO <sub>2</sub> e
Food & Beverage	Food Retailers & Distributors	FB-FR-110b.2	Percentage of refrigerants consumed with zero ozone-depleting potential	91%

# SASB Index

## Water Management

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Consumer Goods	Household & Personal Products	CG-HP-140a.1	Total water withdrawn	5,016,670 m <sup>3</sup>
Consumer Goods	Household & Personal Products	CG-HP-140a.1	Percent water withdrawn in regions with High or Extremely High Baseline Water Stress	17%
Consumer Goods	Household & Personal Products	CG-HP-140a.1	Total water consumed	831,000 m <sup>3</sup>
Consumer Goods	Household & Personal Products	CG-HP-140a.1	Percent water consumed in regions with High or Extremely High Baseline Water Stress	13%
Consumer Goods	Household & Personal Products	CG-HP-140a.2	Description of water management risks and discussion of strategies to mitigate those risks	<a href="#">Responsible Water Use Policy, CVS Health annual CDP Water Security Submission</a>

# SASB Index

## Waste Management

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
<b>Health Care</b>	<b>Health Care Delivery</b>	<b>HC-DY-150a.1</b>	<b>Total amount of medical waste (MT)</b>	<b>621</b>
Health Care	Health Care Delivery	HC-DY-150a.1	(1) Percent incinerated	4%
Health Care	Health Care Delivery	HC-DY-150a.1	(2) Percent recycled or treated	96%
Health Care	Health Care Delivery	HC-DY-150a.1	(3) Percent landfilled	0%
<b>Health Care</b>	<b>Health Care Delivery</b>	<b>HC-DY-150a.2</b>	<b>Total amount of hazardous pharmaceutical waste (MT)</b>	<b>744</b>
Health Care	Health Care Delivery	HC-DY-150a.2	(1) Percent incinerated	98.32%
Health Care	Health Care Delivery	HC-DY-150a.2	(2) Percent recycled or treated	1.68%
Health Care	Health Care Delivery	HC-DY-150a.2	(3) Percent landfilled	0%
<b>Health Care</b>	<b>Health Care Delivery</b>	<b>HC-DY-150a.2</b>	<b>Total amount of non-hazardous pharmaceutical waste (MT)</b>	<b>263</b>
Health Care	Health Care Delivery	HC-DY-150a.2	(1) Percent incinerated	100%
Health Care	Health Care Delivery	HC-DY-150a.2	(2) Percent recycled or treated	0%
Health Care	Health Care Delivery	HC-DY-150a.2	(3) Percent landfilled	0%

# SASB Index

## Systemic Risk Management

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Financials	Insurance	FN-IN-550a.3	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<a href="#">2023 Proxy Statement</a>

## Human Capital

### Employee Health & Safety

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Health Care	Health Care Delivery	HC-DY-320a.1	Total recordable incident rate (TRIR)	1.610 This data does not include temporary labor. Temporary labor contracts are such that the companies that provide temporary labor are responsible for reporting their own injuries.
Health Care	Health Care Delivery	HC-DY-320a.1	Days away, restricted, or transferred (DART) rate	Company-wide: 0.739 Retail: 0.953 Distribution Center: 5.160 This data does not include temporary labor. Temporary labor contracts are such that the companies that provide temporary labor are responsible for reporting their own injuries



## Employee Recruitment, Development & Retention

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
<b>Health Care</b>	<b>Health Care Delivery</b>	<b>HC-DY-330a.1</b>	<b>Physicians*</b>	
Health Care	Health Care Delivery	HC-DY-330a.1	(1) Voluntary turnover rate	5.4%
Health Care	Health Care Delivery	HC-DY-330a.1	(2) Involuntary turnover rate	0.5%
<b>Health Care</b>	<b>Health Care Delivery</b>	<b>HC-DY-330a.1</b>	<b>Non-physician health care practitioners</b>	
Health Care	Health Care Delivery	HC-DY-330a.1	(1) Voluntary turnover rate	13.9%
Health Care	Health Care Delivery	HC-DY-330a.1	(2) Involuntary turnover rate	1.3%
<b>Health Care</b>	<b>Health Care Delivery</b>	<b>HC-DY-330a.1</b>	<b>All other employees</b>	
Health Care	Health Care Delivery	HC-DY-330a.1	(1) Voluntary turnover rate	32.9%
Health Care	Health Care Delivery	HC-DY-330a.1	(2) Involuntary turnover rate	7.7%
Health Care	Health Care Delivery	HC-DY-330a.2	Description of talent recruitment and retention efforts for health care practitioners	<a href="#">Healthcare Careers Site</a>

\*Due to updates in internal role categorization, the physician role group for 2023 reporting includes both patient-facing and non-patient facing physicians.

# SASB Index

## Labor Practices - Management

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-310a.1	Average Hourly Wage	All colleagues: \$30.99
<b>Management</b>				
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage Female	56%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage White	64%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage Hispanic	9%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage Black	10%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage Asian	14%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage more than one ethnicity	2%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage unknown	1%

## Labor Practices - All other employees

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
<b>All other employees</b>				
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage Female	72%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage White	46%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage Hispanic	17%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage Black	19%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage Asian	12%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage more than one ethnicity	4%
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-330a.1	Percentage unknown	1%

# SASB Index

## Social Capital Data Security & Privacy

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Health Care	Drug Retailers Health Care Delivery	HC-DR-230a.1	Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)	Data Protection and Privacy, p. 39, 2023 Healthy 2030 Impact Report Appendix Our Privacy Policies can be found <a href="#">on our website</a> .
Consumer Goods	Multiline and Specialty Retailers & Distributors	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	Data Protection and Privacy, p. 39, 2023 Healthy 2030 Impact Report Appendix

## Management of Controlled Substances

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Health Care	Health Care Delivery	HC-DY-260a.1	Description of policies and practices to manage the number of prescriptions issued for controlled substances	<p>CVS Health® has made a commitment to help address the misuse of prescription opioids by designing programs and collaborating with community leaders, policymakers, law enforcement, health care professionals, and others to increase community-based educational programs related to opioid misuse, create safe prescription drug disposal sites, expand access to life-saving antidotes, and advocate for targeted and effective policies, locally and nationally.</p> <p>More information on our commitments to address the misuse of opioids is available <a href="#">on our website</a>.</p> <p>CVS Health has contracted with a patient safety organization, or "PSO," federally certified under the Patient Safety and Quality Improvement Act of 2005 for more than ten years, including with Enterprise Patient Safety Organization ("EPSO") since 2014. We've learned that cultivating a culture of safety is critical to improving patient safety and the quality of care our pharmacy teams provide, and we've committed to fostering such a culture throughout the organization. We do that in several ways, including through the Just Culture framework, which treats colleagues fairly, encouraging the reporting of errors within a protected environment without fear of punitive action. A Just Culture allows us to learn from our mistakes and work to continuously improve our systems to support pharmacy teams in providing patient care, in partnership with our PSO.</p> <p>We are committed to continually improving on our excellent safety record and we continue to make advances, including using technology to support our pharmacy teams.</p> <p>When we learn of a prescription error, the first priority of our pharmacy teams is caring for the patient, taking steps to correct the error, working with the patient and the prescriber. As noted previously, in the rare event of a dispensing error, we use the learnings from that event in our continuous quality improvement efforts.</p>

## Transparent Information & Fair Advice for Customers

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Financials	Insurance	FN-IN-270a.3	Customer retention rate	PBM Client Satisfaction 98% ; HCB Commercial Client Satisfaction 92% We do not disclose information specific to customer retention rates.

## Pricing & Billing Transparency

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Health Care	Health Care Delivery	HC-DY-270a.1	Description of policies or initiatives to ensure that patients are adequately informed about price before undergoing a procedure	<p>We believe that consumers should be in control of their own health care. A major component of this is promoting care in the lowest cost setting with health care professionals appropriately qualified and trained for the level of care needed. Treating non-urgent and minor ailments in retail clinics rather than hospital emergency rooms makes care more affordable and convenient for patients while ensuring that high-cost settings are available for those who truly need them. We also know that people are more likely to take their prescribed medications when they know they can afford them — and that can lead to better health outcomes. Company-wide, we're also committed to making prescriptions more affordable for more people. We offer a number of programs and services across our business that help patients, members and consumers access affordable care and provide transparency around pricing.</p> <p><a href="#">MinuteClinic Price List</a> / <a href="#">Prescription Drug Coverage</a> <a href="#">Prescription Drug Coverage</a> / <a href="#">Health Plans and Coverage</a></p>
Health Care	Health Care Delivery	HC-DY-270a.2	Discussion of how pricing information for services is made publicly available	<p>Transparency around the cost of drugs, services or coverage is critical to making healthier happen for the millions of patients we serve. Across our enterprise we offer robust tools and resources to help consumers find affordable, accessible, and quality care. For example, our Script Intelligence tool helps members save on out-of-pocket costs through actionable, up-to-the-minute, member-specific plan information across multiple points of care. Learn more on our <a href="#">website</a>.</p>

# SASB Index

## Product Environmental, Health, and Safety Performance

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Consumer Goods	Household & Personal Products	CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern	<a href="#">Removing Chemicals of Concern</a> <a href="#">Restricted Chemical List</a>

## Business Model and Innovation

### Policies Designed to Incentivize Responsible Behavior

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Financials	Insurance	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	<a href="#">Healthy 2030 Impact Report</a>

## Climate Change Impacts on Human Health and Infrastructure

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Health Care	Health Care Delivery	HC-DY-450a.1	Description of policies and practices to address the physical risks due to an increased frequency and intensity of extreme weather events	Climate-Related Risks and Opportunity Disclosure, p. 74, 2023 Healthy 2030 Impact Report Appendix

## Packaging Lifecycle Management

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Consumer Goods	Household & Personal Products	CG-HP-410a.1	Total weight of packaging	38,000 metric tons <a href="#">Transparent 2023: Annual ReSource: Plastic Progress Report</a>
Consumer Goods	Household & Personal Products	CG-HP-410a.1	Percentage made from recycled and/or renewable materials	Tracking our Progress, p. 15, 2023 Healthy 2030 Impact Report Appendix
Consumer Goods	Household & Personal Products	CG-HP-410a.1	Percentage that is recyclable, reusable, and/or compostable	Tracking our Progress, p. 15, 2023 Healthy 2030 Impact Report Appendix
Consumer Goods	Household & Personal Products	CG-HP-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	<p>In 2020, we joined the Sustainable Packaging Coalition's How2Recycle® program and began including detailed recycling icons and instructions on our store-brand product packaging to educate consumers on how to prepare product packaging for disposal. As of the end of 2023, we had added How2Recycle labeling to 63% of our store brand products. We continue to enhance the sustainability of our store brands product packaging, and have partnered with World Wildlife Fund (WWF) and ReSource: Plastic to reduce plastic waste and increase the sustainability of the materials being used within our packaging portfolio. We're focused on reducing use of single-use plastic and virgin materials and ensuring recyclability for all store brand products.</p> <p>In 2022, we were proud to join ReSource: Plastic as Principal Retail Member to support efforts to establish high standards on plastic sourcing for the retail industry. We also introduced robust packaging goals and report our progress annually in our <a href="#">Healthy 2030 Impact Report</a>.</p> <p>Tracking our Progress, p. 15-16, 2023 Healthy 2030 Impact Report</p>

## Product Sourcing, Packaging & Marketing

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	<p>We are committed to providing our customers with a range of sustainable and “Better for you” products that are efficacious and formulated in a way that inspires trust in our customers.</p> <p>Our suppliers adhere to our Store Brands Quality Assurance Agreement, which includes information about our restricted substances list and other requirements, which communicates our expectations to suppliers. We publicly share our <a href="#">restricted substances list</a>.</p>
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	<p>In 2020, we joined the Sustainable Packaging Coalition’s How2Recycle® program and began including detailed recycling icons and instructions on our store-brand product packaging to educate consumers on how to prepare product packaging for disposal. As of the end of 2023, we had added How2Recycle labeling to 63% of our store brand products. We continue to enhance the sustainability of our store brands product packaging, and have partnered with World Wildlife Fund (WWF) and ReSource: Plastic to reduce plastic waste and increase the sustainability of the materials being used within our packaging portfolio. We’re focused on reducing use of plastic and virgin materials and ensuring recyclability for all store brand products.</p> <p>In 2022, we were proud to join ReSource: Plastic as Principal Retail Member to support efforts to establish high standards on plastic sourcing for the retail industry. We also introduced robust packaging goals and report our progress annually in our <a href="#">Healthy 2030 Impact Report</a>.</p>



## Environmental and Social Impacts of Palm Oil Supply Chain

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Consumer Goods	Household Products	CG-HP-430a.1	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance or (d) Book & Claim	CVS Health® requires suppliers of CVS® store brand items that contain palm oil to be in compliance with the CVS Pharmacy® Palm Oil Policy requirements. In 2017 we set a goal that all suppliers of palm oil would be in compliance with this policy and this goal was met in early 2020. If a supplier is utilizing sustainably sourced palm oil via RSPO for their CVS store brand items, CVS Health allows our suppliers to utilize either physical supply chain options or RSPO Credits. When new store brand products contain palm oil, suppliers must demonstrate proof of required compliance with our <a href="#">Palm Oil Policy</a> .

## Activity Data

SASB Sector	SASB Industry	SASB Indicator	Topic	2023
Health Care	Drug Retailer	HC-DR-000.A	Number of pharmacy locations	9,629
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-000.A	Number of retail locations	9,442
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-000.A	Number of distribution centers	21
Health Care	Drug Retailer	HC-DR-000.A	Total area of retail space	7,072,418 m <sup>2</sup>
Consumer Goods	Multiline and Specialist Retailers & Distributors	CG-MR-000.A	Total area of distribution centers	934,529 m <sup>2</sup>
Health Care	Drug Retailer	HC-DR-000.A	Number of pharmacists	31,824

# Climate-related risks and opportunity disclosure

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- At CVS Health®, we believe that the health of our environment is inextricably linked to human health. We understand the impact that climate change and its potential impacts is having on the health of the environment and on human health. As such, we have set a goal to reduce our greenhouse gas (GHG) emissions by at least 47% by 2030 and achieve net zero emissions by 2050. We are proud to be one of the first companies in the world to have our net-zero targets validated by the Science-Based Targets initiative's (SBTi) net-zero methodology. We have also put processes in place to identify, assess, manage and monitor climate-related risks and opportunities as a leader in health care and make healthier happen for the millions of people we serve daily.
- In addition to our various climate targets and ambitions, we recognize that robust and transparent climate disclosures that detail the resilience of our business to climate change and its potential impacts are vital for our commitment to a healthy planet. We have embedded the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) within our strategy since 2021 and have submitted responses to the Climate Disclosure Project (CDP) since 2010. We understand that expectations on companies like CVS Health to prepare climate-related disclosures are growing, driven by emerging regulatory advances in various jurisdictions globally, including the United States.
  - Considering these growing expectations, we engaged key stakeholders across our business to both refresh and enhance our climate-related risk and opportunity disclosure and to continue improving our business' resilience to climate change and its potential impacts. Some of the outputs of these efforts are detailed in the sections below. In 2023, we advanced and strengthened our approach to identifying, assessing, managing and disclosing climate-related risks and opportunities by:
    - Undertaking a full climate disclosure review, including engaging with a range of CVS Health stakeholders to assess the alignment of our processes against the expectations of the TCFD, US Securities Exchange Commission (US SEC) proposed Climate Disclosure Rule, and International Financial Reporting Standards (IFRS) – International Sustainability Standards Board (ISSB)'s guidance on climate-related disclosures;
    - Enhancing our work on identifying, assessing and managing the impacts of climate change and its potential impacts, in line with best practices;
  - Engaging with CVS Health stakeholders, to assess the resilience of our business to climate change-related potential impacts using the latest era of data from leading sources, including the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), the Network for Greening the Financial Sector (NGFS), among others; and
  - Completing a pilot financial quantification of two climate-related issues (including the risk relating to an increase in extreme heat events, as well as the opportunity relating to using more efficient modes of transport) to understand the potential financial consequences of climate change-related potential impacts. This is in addition to quantifications completed in the prior year which assessed the potential financial implications of catastrophic coastal flooding, the results of which we believe are still relevant in the current year.
  - In the sections below, we explain the outcomes of these efforts, as well as how they build on our continued, ambitious work on climate change and its potential impacts across the four pillars of TCFD and IFRS – ISSB: Governance, Strategy, Risk Management, and Metrics and Targets.

# Governance

We understand the importance of strong governance when it comes to managing risks and capitalizing on opportunities. As such, climate-related issues are embedded into our existing governance processes across different levels of the business, from senior leaders and committees of the Board of Directors (“Board”), to business segments and individual facilities.

## The Board’s Oversight of Climate-Related Risks and Opportunities

Our Board oversees and guides the development of policies and initiatives related to sustainability and climate change. Our Board members possess relevant experience, skills and qualifications that allow the Board to effectively oversee the CVS Health strategy around, and management of, climate change. On the Board, seven of the thirteen board members have experience in corporate governance and sustainability, including climate change in a number of cases.

In having primary oversight for climate (including associated risks and opportunities) and sustainability topics at the Board level, the Nominating and Corporate Governance Committee is formally charged with the oversight of the CVS Health ESG strategy and performance, including on climate change. The Committee’s responsibilities include reviewing climate change reporting and risks, reviewing the annual Healthy 2030 Impact Report, monitoring progress against climate-related goals and targets, and ensuring that strategies have the necessary controls and mitigation programs to

manage climate-related risks and opportunities. Climate-related issues were discussed in two committee meetings in 2022 and two committee meetings in 2023 (in March and September).

The Audit Committee has oversight on enterprise risks (including climate- related topics and occurrences such as extreme weather events). As such, the Committee guides and reviews our risk management policies, including climate-related risk management policies, mitigation strategies and business plans. The Committee is involved with overseeing the Enterprise Risk Management (ERM) program, reviewing the assurance processes and other controls and procedures for our ESG disclosures and for the periodic review of programs focused on maintaining the resilience of the organization. Through its oversight of ERM, the Committee receives reporting on significant risks to CVS Health including those relating to the physical climate (acute and chronic) as well as those relating to the low- carbon energy transition, their potential impacts on the company, and the mitigation measures that we have in place. The Committee is periodically informed on the preparedness of CVS Health to respond to a range of adverse events that could impede the company’s ability to operate, including those driven by extreme weather.

## The Management’s Role in Assessing and Managing Climate-Related Risks and Opportunities

Primary oversight for climate and sustainability topics at CVS Health sits with the Chief Sustainability Officer (CSO).

The CSO oversees the CVS Health climate change and sustainability strategy to ensure that it is aligned with key business priorities and processes, as well as that we are progressing against each pillar of our ESG strategy. The climate-related responsibilities assigned to this position include working to develop and implement our climate transition plan, conducting climate-related scenario analysis, as well as setting and monitoring progress against climate-related corporate targets.

The CSO works to assess climate-related issues by conducting materiality assessments, preparing the Healthy 2030 Impact Report, and leading the ESG Steering Committee, a cross-functional group of leaders responsible for embedding sustainability practices within the business. In addition, the role serves as the co-executive sponsor of the GreenTeam Colleague Resource Group, a group of nearly 3,500 colleagues that aims to improve understanding of climate change issues and make environmental sustainability an appropriate part of each colleague’s responsibility and role. The CSO also monitors our progress towards our climate change mitigation strategy through the annual assessment of progress towards our carbon reduction targets, reporting on progress in our Healthy 2030 Impact Report and disclosures, and providing updates on climate change strategy and planning. As a part of this process, the CSO provides semiannual updates to the Nominating and Governance Committee of our Board of Directors and, in 2022, presented to the full Board once.

## Governance

The CVS Health Chief Risk Officer (CRO) is responsible for enterprise risks, which may include climate-related topics or events such as extreme weather events. The CRO assists in the identification and management of climate- and environmental-related risks through their direct oversight of both the ERM and Health, Safety & Environmental (HSE) functions. The ERM function oversees a semi-annual risk assessment process that identifies and reports upon material risks to the company's ability to execute on its strategy, including risks relating to climate. The ERM team is also tasked with assessing the adequacy of the capital held by, and accessible to, the company to satisfy its obligations to key stakeholders in a range of adverse scenarios and business climates. The assessment incorporates extensive stress testing, including the completion of climate change-related stress scenarios in partnership with the ESG and ER teams. The results of this effort are documented in an annual Own Risk and Solvency Assessment, which is reviewed with the Audit Committee and submitted to the primary regulators of the CVS Health insurance subsidiaries. The ERM team also reports to the Audit

Committee semiannually on the results of each enterprise risk assessment, including any significant climate-related risks. The HSE function ensures regulatory compliance for climate and environmental risks by collaborative methods that identify compliance requirements and setting strategies for adherence. The CRO presents to the Audit Committee annually on any material HSE risks identified as well as compliance and monitoring metrics.

The Chief Compliance Officer (CCO) oversees the Enterprise Resiliency (ER) team as well as compliance with applicable laws and regulations. The primary function of the ER team is to maintain business continuity amidst disruptions to our operations, including those caused by weather-related events.

The management of climate-related issues is overseen and incentivized at CVS Health using non-monetary incentives and remuneration policies. These are detailed in the section "Metrics and Targets."

# Strategy

CVS Health® integrates the management of climate-related risks and opportunities into enterprise risk identification and assessment. This integration has enabled us to understand how climate-related issues impact our business and financial position. It has also helped us to identify how best to shape our strategy to mitigate risks and capitalize on opportunities. To enhance this understanding, in 2023 we refreshed our scenario analysis exercise using updated climate data and through engaging with a range of CVS Health stakeholders. Results from this exercise indicate that, even in the face of a changing climate, and across varied time horizons and scenarios, the CVS Health business, strategy, and financial position appear to be resilient. To maintain our resiliency, we will continue to identify, assess, manage and monitor climate-related risks and opportunities over the short, medium and long term. Further details are provided below.

## Processes Used to Determine Which Risks and Opportunities Could Have a Material Financial Impact on the Organization, Including Time Horizons and Scenarios

The climate-related scenario analysis was based on a physical and transition risk and opportunity screening assessment that assessed the risks across CVS Health operations in the United States and considered the potential impacts across four business segments: Health Care Benefits, Health Services, Pharmacy & Consumer Wellness and Corporate.

CVS Health considers the following time horizons to be relevant to our business:

- **Short-term:** Within the next five (5) years, with the near-term horizon to be the current timeframe through the next three (3) years.
- **Medium-term:** Between five (5) to ten (10) years into the future.
- **Long-term:** Ten (10) to (20) years into the future.

Using these time horizons, we identified and assessed how a range of climate-related risks and opportunities could impact our business operations, strategy, and financial position, across approximately 100 CVS Health locations. With the support of third-party consultants, and through engaging with key stakeholders across CVS Health business segments, we identified potentially relevant physical and transition risks and opportunities to assess under different climate scenarios.

In the scenario analysis exercise, the following physical and transition scenarios and time horizons were used, in line with best practice guidance for climate scenario analysis (as per the TCFD and other frameworks). To assess physical climate change, we used the IPCC Shared Socioeconomic Pathways (SSPs). While we primarily relied on the Network for Greening the Financial Sector (NGFS) scenarios for transition risk and opportunity, the IEA scenarios were used to supplement the assessment where data availability was limited (e.g., for carbon price, cost of sourcing raw materials, opportunity to sell low-carbon products and reducing Scope 3 transport emissions).

**Table 1: Description of the Physical and Transition Scenarios used in Scenario Analysis**

IPCC	Physical Scenarios Used	NGFS	Transition Scenarios Used
IPCC SSP5-8.5 – 4.4°C mean warming by 2100	This is a business-as-usual, high emission scenario with no additional climate policy. The push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world. Energy demand triples by 2100, dominated by fossil fuels. Current CO2 levels double by 2050, and there are many challenges to mitigation, with few challenges to adaptation.	NGFS Current Policies – 3°C mean warming by 2100	This business-as-usual scenario assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks. This includes irreversible changes like higher sea level rise. This scenario can help central banks and supervisors consider the long-term physical risks to the economy and financial system if we continue on our current path to a “hothouse world.”
IPCC SSP1-2.6 – 1.8°C mean warming by 2100	This scenario is aligned to the current commitments under the Paris Agreement. It is implied that the world reaches net-zero emissions in the second half of the century. The world shifts towards a more sustainable path, emphasizing more inclusive development, driven by an increasing commitment to achieving development goals. Renewables account for more than half of the energy supply by 2050, and there are few challenges to climate mitigation and adaptation.	NGFS Net Zero 2050 – 1.4°C mean warming by 2100	This scenario assumes that an ambitious transition takes place across all sectors of the economy. It emphasizes the importance of decarbonizing the electricity supply, increasing electricity use, increasing energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Net CO2 emissions reach zero around 2050, giving at least a 50 % chance of limiting global warming to below 1.5 °C by the end of the century, with no or low overshoot (< 0.1 °C) of 1.5 °C in earlier years. Physical risks are relatively low, but transition risks are high.
	Time Horizons: 2030 and 2050		Time Horizons: 2030, 2040 and 2050

A detailed description of how these risks and opportunities were quantified is provided in both the “Risk Management” and “Metrics and Targets” section.

## A Description of the Specific Climate-Related Issues Potentially Arising in Each Time Horizon (Short, Medium and Long Term) that Could Have a Material Financial Impact on the Organization

Below, the descriptions of the physical and transition risks and opportunities that may impact CVS Health® across the business are summarized in the table, aggregated by scenario and time horizon. Scenario analysis was applied across a selection of shortlisted physical and transition risks and opportunities (selected through engagement with CVS Health stakeholders). Two items, one physical risk (*Impact of extreme heat and extreme temperature fluctuation on operations*) and one transition opportunity (*Reduce Scope 3 transport emissions including regulatory drivers*), were piloted for a quantitative analysis.

# Strategy

## Physical

Climate change and its potential impacts are anticipated to heighten the severity and frequency of extreme events such as floods, cyclones, wildfires and heatwaves. Considering the inextricable link between environmental health and human health, we understand that such events may lead to major health implications across our patient populations. These could include physical injuries, as well as waterborne diseases, infectious diseases and respiratory

and cardiovascular diseases. We anticipate playing a significant role in fostering a healthier world amid the challenges posed by a changing climate. We foresee a growing need for critical health products and services to be delivered to communities that are most impacted by such changes. Our commitment remains steadfast in fostering their everyday well-being through solutions addressing common health and wellness needs while eliminating barriers linked to health care access.

**Table 2: Summary of the Physical Climate-Related Risks and Opportunities Identified During the Scenario Analysis**

Risk/ Opportunity Item	Average Risk/ Opportunity Rating	Key Business Segments Impacted	Description of Impact	Risk/Opportunity Response
Impact of extreme cold and temperature fluctuations on daily operations.	Medium Risk	Health Services, Pharmacy & Consumer Wellness	Extreme low temperatures, temperature fluctuations (e.g., freeze/thaw events) and cold periods, such as sustained ice storms or cold snaps may impact the amount of energy required to heat temperature-controlled areas and equipment (such as trailers) and reduce the efficiency of equipment or cause damage to building infrastructures (e.g., water pipes, concrete/brick walls). Sustained low temperatures could also result in health and safety risks for our personnel working in ambient temperatures without heating, or outdoors. Together, this risk could impact operating and capital expenditures, as well as revenues.	CVS Health® monitors how external events may affect our ability to deliver service to our customers. We monitor extreme weather and temperature, wildfires, flooding, and other potentially disrupting scenarios through our Response Ready program to make sure we and our colleagues are prepared to respond accordingly. CVS Health also maintains clear lines of communication for colleagues to report any disruption events and provides training on emergency readiness and response. Moreover, proactive mitigation strategies have been implemented across Retail, MinuteClinic® and Mail and Specialty Pharmacy to reduce inventory losses due to extreme weather events.
Wildfire and smoke impact on operations	High Risk	All	Wildfires may cause direct damage to infrastructure and equipment, and place HVAC systems under higher strain to filter smoke and ash from air, presenting a risk to temperature-controlled spaces and pharmaceutical stocks. Flammable chemicals found within pharmaceutical products may increase the risk of wildfires to facilities, personnel and nearby communities. Together, this risk could impact operating and capital expenditures, as well as revenues.	CVS Health monitors and evaluates the risk of damage to infrastructure, equipment, and personnel from wildfires. The frequency of this monitoring increases in the wake of wildfire seasons. Emergency notification systems have been put in place to send alerts to personnel during any significant wildfire events and coordinate responses. Moreover, proactive mitigation strategies have been implemented across Retail, MinuteClinic and Mail and Specialty Pharmacy to reduce inventory losses due to extreme weather events.

**Table 2: Summary of the Physical Climate-Related Risks and Opportunities Identified During the Scenario Analysis continued**

Risk/ Opportunity Item	Average Risk/ Opportunity Rating	Key Business Segments Impacted	Description of Impact	Risk/Opportunity Response
Impact of extreme heat and extreme temperature fluctuation on operations	High Risk	Health Services, Pharmacy & Consumer Wellness	High maximum temperatures and temperature fluctuations may impact the amount of energy required to cool temperature-controlled areas (such as trailers). Fluctuations between freezing and thawing may stress heating and cooling equipment. Sustained high temperatures could also result in health and safety risks for personnel working outdoors or without air conditioning, and impact overall productivity across facilities. Temperature-sensitive pharmaceutical products may also experience a reduction in potency and shelf-life, or spoil, during extreme heat events or temperature fluctuations, thereby impacting revenue.	See item "Impact of extreme cold and temperature fluctuations on daily operations" above.
Coastal flooding and storm surges impact on operations	Low Risk	Health Services, Pharmacy & Consumer Wellness	Coastal flooding and storm surges may submerge or damage infrastructure and equipment or create unsafe working conditions for personnel across pharmacies and other facilities. Medical and pharmaceutical equipment exposed to salt water may require replacement or cleaning before it can be used. Furthermore, this risk could also create unsafe working conditions for personnel, and affect our staff's home and family, which would impact their ability to work/get to work. Together, this risk could impact operating and capital expenditures, as well as revenues.	CVS Health® monitors how external events may affect our ability to deliver service to our customers. We monitor extreme weather through our Response Ready program to make sure we and our colleagues are prepared to respond accordingly. The CVS Health emergency notification systems extend to the monitoring of flooding on infrastructure, equipment and personnel. Proactive mitigation strategies have also been implemented across Retail, MinuteClinic and Mail and Specialty Pharmacy to reduce inventory losses due to extreme weather events.
Tropical cyclones and hurricane impact on pharmacies and retail stores	High Risk	Health Services, Pharmacy & Consumer Wellness	Storms and high winds may damage CVS Health pharmacies and retail stores, possibly creating unsafe working conditions for personnel, as well as impacting their ability to work. For example, high wind speeds may result in flying debris and downed trees could also cause damage to building infrastructure. Storms may also result in downed power lines and thus prolonged power outages that may halt operations across our facilities. Together, this risk could impact operating and capital expenditures, as well as revenues.	CVS Health monitors how external events may affect our ability to deliver service to our customers. We monitor extreme weather through our Response Ready program to make sure we and our colleagues are prepared to respond accordingly. CVS Health emergency notification systems extend to the monitoring of hurricane events on infrastructure, equipment and personnel. Proactive mitigation strategies have also been implemented across Retail, MinuteClinic and Mail and Specialty Pharmacy to reduce inventory losses due to extreme weather events.



**Table 2: Summary of the Physical Climate-Related Risks and Opportunities Identified During the Scenario Analysis continued**

Risk/ Opportunity Item	Average Risk/ Opportunity Rating	Key Business Segments Impacted	Description of Impact	Risk/Opportunity Response
Extreme rainfall and river flooding impact on operations	Low Risk	Health Services, Pharmacy & Consumer Wellness, Corporate	Severe rainfall can lead to several types of acute events, including extreme rainfall (flash) flooding and river flooding due to overtopping. These events may submerge or damage CVS Health® pharmacies, retail stores and corporate offices as well as other facilities, including associated infrastructure, equipment and products/stock. This could also create unsafe working conditions for CVS Health employees, but also affect the personnel's home and family, which would impact their ability to work/get to work. Together, such impacts may drive up expenses associated with repairs, and impacting revenues.	CVS Health monitors how external events may affect our ability to deliver service to our customers. We monitor extreme weather through our Response Ready program to make sure we and our colleagues are prepared to respond accordingly. CVS Health emergency notification systems extend to the monitoring of extreme rainfall and river flooding events on infrastructure, equipment, and personnel. Proactive mitigation strategies have also been implemented across Retail, MinuteClinic® and Mail and Specialty Pharmacy to reduce inventory losses due to extreme weather events.
Tropical cyclones and hurricane impact on stores, supply and value chain	High Risk	Health Services, Pharmacy & Consumer Wellness	Storms and high winds may impact CVS Health operations and supply chains by resulting in downed infrastructure (including for insurance providers), as well as affecting and disrupting its transport network. For example, high winds could block roads because of debris and downed trees. Winds may also make seas impassable, thereby affecting logistics and thereby impacting revenue. Access to sites such as retail stores and distribution centers may also be impacted, as well as physical infrastructure, which could result in inventory loss, operational downtime and impacts on revenue. In addition, the health and safety of employees could be affected. The extent of disruption will depend on the ability for suppliers and customers to use alternative routes to access points, pharmacies and retail stores.	The status of shipping partners is monitored and tracked for any real-time disruptions from hurricanes that may impact the CVS Health supply chain. Moreover, proactive mitigation strategies have been implemented across Retail, MinuteClinic and Mail and Specialty Pharmacy to reduce inventory losses due to extreme weather events.

## Strategy

**Table 2: Summary of the Physical Climate-Related Risks and Opportunities Identified During the Scenario Analysis** continued

Risk/ Opportunity Item	Average Risk/ Opportunity Rating	Key Business Segments Impacted	Description of Impact	Risk/Opportunity Response
Coastal flooding and storm surges impact on the supply and value chain	Low Risk	Health Services, Pharmacy & Consumer Wellness, Corporate	Coastal flooding and storm surges may impact CVS Health® supply chains, thereby impacting revenue. Storm surges, coastal flood waters and debris can lead to severe disruption of transport routes or access points to sites, warehouses, and pharmacies/retail stores. This may prevent the supply of products to pharmacies or retail stores, or the delivery of products to customers. Furthermore, coastal flooding may directly affect pharmacies and retail stores' infrastructure causing loss of pharmaceutical products and likely leading to operational downtime. The extent of disruption to the supply chain may depend on the ability for suppliers and customers to use alternative routes to access facilities.	The status of shipping partners is monitored and tracked for any real-time disruptions from coastal flooding and storm surges that may impact the CVS Health supply chain. Proactive mitigation strategies have also been implemented across Retail, MinuteClinic® and Mail and Specialty Pharmacy to reduce inventory losses due to extreme weather events.

### Transition

Climate change is anticipated to heighten the severity and frequency of extreme events such as floods, cyclones, wildfires and heatwaves. Considering the inextricable link between environmental health and human health, we understand that such events may lead to major health implications across our patient populations. These could include physical injuries, as well as waterborne diseases, infectious diseases and respiratory and cardiovascular diseases. We anticipate playing a significant role in fostering a healthier world amid the challenges posed by a changing climate. In particular, we foresee a growing need for critical health products and services to be delivered to communities that are most impacted by such changes. Our commitment remains steadfast in fostering their everyday well-being through solutions addressing common health and wellness needs while eliminating barriers linked to health care access.

**Table 3: Summary of the Transition Climate-Related Risks and Opportunities Identified During the Scenario Analysis**

Risk/ Opportunity Item	Average Risk/ Opportunity Rating	Key Business Segments Impacted	Description of Impact	Risk/Opportunity Response
Carbon pricing mechanism	High Risk	All	<p>The U.S. and Canada have introduced carbon pricing mechanisms, which are becoming stricter and more widely utilized to help these nations achieve their nationally determined contributions (NDC) goals. For example, states like California, Oregon and Washington have introduced Emission Trading Schemes (ETS) such as “Cap-and-Trade”, “Cap-and-Invest” and “Climate Protection Program” that may already, or will in the future, impact the company. Carbon pricing schemes such as these may impact CVS Health operations across health care, pharmaceutical, retail and corporate areas of the company through increasing carbon prices, the expanding scope and geographies adopting the ETS, or aviation, road and shipping emissions becoming subject to ETS. This could lead to increased direct operating costs to pay associated tax/ permits or increased capital expenditure to replace/ retrofit equipment to reduce greenhouse gas emissions.</p>	<p>CVS Health® operations and activities are not currently regulated by a carbon pricing system, and we do not anticipate being regulated in the next three years.</p> <p>CVS Health does not currently use an internal carbon price.</p>
Regulatory pressure to decarbonize operations	Medium Risk	All	<p>CVS Health will need to align with federal lower carbon emission goals such as the “Federal Net-Zero by 2050” and “100% clean electricity in 2035” to make changes to physical locations such as stores, transport fleets and offices. Meeting net zero targets will require significant capital investment in lower emission and more energy efficient technologies. For example, transitioning to electric vehicles (EVs) and LEDs. Furthermore, an increasing number of jurisdictions are announcing regulations to move away from internal combustion engine (ICE) vehicles, towards rolling out EVs. For example, in California the governor gave an executive order in 2020 that 100% of in-state sales of new passenger cars and trucks will be zero-emission by 2035.</p>	<p>CVS Health has established enterprise guidelines around the development of new properties, including water efficiency and emissions. We always build to meet current environmental regulation while also considering emerging environmental regulation in our builds. Over the past few months, we have also completed an assessment of decarbonization workstreams, focusing on initiatives around renewable energy, fleet electrification and improvement in operational efficiency. We are investing in green building infrastructure and LED lighting across all corporate properties. CVS Health has an ongoing transport electrification pilot with Penske, as described in the section below. In addition, we have applied for vouchers under the Clean Off-Road Equipment Voucher Incentive (CORE) Project for 15 zero-emission vehicles. CVS Health also works continuously to maximize efficiency of refrigeration, which accounts for 8% of the CVS Health overall Scope 1 and 2 emissions footprint, based on our 2023 GHG Inventory.</p>

**Table 3: Summary of the Transition Climate-Related Risks and Opportunities Identified During the Scenario Analysis** continued

Risk/ Opportunity Item	Average Risk/ Opportunity Rating	Key Business Segments Impacted	Description of Impact	Risk/Opportunity Response
Plastics regulation	High Risk	Health Services, Pharmacy & Consumer Wellness	The low-carbon transition is associated with decreasing supply of hydrocarbons over time, which could increase the volatility in petrochemical feedstock cost and associated products. This could cause our suppliers to face higher costs to procure packaging materials derived from petrochemicals, e.g., plastics, films and other packing materials. Furthermore, recent regulations across the U.S. such as ensuring a minimum % of recycled materials are included in plastics, are increasing the cost of plastic production. This may lead to increases in the cost of plastic and plastic products for CVS Health®.	CVS Health assesses and monitors prescription bottle waste. The findings from these efforts help guide how best to use alternative materials and recycle plastic.  We aim to reduce plastic use in operations by 50% and reduce single-use virgin plastic in store brand packaging by 50% by 2030.
Increased pass-through costs	High Risk	All	Higher demand for input / primary materials on fast-moving consumer products driven by the low-carbon transition may increase the demand and prices of sustainable raw materials. A disorderly transition would exacerbate the impact as supply may be constrained faster than demand. Product manufacturers and suppliers may pass these costs on to CVS Health who may need to pass the increased costs on to its customers. The financial risks may be realized through margin erosion if costs are not passed on and/or reduction in revenue if some customers groups cannot afford to purchase products, leading to lower patient equity.	CVS Health evaluates and negotiates costs through contractual agreements with suppliers. We make every effort to balance our business needs and sustainability needs.

**Table 3: Summary of the Transition Climate-Related Risks and Opportunities Identified During the Scenario Analysis** continued

Risk/ Opportunity Item	Average Risk/ Opportunity Rating	Key Business Segments Impacted	Description of Impact	Risk/Opportunity Response
Supply chain and product sourcing transparency	Medium Risk	All	There are increasing expectations from external stakeholders (investors, regulators, and customers) to disclose the depth and volume of GHG emissions within a company's supply chain (Scope 3 emissions). Listed companies have higher required standards of disclosure and reputational risk exposure comes where required disclosure is omitted. Financial impact may come in the form of market share loss to competitors who have increased supply chain transparency and from customers who favor transparency. If companies do not meet future regulation regarding disclosure, they could also face higher operating expenditure through fines and developing the reporting needed for disclosure.	We work with our suppliers to help ensure that they are setting their own science-based emissions reduction targets and are taking steps to reduce their emissions.  The CVS Health <a href="#">Store Brand Restricted Substances List</a> and <a href="#">Responsible Palm Oil Sourcing Policy</a> prioritizes sourcing certified sustainable palm oil for our store brand products.
Reduce scope 3 transport emissions including regulatory drivers	High Opportunity	Pharmacy & Consumer Wellness	CVS Health® could build on our existing efforts to reduce Scope 3 emissions by working with suppliers to decarbonize logistics or by choosing delivery providers that are updating/ have updated their transport fleet to low carbon or zero emission options such as EVs. This switch to lower carbon transport could reduce operating costs as delivery partners may experience lower fuel costs due to switching to EVs. Cost savings could be passed through to CVS Health.	CVS Health is pushing for efficiencies in transportation and logistics management to reduce transportation emissions across the supply chain.  CVS Health has an ongoing transport electrification pilot with Penske, as described in the section below. In addition, we have also applied for vouchers under the Clean Off-Road Equipment Voucher Incentive (CORE) Project for 15 zero-emission vehicles.
Circular economy principles	High Opportunity	Health Services, Pharmacy & Consumer Wellness	A move towards recycled cardboard packaging would allow CVS Health to integrate circular economy principles/ products and materials including recycled content, reusability, and recyclability. Aligning to public shift in demand for more sustainable products, by moving packaging towards greener alternatives and sourcing greener products from sustainable suppliers, could shift the brand towards a more climate conscious one.	82 percent of CVS Pharmacy® customers selected a digital receipt or no receipt in 2023, eliminating nearly 500 million paper receipts.  Beyond the Bag initiative, a collaboration with Closed Loop Partners and industry peers, promotes reusable bag rentals and return systems, changing consumer behavior around bag use.

## Summary of the Physical Climate-Related Risks and Opportunities Identified During the Scenario Analysis continued

Risk/ Opportunity Item	Average Risk/ Opportunity Rating	Key Business Segments Impacted	Description of Impact	Risk/Opportunity Response
Decarbonization of operations through renewable energy generation	Medium Opportunity	All	We can continue to reduce our Scope 2 emissions through entering into a power purchase agreement (PPA) or virtual PPA (provided the grid has higher emission factor) for renewable electricity that can reduce exposure from electricity price volatility. Investment into microgeneration such as rooftop solar panels would further decarbonize operations. This could be particularly relevant for DCs. Reliance on the grid is a risk because a rise in brownouts, and frequent or longer blackouts resulting from coal plant closures and/or strains on energy grids due to extreme weather events has already been an issue in recent years. Decentralized energy generation, particularly when coupled with storage, could reduce exposure to this risk.	<p>CVS Health® has a target of increasing its share of renewable energy consumption to 50% of total energy consumption by 2040.</p> <p>We completed five physical PPAs in 2023, in Texas, Illinois, California, Maryland and Pennsylvania. In addition to a 2022 agreement in Indiana, these agreements represent more than 500,00 megawatt hours (MWh) of clean, renewable energy that will power over 2,000 locations.</p>
Opportunity to sell low-carbon product	Medium Opportunity	Health Services, Pharmacy & Consumer Wellness	Over 100 organizations representing hospitals, health centers, insurance companies, pharmaceutical companies and more, signed the White House and the Department of Health & Human Service's climate pledge to reduce emissions. In so doing they have announced targets to become net zero by future dates, e.g., 2050. CVS Health can use this opportunity to work with drug manufacturing companies that are decarbonizing faster than the national targets (2030/2050) and those transitioning more quickly than their competitors. This could allow us to sell products with lower carbon intensity benefiting CVS Health in lowering its own Scope 3 GHG emissions.	In January 2024, we removed inhalers that contain hydrofluorocarbons (HFCs), a greenhouse gas, from our CVS Caremark® formulary. Our formulary now includes dry powder inhalers that are equally effective and more environmentally friendly.

# Strategy

## Uncertainty, Key Assumptions and Limitations of the Scenario Analysis Assessment

The key assumptions, limitations and points of uncertainty of the scenario analysis are provided below. These are also detailed in the other parts of the “Strategy” section, as well as the “Metrics and Targets” section.

- **Scope:** This analysis for physical risks was limited to approximately 100 CVS Health® locations in the U.S. These were chosen as a representative sample, using the following criteria: representation across business segments; geography, revenue of business segments; supply chain considerations; size; and existing experience of physical risks. Company operations outside of the U.S. represent less than one percent of the total CVS Health enterprise, so were not included in the analysis. Facilities located in California do not include results for wildfires across any time horizons or scenarios.
- **Level of assessment:** Physical risk results are based upon the use of one set of point coordinates per facility, and therefore may not be fully representative of the hazard level for facilities with a large footprint. The transition assessment used scenario indicators, where possible, to give a “headline” view of risks and opportunities. As such, this is a high-level assessment; it represents the potential level of climate risk or opportunity and requires further assessment at the local level to validate the level of risk for specific sites/business segments.
- **Uncertainty:** The use of climate scenarios carries inherent uncertainty. As such, results should be interpreted as plausible, but not definite. For physical, this assessment uses modelled global climate hazard datasets across various spatial and temporal scales, and therefore may not be fully representative of the local hazard conditions. Likewise, transition risk and opportunity results are based upon the use of scenario datasets from the NGFS and the IEA.

## How Identified Climate-Related Issues Have Affected CVS Health Businesses, Strategy and Financial Planning

CVS Health strategy and business has been influenced by climate-related risks and opportunities across its products and services and supply and value chain. More information on these initiatives can be found here, with a summary provided below.

- **Products and services:** Climate-related risks and opportunities have impacted our products and services due to our understanding that significant disruptions within our business could impact not only our own operations but could also have serious implications for customers and patients who rely on us for their health care requirements. Considering this issue, we have adapted our strategy to improve our business continuity and manage climate-related risks. For example, we have assigned an increased importance to the monitoring of extreme climate-related events within our strategy — through, for example, investing in a mapping system to visually display weather events. CVS Health maintained service for customers in Florida after significant hurricanes by utilizing shifts to mail order and other stores in the area which demonstrates our preparedness for maintaining continuity of service in the face of severe weather events.
- **Supply and value chain:** Our supply and value chain strategies have also been influenced by the potential risks associated with delayed or failed product deliveries caused by climate-related events, such as tropical cyclones and flooding. These have been exacerbated by the increase in costs to create and deliver items from suppliers to stores. To mitigate these risks, our distribution centers, specialty pharmacies and shipping partners are monitored. Our strategy also reflects our climate-related commitments. To achieve our net-zero by 2050 commitment we are communicating with suppliers to help ensure that they are working to reduce their emissions and that they have set their own science-based emissions reduction targets. We have also committed to the responsible use of paper and plastics, including our store brand packaging goals, and adopted the [CVS Health Store Brand Restricted Substances List](#) and our [Responsible Palm Oil Sourcing Policy](#). More information can be found in the Healthy Planet section of our Healthy 2030 Impact Report.

## Strategy

- **Operations:** Our operational strategy considers climate-related risks and opportunities in its aim to achieve improved climate resilience by working to diversify operating inputs and maximize resource efficiency. Emissions related to energy as well as fuel combustion currently account for 92% of our Scope 1 and 2 emissions and we have company-wide movements to improve energy efficiency. These efforts are linked to our GHG emissions reductions goals (see “Metrics and Targets” section), and include the LED initiative, as well as our focus on reducing the impacts of energy consumption by considering the size of our retail stores, investments in green infrastructure and technology, and stakeholder engagement programs.
- **Financial planning:** CVS Health® financial planning has also been impacted across the areas of direct costs, indirect costs, and capital expenditures. Our budgeting decisions in relation to direct costs have been influenced by the need for more renewable energy and sustainability-focused personnel as well as growing the opportunity to enhance our understanding of ESG issues through the use of technology. Our indirect costs budget includes contracting independent verification firms to assure the calculations of our carbon footprint, and agency partners to improve our climate-related systems and processes. Capital expenditures incorporate sustainable building operations that are critical to reducing our total emissions and meeting our climate commitments.

### Plans for Transitioning to a Low-Carbon Economy

CVS Health® has developed a low-carbon transition plan that aligns with a 1.5°C pathway that is set for our science-based net-zero and renewable energy targets. We collect feedback from our shareholders on our low carbon transition plan through discussions with investors, public meetings, or quarterly meetings. We also developed a formal Scope 1 and 2 decarbonization plan to achieve our climate targets. In addition to our continuing our existing focus on energy efficiency, we will also enhance our investments in renewable energy and fleet electrification. Our current spending is aligned to our climate transition plan.

#### Case Study:

### A movement towards the electrification of our transport

CVS Health operations are dependent on product transport throughout our value chain, from suppliers to distribution centers, between distribution centers, and to retail stores and clinics. Our transport and logistics operations rely on the services provided by third parties and our own fleet of gasoline and diesel-powered light duty trucks, tractor trailers and refrigerated trailers. These transport emissions account for approximately 28 percent of our Scope 1 emissions.

To transition towards net zero, companies are expected to shift toward low-carbon alternatives. We have identified this movement as an opportunity to achieve our decarbonization and net zero targets. To realize this opportunity, CVS Health is pursuing an electrification pilot with Penske. This pilot program will involve the acquisition of one EV tractor by CVS Health in 2023, and for it to enter operations in 2024. This is with a view to demonstrating the financial benefits associated with transitioning to electric vehicles in our mid-mile logistics, including reducing our indirect costs.



# Strategy

CVS Health work in transitioning towards a low-carbon economy is evident in the plans and actions that are in place for reducing our GHG emissions in line with our target of achieving net-zero GHG emissions across our value chain by 2050. These efforts can be split across our additional targets for reducing Scope 1 and 2 emissions, reducing Scope 3 emissions, and increasing our low-carbon energy consumption. Our Scope 1 and 2 emissions target aims to achieve a reduction in market-based emissions of 47% by 2030. With numerous facilities spread across the United States, including offices, distribution centers, pharmacies, and other properties, a substantial proportion of our overall energy consumption derives from our buildings. This represents a core focus area for our energy efficiency strategies, and we have continued to improve our energy savings by retrofitting our current facilities through LED upgrades, energy-efficient cooler upgrades, and the installation of electric charging stations. We have also expanded our energy management systems to improve the use of lighting, heating, ventilation, and air-conditioning systems, as well as investing in a pilot carbon capture project. In 2023, upgrades to exterior lighting, HVAC, retail coolers, and control systems have reduced energy consumption by 11,560 MWh.

Our renewable energy target requires us to increase the share of renewable energy consumption within our operational control boundary to 50% of our total energy consumption by 2040. We have made significant progress towards this goal by completing five physical power purchase agreements (PPA) in 2023, in Texas, Illinois, California, Maryland and Pennsylvania. In addition to a 2022 agreement in Indiana, these agreements represent more than 500,000 megawatt hours (MWh) of clean, renewable energy.

In 2023, we reduced our total Scope 1 and 2 emissions by 18% from our 2019 baseline.

We have also committed to reducing our Scope 3 emissions, covering the categories of purchased goods and services, upstream transportation and distribution, and business travel, by 90% by 2050. To achieve this, we have communicated with our suppliers to gather knowledge on their climate-related strategies and urge our key suppliers to adopt SBT-validated carbon reduction goals. Within this we have concentrated our engagement on our main suppliers that are responsible for two thirds of our cradle-to-gate emissions and correspond to approximately 80% of our total spend. To assist in realizing these aims we are a part of the CDP Supply Chain program which helps us work with the identified suppliers and their data.

## The Resilience of Our Strategy to Climate-Related Risks and Opportunities

Our interpretation of the scenario analysis results is that the CVS Health business, strategy and financial position is resilient to the impacts of climate change and its potential impacts. Of the physical and transition climate-related risks and opportunities assessed, the potential negative impacts are not likely to be material. Moreover, we have demonstrated our ability to adjust and adapt our company's strategy and business model to mitigate such risks and capitalize on such opportunities. We recognize that there is more work to be done – for example, to quantify additional risks and opportunities – to validate and verify this determination of resilience. With our understanding that the health of our environment is inextricably linked to human health, we will continue to identify, assess, manage, and monitor climate-related risks and opportunities to fulfil our responsibility as a leader in health care.

## CVS Health® Processes for Identifying and Assessing Climate-Related Risks and Opportunities

Climate-related risks are included in the CVS Health company-wide risk identification and assessment process. Climate-related physical risks such as extreme weather events – like flooding, wildfires, and extreme heat – and transition risks – such as technology, market, legal and reputational risks, as well as current and emerging regulation – in direct operations and in our supply chain are considered. Opportunities that are profitable and in line with CVS Health business' strategy are also assessed, including, for example, fuel switching and innovation of low-carbon products. Further details on such risks, as well as their potential impact, are provided in the "Strategy" section.

The Executive Leadership Team (ELT) mandates the management of identified risks through Risk Champions with guidance and oversight by the company's ERM function as well as support of the Chief Audit Executive. To ensure connections at all levels for identification of risks, CVS Health utilizes a multi-tiered risk management structure comprised of delegates of each risk category, risk owners, business segment reviewers, legal and the Risk Champions, who support the ELT.

# Risk management

Climate-related risks at the company level are identified, assessed and reported on through the semi-annual enterprise risk assessment process. Approximately two dozen risk domains participate in this process, aggregating all relevant risks within their areas of expertise that could have a material impact on our business' operations, strategy, and financial planning. In support of our efforts to identify and assess climate-related issues, CVS Health has, with the support of third-party subject matter experts and key stakeholders within the business, added an incremental risk assessment utilizing the TCFD categories of transition and physical risks and opportunities to identify those that are potentially relevant to CVS Health.

Business segments assess and prioritize risks and opportunities by qualitatively and quantitatively assessing the potential size and scope of risks, through a standardized risk matrix (impact x likelihood). The process of assessing financial impact for each risk is intended to capture impacts to key stakeholders (e.g., colleagues, customers, members of the broader communities we serve, regulators) and how those impacts may ultimately manifest themselves within our financial statements (e.g., revenue, operating costs, physical assets, access to and cost of funding, etc.). The assignment of impact and likelihood is subsequently reviewed for reasonableness by internal subject matter experts and reviewed by senior management. This framework is applied consistently to all identified risks to the company's ability to execute its strategy, including those that are related to climate.

In 2023, and in preparation of our 2023 CDP submission, we piloted a more detailed financial quantification exercise for two climate-related issues, the results of which are provided in the "Strategy" section.

## CVS Health Processes for Managing Climate-Related Risks and Opportunities

During situations where weather risks are heightened and more prominent, risks are tracked in real-time. An example of this is the use of our program to evaluate and monitor within a 14-day window the risk of hurricanes, floods and wildfires to the business, colleagues and operations throughout the USA. Mitigation efforts are then prioritized based on the importance of the risk to the business, stakeholders, and its potential financial impact on the company and customers. CVS Health has enterprise-wide risk mitigation protocols for physical climate-related risks from extreme weather. An example of this is evident during extreme weather

events such as the 2022 hurricane season. CVS Health sent out multiple alerts to more than 38,000 employees in the path of Hurricane Ian. These were used to distribute event information to provide situational awareness during the weather event and acquire colleague status data. A Community Lifeline coupled with the 24/7 Watch Team is also available to support and coordinate responses to employees, as well as monitor hazards and risk events by reporting on the status of essential amenities such as water and power availability for eventstruck areas. By ensuring all colleagues were safe and informed during these events, potential risks to both the colleagues themselves, as well as impacts to the business, were mitigated.

Climate-related opportunities are monitored for profitability and practicality in line with our business strategy. Our annual scenario analysis exercise helps us to identify which opportunities may be particularly relevant for CVS Health.

## Integrating CVS Health® Processes for Identifying, Assessing and Managing Climate-Related Risks and Opportunities into Overall Risk Management

The process of risk identification and assessment of climate-related risks and opportunities are strongly integrated in the CVS Health ERM system. Within the CVS Health ERM process, identified climate-related risks are assessed and mapped in a likelihood and impact matrix together with other business risks. Top material risks based on likelihood and impact for the company are maintained in a Risk Register, which includes climate-related risks alongside other business risks to CVS Health. The Risk Register is readily accessible to senior management and process participants through an internal web-based reporting engine. The Chief Risk Officer (CRO) presents the summarized contents of the risk list semiannually to the Audit Committee, along with associated controls and mitigation plans in place, for climate-related risks alongside other business risks. CVS Health therefore treats climate-related risks the same as all other risks on the Risk Register.

# Metrics and targets

## Metrics Used to Access Climate-Related Risks and Opportunities

We have assigned metrics to track, measure and manage the impacts of climate-related risks and opportunities. These include the risks of reduced revenue, write-offs and early retirement of existing facilities through damage to property, as well as the opportunities leading to increased revenue and reduced operating costs. A detailed description of these – relating to energy, emissions, land use, and water – is provided here, with more detail on the key, most updated, metrics and associated methodologies summarized below.

## How Performance Metrics Are Incorporated into Remuneration Policies

Key colleagues and business leaders, including members of our ESG Steering and Operating Committees and senior leaders, have direct oversight of initiatives that will help us achieve our goals. These colleagues drive performance and meet established targets as part of their business plans and annual goals. Remuneration of these colleagues is partially linked to performance against these business plans. For example, a portion of the CSO's incentives is related to progress towards our climate-related targets. Incentives of other members of our executive leadership team are also tied with goals such as annual emissions reductions, renewable energy procurement, plastic goals and other climate work.

## Methodologies Used to Calculate Climate-Related Metrics

Several different methodologies have been used to calculate our relevant climate-related metrics (relating specifically to extreme heat risk, resource efficiency in transport opportunity and emissions).

**Extreme heat risk:** From our most recent scenario analysis exercise, extreme heat was identified as a substantive physical climate-related risk. A methodology was developed to financially quantify the risk from extreme heat on CVS Health operational geographies. This first began with sourcing data which highlighted the number of days reaching 120F for each of the approximately 100 CVS Health facility locations for the baseline, 2030- and 2050-time horizons under a high emissions scenario (SSP5-8.5). The approximately 100 sites were chosen as a representative sample, using the following criteria: representation across business segments; revenue of business segments; supply chain considerations; size; and existing experience of physical risks. The data was sourced from CMIP6 global climate projection models. Each of the CVS Health facilities were then assigned a materiality weighting on a scale of 0-3, with 3 showcasing a high materiality based on the facility's specific operations and stock type. Highly rated facilities represent an either 10%, 20% or 30% loss of revenue because of the 120°F-hot day. To conclude an overall annual revenue loss, the average daily revenue loss figures for facilities, using global scenario data for those specific locations, were combined to produce a financial impact figure for CVS Health from extreme heat.

**Climate-related opportunities for resource efficiency in transport:** As with extreme heat, the opportunity associated with resource efficiency in transport was identified as a significant risk from our most recent climate scenario analysis exercise and was quantified at a high level. Since CVS Health® relies heavily on the transportation of its products, there is potential to drive resource efficiency and reduce operating costs. This has been calculated by first determining the cost of a single EV tractor and an internal combustion engine (ICE) vehicle. The cost of both vehicles, to run along a 15-year lifespan were compared under two scenarios: a low- emission and a high-emission scenario, and two time horizons: present day (2023–2038) and future (2035–2050). The cost calculations considered the fuel, being either diesel or electricity and any carbon prices. The cost savings derived from comparing EV and ICE vehicles were then multiplied by 100 (a representative figure for the size of California's fleet) to determine the potential financial impact of switching vehicle type. It is important to note that assumptions within the calculations were used, such as not including other capital costs relating to upfront investment of infrastructure and maintenance.

## Metrics and targets

**Greenhouse gas emissions:** CVS Health calculates its greenhouse gas emissions footprint in alignment with the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard as well as the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Scope 2 emissions are calculated using both a location-based and market-based approach, with an annual process in place for third-party reasonable assurance of Scope 1 and 2 emissions aligning with the ISO 14064-3 standard.

In 2023, CVS Health recalculated Scope 3 emissions associated with Category 1 (purchased goods and services) as its most relevant and high-emitting category, for the past three years. With guidance provided by the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, CVS Health devised a hybrid approach for its calculation methodology. From top direct suppliers, expenditure data is collected on purchased goods and services by supplier and product category. CVS Health then requested specific emissions data for these suppliers through the CDP Supply Chain program and multiplied the collected emissions with the spend data for the year. A hybrid approach is used to estimate emissions from other purchased goods and services that are not from top direct suppliers, requiring the use of the U.S. EPA Environmental-Economic Input Output (EEIO) emissions factors. The provided EEIO emissions factors were matched and classified with relevant spend categories to generate a spend-based EEIO emission factor and estimated the total emissions from CVS Health purchased goods and services.

### Scope 1, 2 and 3 Greenhouse Gas Emissions

CVS Health has historically calculated and tracked its global Scope 1 and 2 emissions from 2019 as its base year. A combined Scope 1 and 2 reduction of 18% was achieved in 2023, compared to 2019.

We also measure Scope 3 emissions across seven of the Scope 3 categories, including purchased goods and services, capital goods and downstream transportation and distribution. Our greenhouse gas inventory and additional details such as total energy consumed, as well as values of the percentage grid electricity and percentage share of energy from renewable sources across all operations are available in our [Environmental Data](#).

The related risks associated with CVS Health emissions are described in the "Strategy" section.

## Metrics and targets

### Targets Used by CVS Health® to Manage Climate-Related Risks and Opportunities, and Performance Against Targets

CVS Health has set targets validated by the Science-Based Targets initiative (SBTi) to achieve net-zero GHG emissions across the value chain by 2050, aiming to keep in line with the 1.5-degree scenario trajectory.

To support CVS Health emissions reduction goals, targets have been set for absolute reductions in Scope 1, 2 and 3 emissions, as follows:

- Reduce absolute Scope 1 and 2 market-based emissions by 47% by 2030, and by 90% by 2050, from a 2019 baseline year; and
- Reduce absolute Scope 3 emissions from purchased goods and services 47% by 2030, and reduce absolute Scope 3 emissions from purchased goods and services, business travel and downstream transportation 90% by 2050, from a 2019 baseline year.

To achieve our 1.5-degree aligned emissions reduction targets, CVS Health is focusing efforts on reduction within its supply chain and operations. These include the following, with more detail provided in the “Strategy” section:

- Working with suppliers to help ensure they are setting their own Science-Based Targets, as well as taking steps to reduce their emissions;
- Maximizing efficiency of refrigeration, which accounts for 8% of the CVS Health overall Scope 1 and 2 emissions footprint;
- Pushing for efficiencies and electrification in transportation and logistics to reduce transportation emissions across the supply chain with the use of electric vehicle (EV) fleets; and
- Channeling investment in green building infrastructure at the site level to build efficiencies in heat pumps and LED lighting.

CVS Health has also set an internal action plan for renewable energy deployment, backed by the target of procuring 50% of our energy from renewable sources by 2040. To accomplish this goal, we have developed a strategic plan and pipeline of energy deals. In 2022, we finalized our first deal to purchase renewable energy equating to approximately 42 MW from the Mammoth Central solar facility in Indiana, which is one of the largest solar providers in the USA. We also completed five physical PPAs in 2023, in Texas, Illinois, California, Maryland and Pennsylvania. These agreements, in addition to our existing 2022 agreement in Indiana, represent 500,000 MWh of clean, renewable energy powering over 2,000 locations. To continue our efforts towards reducing our absolute emissions, we have created a pathway to implement cost-saving Virtual Power Purchase Agreements (VPPA) and partner with offsite community solar programs to ensure we maintain our pace of achieving our 50% target by 2040.

# Conclusion and next steps

CVS Health® recognizes the importance of managing climate-related risks and opportunities in delivering on our responsibility as a leader in health care. Our work over the past year has demonstrated our commitment to this objective, as detailed in the various pillars of this disclosure. Considering existing and emerging regulatory requirements on companies to disclose climate risks and opportunities, we aim to enhance our future disclosures in the following ways:

- 1. Financial quantification:** In preparation for this disclosure, as well as our 2023 CDP submission, we developed a detailed financial model to estimate the impact of one physical and one transition opportunity on CVS Health. However, to align with the TCFD, ISSB, US SEC and California Climate Bills (SB 253 and 261), we will undertake a more in-depth financial analysis of the impact of climate-related risks on our business, as well as further quantification of additional, potentially material, climate risks and opportunities.
- 2. Alignment to ISSB-IFRS, US SEC and California Climate Bills:** The ISSB IFRS S2 Climate disclosure requirements have been finalized and released on the 26th of June 2023. The IFRS S2 is expected to become the global standard for climate-related disclosure, replacing the TCFD. Furthermore, where applicable, jurisdictions worldwide will aim to adopt the recommendation from the ISSB IFRS S2 disclosure. Moreover, CVS Health is registered under the SEC. Therefore, we fall under the scope of the proposed ruling for the enhancement and standardization of climate-related disclosures for investors. We also fall under the scope of the California Climate Bills. We recognize that further work will be needed to fully align with the recommendations from the ISSB and requirements of the US SEC and California Climate Bills, and we will aim to identify and close key gaps towards aligning to these sets of standards.
- 3. Operationalizing action:** Building on the results of the scenario analysis work, as well as our existing initiatives to manage climate-related risks and opportunities across our business, we will develop an action plan to mitigate the top risks identified and capitalize on the possible climate related opportunities. This will include continuing to refine our Scope 1 and 2 decarbonization strategy, which would help mitigate transition risks.

Our latest scenario analysis exercise indicates that, while climate-related risks may impact our business, our efforts to mitigate such risks render CVS Health business, strategy and financial performance resilient to them, with respect to the scenarios and time horizons considered. Likewise, CVS Health has already begun to capitalize on the various climate-related opportunities identified, through the various initiatives discussed in this report. We are committed to continue monitoring and managing climate-related risks through our robust and evolving risk management systems and initiatives. Equally, we are committed to adapting our business practices in line with a low-carbon energy future and capitalizing on the opportunities that this transition might present.

# Index

## Governance

### a) Board's oversight of climate-related risks

TCFD Guidance	IFRS	Reference	Additional Information
Process and frequency of information	IFRS S2 Climate-related Disclosures, 2023, para. (6) (a) (i-iii)	Governance (p. 75)	CDP Response 2023. Governance C1.1a, C1.1b (p. 4–7)
Consideration in business planning	IFRS S2 Climate-related Disclosures, 2023, para. (6) (a) (iv)	Governance (p. 75)	CDP Response 2023. Governance C1.1a, C1.1b (p. 4–7)
Assessment of progress against goals	IFRS S2 Climate-related Disclosures, 2023, para. (6) (a) (v)	Governance (p. 75)	CDP Response 2023. Governance C1.1a, C1.1b (p. 4–7)

### b) Management's role in assessing and managing climate-related risks

TCFD Guidance	IFRS	Reference	Additional Information
Climate-related responsibilities	IFRS S2 Climate-related Disclosures, 2023, para. (6) (b) (i)	Governance (p. 75-76)	CDP Response 2023. Governance C1.2 (p. 8–10)
Organizational structure description	IFRS S2 Climate-related Disclosures, 2023, para. (6) (a)	Governance (p. 75-76)	N/A
Process for informing on and monitoring climate-related issues	IFRS S2 Climate-related Disclosures, 2023, para. (6) (b) (ii)	Governance (p. 75-76)	CDP Response 2023. Governance C1.2 (p. 8–10)

**Strategy**

**a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term**

TCFD Guidance	IFRS	Reference	Additional Information
Description of time horizons	S2 Climate-related Disclosures, 2023, para. (10) (d)	Strategy (p. 77)	CDP Response 2023. Risk Management C2.1a (p. 16)
Risks for each time horizon	IIFRS S2 Climate-related Disclosures, 2023, para. (10) (c)	Strategy (p. 79-86)	CDP Response 2023. Risk Management C2.3 (p. 24-25), C2.4 (p. 25-28)
Processes to identify material risks	IFRS S2 Climate-related Disclosures, 2023, para. (10) (a, d)	Strategy (p. 77-78, 87, 91)	CDP Response 2023. Risk Management C2.1b (p. 16-17), C2.2 (p. 17-19)
Where in the business model and value chain the risks and opportunities are concentrated	IFRS S2 Climate-related Disclosures, 2023, para. (13) (a-b)	Strategy (p. 79-86)	CDP Response 2023. Risk Management C2.3 (p. 24-25), C2.4 (p. 25-28)

**b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning**

TCFD Guidance	IFRS	Reference	Additional Information
Impact on business, planning, and strategy	IFRS S2 Climate-related Disclosures, 2023, para. (13) (a)	Strategy (p. 87-89)	CDP Response 2023. Business Strategy C3.3 (p. 33-35)
Input into financial planning and the time periods and prioritization used	IFRS S2 Climate-related Disclosures, 2023, para. (14) (a)	Strategy (p. 87-89)	CDP Response 2023. Business Strategy C3.4 (p. 36)
Impact on financial performance and position	IFRS S2 Climate-related Disclosures, 2023, para. (9) (d) IFRS S2 Climate-related Disclosures, 2023, para. (15) (a-b)	N/A	CDP Response 2023. Business Strategy C2.4a (p. 25-28), C3.5a (p. 37)
Climate-related strategies and transition plans	IFRS S2 Climate-related Disclosures, 2023, para. (9) (c) IFRS S2 Climate-related Disclosures, 2023, para. (14) (a) (ii-iv)	Strategy (p. 87-89)	CDP Response 2023. Business Strategy C3.1 (p. 28-29)



**c) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning**

TCFD Guidance	IFRS	Reference	Additional Information
Resilience of strategy to climate-related issues	IFRS S2 Climate-related Disclosures, 2023, para. (9) (e) IFRS S2 Climate-related Disclosures, 2023, para. (22) (a) (i-iii)	Strategy (p. 79-89)	N/A

**Risk Management**

**a) Describe the organization’s processes for identifying and assessing climate-related risks**

TCFD Guidance	IFRS	Reference	Additional Information
Describe process for identifying and assessing climate-related risks and opportunities	IFRS S2 Climate-related Disclosures, 2023, para. (25) (a) (i), (b)	Risk Management (p. 90)	CDP Response 2023. Risk Management C2.2 (p. 17-19), C2.2a (p. 19-24)
Consideration of regulatory requirements	IFRS S2 Climate-related Disclosures, 2023, para. (25)	Risk Management (p. 90)	CDP Response 2023. Risk Management C2.2a (p. 19-24)
Process for assessing the size and scope of climate-related risks and opportunities	IFRS S2 Climate-related Disclosures, 2023, para. (25) (a) (iii), (b)	Risk Management (p. 90)	CDP Response 2023. Risk Management C2.2 (p. 17-19)

**b) Describe the organization’s processes for managing climate-related risks**

TCFD Guidance	IFRS	Reference	Additional Information
Describe processes for managing climate-related risks and opportunities	IFRS S2 Climate-related Disclosures, 2023, para. (25) (a) (iii-vi), (b)	Risk Management (p. 90)	CDP Response 2023. Risk Management C2.2 (p. 17-19)
Describes processes for prioritizing climate-related risks and opportunities	IFRS S2 Climate-related Disclosures, 2023, para. (25) (a) (iii-vi), (b)	Risk Management (p. 90)	CDP Response 2023. Risk Management C2.2 (p. 17-19)

**c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management**

TCFD Guidance	IFRS	Reference	Additional Information
Describe how their processes for identifying, assessing, and prioritizing climate-related risks and opportunities are integrated into overall risk management	IFRS S2 Climate-related Disclosures, 2023, para. (25) (c)	Risk Management (p. 90)	CDP Response 2023. Risk Management C2.2 (p. 17–19)

**Metrics and Targets**

**a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process**

TCFD Guidance	IFRS	Reference	Additional Information
Key metrics, including industry- specific metrics, used to measure and manage climate-related risks and opportunities	IFRS S2 Climate-related Disclosures, 2023, para. (29) (c)	Metrics and Targets (p. 91-93)	CDP Response 2023. Targets and performance C4.1 (p. 38–59), C4.2 (p. 59–61), C4.3 (p. 61–65) Corporate Social Responsibility Report 2023. Healthy Planet (p. 107)
Describe how climate-related performance metrics are incorporated into remuneration policies	IFRS S2 Climate-related Disclosures, 2023, para. (29) (g)	Metrics and Targets (p. 91)	CDP Response 2023. Governance C1.3 (p. 10–15)

**b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks**

TCFD Guidance	IFRS	Reference	Additional Information
Provide Scope 1, Scope 2, and Scope 3 GHG emissions.	IFRS S2 Climate-related Disclosures, 2023, para. (29) (a) (i–vi)	Metrics and Targets (p. 92) Environmental Data (p. 33-35)	CDP Response 2023. Emissions data C6.1 (p. 75), C6.2 (p. 75–76), C6.3 (p. 76), C6.5 (p. 77–84), C6.5a (p. 84–87)

**c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets**

TCFD Guidance	IFRS	Reference	Additional Information
Describe key climate-related targets	IFRS S2 Climate-related Disclosures, 2023, para. (29) (b–e)	Metrics and Targets (p. 93) Tracking our Progress (p. 14) Environmental data (p. 32)	CDP Response 2023. Targets and performance C4.1a (p. 38–59), C4.2a (p. 59–60), C4.2c (p. 60–61)

