



# 2016 GRI Index

# About This Report

**CVS Health’s 2016 Corporate Social Responsibility (CSR) Report provides an overview of our company’s social and environmental commitments and progress against our CSR-related goals and targets.**

## Boundary and Scope

Consistent with previous reports, the boundaries for this report extend to all United States (U.S.) company owned and/or operated facilities, administrative offices and retail pharmacies for the corporate enterprise, including: CVS Pharmacy®, CVS MinuteClinic™, CVS Caremark® and CVS Specialty™. In 2015, we acquired Omnicare®, a leading provider of pharmacy services to long-term care facilities in the U.S., and Target Corporation’s pharmacy and retail clinic businesses. These operations are included in the boundaries of this report for the first time. Company operations outside the U.S. represent less than one percent of the total enterprise and are not covered in this report. Data contained in this report covers activities that occurred in fiscal year 2016 (January 1–December 31, 2016), unless otherwise noted.

## Content and CSR Materiality

In 2015 we reviewed and refreshed our material issues. The findings of the assessment inform our report content, and more importantly, our CSR strategy. We find these issues remain relevant this year, and plan to revisit our material issues again in 2017. For additional detail on our process, please see [CSR Material Issues](#).

## Disclosure and Assurance

CVS Health management is responsible for the preparation and integrity of the information in this report. The enterprise metrics and goals in this report are established through a rigorous review process involving internal subject matter experts, and we believe this report accurately and fairly represents our CSR activities, programs and results for the fiscal year ending December 31, 2016. The report was submitted to the Nominating and Corporate Governance

Committee of the Board of Directors for review, and was reviewed and approved by members of CVS Health® senior management, including our internal Disclosure Committee, which is comprised of management from principal functional areas within the company. This serves as a separate review of our disclosure controls and procedures. This report has not been externally assured or verified by an independent third party, except for our carbon footprint data, which is assured by an independent third party. The company may consider having additional content and data in its future CSR Reports externally assured.

This report was produced based on the Global Reporting Initiative (GRI) G4 Sustainability Report Guidelines “in accordance” option core. More information on GRI is available at [www.globalreporting.org](http://www.globalreporting.org).

### Your Feedback

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

CVS Health Corporation  
Attn: SVP, Corporate Social Responsibility  
and Philanthropy  
1 CVS Drive, Woonsocket, RI 02895  
401-765-1500

### Preparation of this Report

This report contains certain forward-looking statements that are subject to risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking information for a number of reasons as described in our Securities and Exchange Commission (SEC) filings, including those set forth in the risk factors section and under the section entitled “Cautionary Statement Concerning Forward-Looking Statements” in our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q. We refer readers of this Report to all of our SEC filings, including our Annual Report to Stockholders, our [Form 10-K](#), [Forms 10-Q](#) and any [Forms 8-K](#), which provide important information about our business, operations and financial performance. Before making any investment or other decision relating to the company, all such public filings should be considered in detail.

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



# Our Pillar Framework

## Health in Action

Strategic Priorities	Goals
Accessible and Affordable Health Care	Increase our reach through our network of integrated care
	Increase access to affordable health care options for underserved populations
Support for Patients with Chronic Disease	Expand chronic disease management, cessation services and support programs
	Improve colleague health <b>Multi-year target:</b> <ul style="list-style-type: none"> <li>• Increase proportion of enrolled colleagues who are investing in their Health Savings Accounts by up to 5% each year</li> </ul>
Patient and Customer Well-Being and Safety	Provide outstanding clinical and service performance
	Maintain continued focus on quality and services
	Ensure safe disposal of medication and combat prescription drug abuse <b>Multi-year target:</b> <ul style="list-style-type: none"> <li>• Increase pharmacist community outreach to educated youth and families by reaching 750,000 individuals by 2020</li> </ul>
	<b>Help create a tobacco-free generation 5-year targets:</b> <ul style="list-style-type: none"> <li>• Reach five million youth with tobacco-free messaging</li> <li>• Double the number of tobacco-free educational institutions</li> <li>• 10% decline in new youth smokers</li> <li>• 3% decline in the youth smoking rate</li> </ul>

# Our Pillar Framework

## Planet in Balance

Strategic Priorities	Goals
Sustainable Operations	<p>Reduce the environmental impacts resulting from our operations</p> <p><b>Multi-year targets:</b></p> <ul style="list-style-type: none"> <li>• Reduce carbon intensity by 15% per square foot of retail space by 2018</li> <li>• Reduce water use in retail operations for new construction by 20% by 2020</li> <li>• 100% of paper procured is sustainably sourced by 2020</li> </ul>
Sustainable Products and Packaging	<p>Increase the availability of healthy and sustainable products</p> <p>Improve the sustainability of our supply chain</p>
Internal and External Engagement Around Our Sustainability Vision	<p>Increase opportunities for engagement with stakeholders (colleagues, customers and clients) around sustainability through volunteerism, training and education</p> <p><b>Multi-year target:</b></p> <ul style="list-style-type: none"> <li>• Our colleagues will log 10,000 “green actions” on our online volunteering portal by 2020</li> </ul>

# Our Pillar Framework

## Leader in Growth

Strategic Priorities	Goals
<p>Safe, Rewarding and Inclusive Workplace</p>	<p>Create a best-in-class workplace</p> <p><b>Multi-year targets:</b></p> <ul style="list-style-type: none"> <li>• Increase participation in Colleague Resource Groups to 10% of our workforce by 2025</li> <li>• Increase the number of hours our colleagues volunteer by 10% year-over-year</li> <li>• Provide in-person, classroom training sessions for 100% of mid-level leaders by 2019</li> <li>• CVS Health colleagues will collectively complete at least 2 million hours of compliance training every year</li> <li>• Increase the number of colleagues who participate in our 401(k) plan by up to 5% each year</li> </ul> <p>Ensure the diversity of our colleagues represents the diversity of our customers and local communities</p>
<p>Regulatory Compliance and Voluntary Standards Are Met or Exceeded</p>	<p>Ensure that policies and processes are in place to meet or exceed regulatory standards</p>
<p>Supply Chain Responsibility</p>	<p>Embed diversity within our supply chain</p> <p><b>Multi-year target:</b></p> <ul style="list-style-type: none"> <li>• \$1 billion spend on Tier I suppliers by 2017, or 10% of our total sourceable procurement spend</li> <li>• Achieve acknowledgement of Human Rights Policy by 100% of colleagues by 2019</li> </ul>

# 2016 GRI G4 Content Index

For more information on the Global Reporting Initiative (GRI) guidelines, visit [www.globalreporting.org](http://www.globalreporting.org)

## Documents Referred to in this Index

2016 CSR Report = Prescription for a Better World

2016 GRI Index = this document

2017 CVS Health Form 10-K

2017 Proxy Statement

## G4 General Standard Disclosures

### Strategy and Analysis

#### G4-1

CEO statement

[Letter from Larry Merlo, p. 2, 2016 CSR Report](#)

#### G4-2

Key Impacts, Risks and Opportunities

p. 15, [CVS Health Form 10-K](#)

#### Managing Information Security

At CVS Health, we are committed to protecting the privacy and security of our colleagues, customers and patients. Maintaining the confidentiality, integrity and accountability of CVS Health data is not only a regulatory responsibility, it is essential to advancing our purpose. The measures we take to protect and secure personal information across the enterprise are implemented through our Information Governance Framework.

#### Enhancing Our Information Security Program

CVS Health employs industry standard technology safeguards, including network firewalls, intrusion prevention and malware detection systems to identify and prevent potential cyber attacks. We maintain rigorous policies and procedures for authentication and authorization to systems that restrict access to and define appropriate use of client and plan member data.

Through our audit compliance plan, we continuously monitor and assess our systems and networks so appropriate safeguards can be implemented to mitigate the risk of security violations and intrusions. We also conduct regular assessments against our security and privacy controls, and address any issues that may have been identified during the assessment period in a timely manner.

We were early adopters of the National Institute of Standards and Technology Cybersecurity Framework for improving critical infrastructure cybersecurity. In addition, through our participation in NH-ISAC, the nation's Healthcare and Public Health Information Sharing and Analysis Center, we continue to be vigilant about advancing physical and cybersecurity national critical infrastructure resilience.

Security awareness is promoted throughout the organization, and our colleagues are required to complete security training annually. Training is also conducted within 30 days after the date of hire for contractors, within 21 days for retail colleagues, and within 12 days for PBM colleagues. In 2015, in accordance with the Payment Card Industry Data Security Standard, we completed an annual external assessment by a qualified security assessor of our

policies and safeguards in connection with cardholder data. The assessment found no major security risks or faults for cardholders or our company.

#### Ensuring Customer, Patient and Employee Privacy

Protecting private information and the confidentiality of those we serve is a condition of employment with CVS Health and is described in detail in our Code of Conduct. Privacy awareness is also promoted throughout the organization, which includes training. All of our colleagues receive privacy training, the frequency of which depends on a number of factors, including where an employee works within the company and how likely that position is to encounter privacy risks. Generally, this training takes place upon hire for new employees, an annual training for corporate employees, semi-annual training for in-store and pharmacy employees, and as-needed retraining for employees following their involvement in an incident or potential incident.

We also maintain a privacy program aimed at improving and enhancing our privacy practices. Internal privacy activities include an investigation and response team that manages the review and response to any potential privacy incident. When potential privacy incidents are discovered, the team uses a protocol that involves an

assessment of the incident and, when necessary, tracking and resolving the incident so that we can mitigate any privacy risks. When appropriate, we retrain our colleagues or develop a corrective action plan. In addition, we conduct a periodic risk assessment of our privacy practices. For example, we periodically review our retail facilities by using an independent assessor to review a statistically significant sample of stores to ensure implementation of our privacy protections. Our [Privacy Commitments](#), along with our privacy policy, are posted on our website.

### Assessing Third Party Risk

CVS Health maintains a Third Party Risk Assessment Program, and through it, each vendor who collects, uses, stores, shares, processes, transmits or destroys confidential information on our behalf must undergo initial and recurring assessments to ensure they are operating in accordance with our privacy and information security policies and procedures. In 2015, control of our third party vendor assessment program transferred to our enterprise security team. As part of this transfer, we reviewed and enhanced vendor-screening protocols. We also increased collaboration with the company's IT department

and began a program to undertake IT risk assessments of all current vendors. We completed this initiative in 2016.

### Providing Program Oversight

We operate a privacy oversight committee, which meets quarterly to review updates made by the Privacy Office and to make recommendations aimed at enhancing our practices. We also engage senior leaders in decision-making processes related to new digital interfaces and analytical technologies to help ensure that appropriate protections and safeguards are taken into consideration when we implement these tools.

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## Organizational Profile

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### G4-3

#### Name of reporting organization

CVS Health

### G4-4

#### Products

[Corporate Profile, p. 4, 2016 CSR Report](#)

### G4-5

#### Headquarter location

[Corporate Profile, p. 4, 2016 CSR Report](#)

### G4-6

#### Countries of operation

[Corporate Profile, p. 4, 2016 CSR Report](#)

### G4-7

#### Nature of ownership and legal form

[Corporate Profile, p. 4, 2016 CSR Report](#)

CVS Health Corporation is a publicly traded corporation on the New York Stock Exchange. Ticker symbol: CVS

### G4-8

#### Markets served

[Corporate Profile, p. 4, 2016 CSR Report](#)

### G4-9

#### Scale of the organization

[Corporate Profile, p. 4, 2016 CSR Report](#)

Quantity of products or services provided: In 2016, CVS Health's Retail/LTC Segment filled approximately 1.2 billion prescriptions and held approximately 23.8% of the U.S. retail pharmacy market.

### G4-10

#### Total Number of Employees by Type

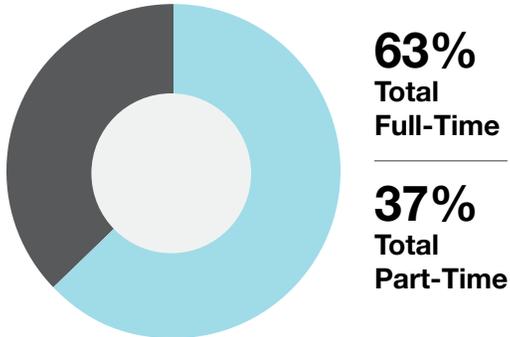
All work is performed by our company's employees, with a large majority of them performing retail-related duties in our more than 9,600 retail pharmacies located primarily in the U.S.

G4-10

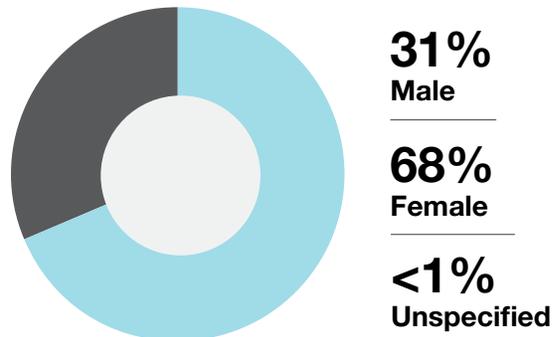
# CVS Health Workforce Diversity Data

Total Employee Count 248,224 as of 12/31/2016

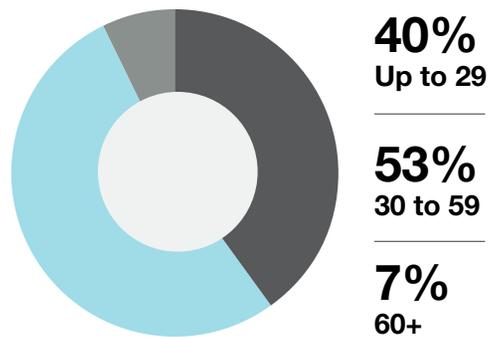
## Employment Type



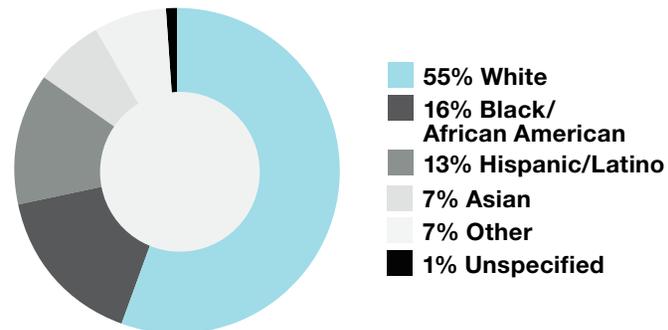
## Employment Gender



## Employment Age



## Full-Time + Ethnicity\*

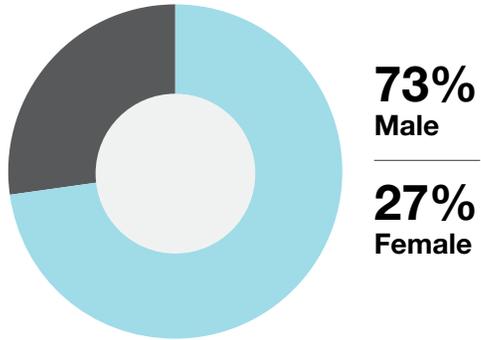


\*Total does not add to 100 due to rounding

# CVS Health Gender by Employment Level

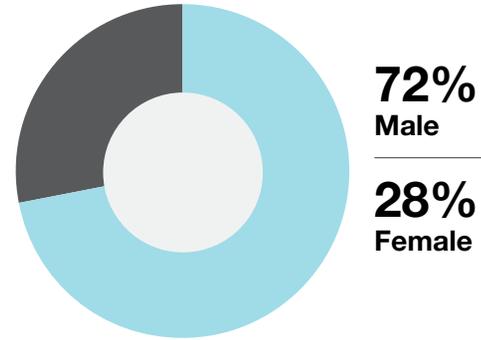
## Board of Directors + Gender

Total Board members: 11 as of 12/31/2016



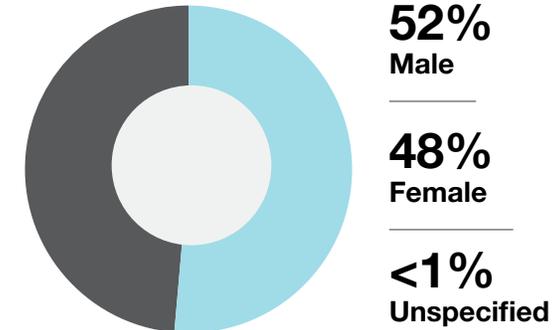
## Vice President and Above + Gender

Total Employee Count, Vice President and Above: 252 as of 12/31/2016



## Manager Level and Above + Gender

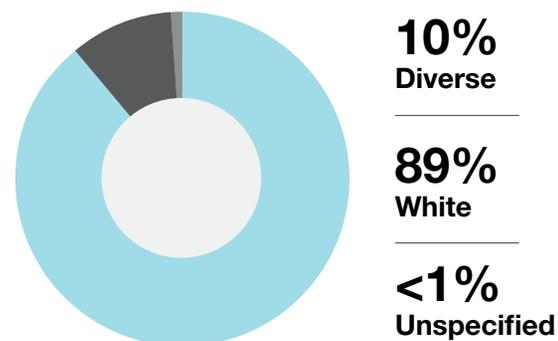
Total Employee Count, Manager Level and Above: 27,133 as of 12/31/2016\*



# CVS Health Ethnicity by Employment Level

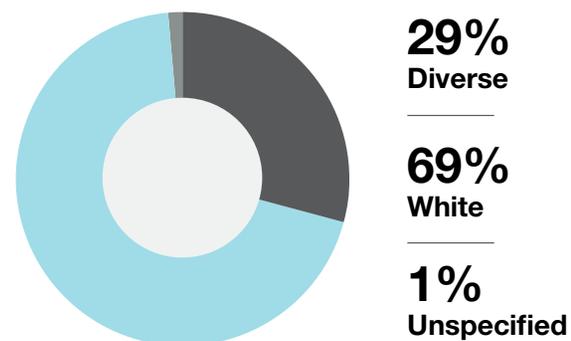
## Vice President and Above + Ethnicity

Total Employee Count, Vice President and Above: 252 as of 12/31/2016



## Manager Level and Above + Ethnicity

Total Employee Count, Manager Level and Above: 27,133 as of 12/31/2016\*



\*Total does not add to 100 due to rounding

**G4-11**  
**Collective Bargaining Agreements**

As of December 31, 2016, approximately 6% of employees were covered by collective bargaining agreements.

**G4-12**  
**Supply Chain Description**

[Corporate Profile, p. 4, 2016 CSR Report](#)

**G4-13**  
**Organizational Changes During the Reporting Period**

[Corporate Profile, p. 4, 2016 CSR Report](#)

During 2016, we opened 130 new retail pharmacy stores and added seven new MinuteClinic™ locations.

**G4-14**  
**Precautionary Principle**

We do not have a formal policy regarding the precautionary principle.

All store brand products must comply with FDA and government requirements and adhere to our [Cosmetic Safety Policy](#) and [Animal Testing Policy](#). These policies outline our commitment to providing

customers with safe products, should an ingredient be suspected of causing harm.

We also take a proactive approach to risk management, including climate change, and perform regular reviews of risks in our operations and supply chain. We are also working on developing a Sustainable Product and Procurement Policy.

**G4-15**  
**External Charters, Principles or Other Initiatives**

[Vendor Code of Conduct](#)  
[Human Rights Policy](#)  
[Palm Oil Policy](#)  
[Cosmetic Safety Policy](#)  
[Animal Testing Policy](#)  
[Cage-Free Eggs Commitment](#)

**G4-16**  
**Membership Associations**  
[Participating in the Political Process,](#)  
[p. 96, 2016 CSR Report](#)

[2016 Trade Association and Coalition Participation report](#)

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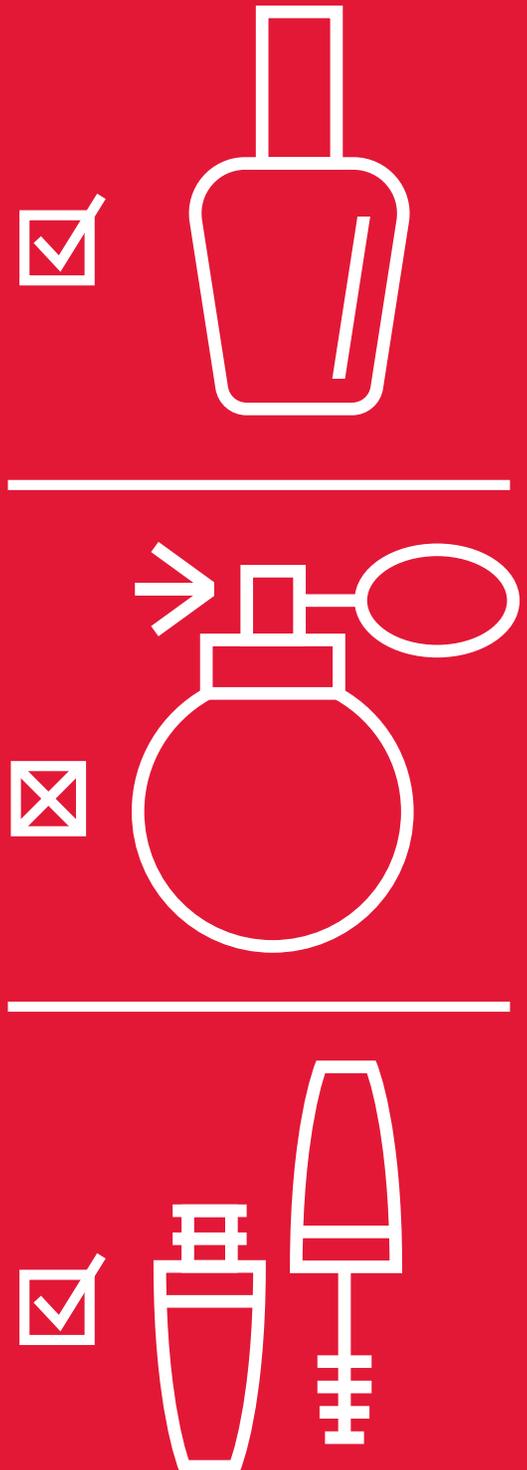
## Identified Material Aspects and Boundaries

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**G4-17**  
**Entities Included in Financial Statements**

Please see company [Form 10-K](#), Exhibit 21, page 71, filed 2/9/17 for the Period Ending December 31, 2016. Consistent with previous reports, the boundaries for this report extend to all U.S. company-owned and/or operated facilities, administrative offices and retail pharmacies for the corporate enterprise, including: CVS Pharmacy, CVS MinuteClinic, CVS Caremark

and CVS Specialty. In 2015, we acquired Omnicare, a leading provider of pharmacy services to long-term care facilities in the U.S., and Target Corporation's pharmacy and retail clinic businesses. These operations are included in the boundaries of this report for the first time. Company operations outside the U.S. represent less than one percent of the total enterprise and are not covered in this report.



## G4-18

### Process for Defining Report Boundaries and Content Materiality Assessment Process

The GRI Principles for Defining Report Content served as the basis of our materiality assessment process and include the following: materiality, stakeholder inclusiveness, sustainability context, and completeness. Our process followed the four steps recommended by the GRI: identification, prioritization, validation and review.

#### 1. Identification and Boundary Setting

We reviewed a wide range of internal and external sources including company financial reports, corporate and employee communications, internal planning documents, media reports, influencer white papers and communications, shareholder inquiries and investor indices, and stakeholder feedback, among other inputs.

- We also reviewed notes from interviews conducted in early 2015 with more than 30 internal stakeholders.
- We ended up with 34 discrete issues that fell into nine groupings. Each issue was analyzed to pinpoint where the most significant impact occurs along the company's value chain. This helped determine the boundaries of each material aspect — whether it is inside and/or outside the organization.
- There have been no significant changes to the scope and aspect boundaries since our last report. The aspect boundaries are disclosed in the chart at the end of this section.

In 2016, we completed a Human Rights Impact Assessment to identify any potential gaps within our workplace environment, throughout our supply chain, and in our dealings with patients, customers and communities. We expect to use the findings as another key input into our materiality process going forward.

Our Human Rights Statement can be found [here](#).

#### 2. Prioritization and Material Aspects

While all the issues identified through the assessment are considered important, we analyzed each issue and prioritized them against a set of criteria that included:

- How relevant the issue is to our purpose of helping people on their path to better health.
- Whether the issue presents an opportunity to strengthen reputation, increase revenues, reduce costs, attract talent or create another benefit.
- Whether the issue presents an immediate or long-term risk that may be significant to the business or society.
- Whether the issue is frequently raised by stakeholders through various feedback channels.
- Whether peers consider the issue material and/or report performance related to the topic.
- How important the issue is considered among rating and ranking entities.
- Whether there is existing or pending regulation related to the issue.
- How much control or influence the company has over the issue.
- How important the issue is to key stakeholders (colleagues, customers, clients, shareholders).

We also mapped each material topic to the appropriate GRI material aspect. This GRI Index lists the material topics, material aspects and performance indicators.

#### 3. Validation

The prioritized issues were grouped and then plotted in a wheel shown on [p. 12](#). The company's SVP of CSR and Philanthropy approved the findings, and then it was shared with the executive sponsors of each pillar to ensure they were in agreement.

#### 4. Review and Stakeholder Feedback

As part of the materiality process, we hosted a stakeholder engagement session and asked [Ceres](#), a non-profit organization advocating for sustainability leadership, to facilitate. The stakeholders were experts representing a range of issues, from community health and diversity to sustainable product development and corporate governance. They provided feedback on our 2014 CSR Report and our material issues. More detail on this engagement is discussed on [p. 10 of the 2016 CSR Report](#). Note: Not externally assured.

G4-18  
 Prioritizing our CSR Material Issues



**Accessible and Affordable Health Care**

- 1 Pricing of drugs and services
- 2 Location of stores and clinics
- 3 Community investments

**Support for Patients with Chronic Disease**

- 4 Chronic disease management

**Patient and Customer Well-Being and Safety**

- 5 Medication adherence
- 6 Coordination of care
- 7 Patient and customer safety
- 8 Customer service
- 9 Prescription drug abuse
- 10 Tobacco use

**Sustainable Operations**

- 11 Energy use and GHG emissions
- 12 Climate risks
- 13 Waste and e-waste
- 14 Water

**Sustainable Products and Packaging**

- 15 Product ingredients
- 16 Packaging
- 17 Labeling and transparency

**Internal and External Engagement Around Our Sustainability Vision**

- 18 Supply chain sustainability
- 19 Engaging colleagues around sustainability
- 20 Executive compensation tied to sustainability

**Safe, Rewarding and Inclusive Workplace**

- 21 Wages and benefits
- 22 Employee growth and development
- 23 Employee health and wellness
- 24 Diversity and inclusion
- 25 Workplace safety
- 26 Human rights

**Regulatory Compliance and Voluntary Standards Are Met or Exceeded**

- 27 Information security
- 28 Customer privacy
- 29 Public policy and political disclosure
- 30 Governance
- 31 Stakeholder engagement

**Supply Chain Responsibility**

- 32 Human rights
- 33 Sustainability risk and assessment
- 34 Supplier diversity

**G4-19**

**Material Aspects Included in the Report**

Our CSR Strategy, p. 12, 2016 CSR Report

**Response:** Please see table on page 14.

**Note:** Not externally assured.

**G4-20**

**Descriptions of Material Aspect Boundaries  
Within the Organization**

Our CSR Strategy, p. 12, 2016 CSR Report

**Response:** Please see table on page 14.

**Note:** Not externally assured.

**G4-21**

**Descriptions of Material Aspect Boundaries  
Outside the Organization**

We source from and manufacture in various parts of the world. Many of our direct import products come from factories in China. Our retail pharmacy, Pharmacy Benefits Manager (PBM) and MinuteClinic businesses are almost exclusively conducted in the U.S., in areas where our customers and employees live. Response: Please see table on page 14.

**Note:** Not externally assured.



# CSR Material Issues

CSR Material Issues	G4 Categories and Material Aspects	Material within the organization	Material outside the organization	Relevance of issue	Specific Standard Disclosures
<b>Accessible and Affordable Health Care</b> <ul style="list-style-type: none"> <li>• Pricing of drugs and services</li> <li>• Retail locations</li> <li>• Community investments</li> </ul>	<b>Economic:</b> Economic Performance; Indirect Economic Impacts		X	Our size and continued growth offers Americans the benefit of more accessible and affordable care. It is important that every American have access to the same level of quality care, regardless of where they live.	G4-EC1 G4-EC8
<b>Support for Patients with Chronic Diseases</b> <ul style="list-style-type: none"> <li>• Chronic disease management</li> </ul>	<b>Product Responsibility:</b> Customer Health and Safety		X	Our company takes an active role in supporting our customers' and patients' health experiences, and in the greater health care environment. We advise on prescriptions, help manage chronic and specialty conditions, and provide walk-in medical care and pharmacy benefits management.	G4-PR1
<b>Patient and Customer Well-Being and Safety</b> <ul style="list-style-type: none"> <li>• Medication adherence</li> <li>• Coordination of care</li> <li>• Patient and customer safety</li> <li>• Customer service</li> <li>• Prescription drug abuse</li> <li>• Tobacco use</li> </ul>	<b>Product Responsibility:</b> Customer Health and Safety; Product and Service Labeling; Marketing and Communications  <b>Environmental:</b> Products and Services		X	Our customers and patients expect a safe, responsive experience when visiting a CVS pharmacy. We are finding new ways to improve the quality and safety of patient care and, at the same time, combating prescription drug abuse and tobacco use in the interest of patient well-being.	G4-PR1 G4-PR3 G4-PR5 G4-PR6 G4-EN27
<b>Sustainable Operations</b> <ul style="list-style-type: none"> <li>• Energy use and GHG emissions</li> <li>• Climate risks</li> <li>• Waste and e-waste</li> <li>• Water</li> </ul>	<b>Environmental:</b> Energy; Water; Emissions; Effluents and Waste; Transport  <b>Economic:</b> Economic Performance	X	X	There is a need to combat climate change globally. We are committed to reducing the impacts associated with our operations where we have a high level of control, including GHG emissions, energy, water and waste. These reductions often result in cost savings.	G4-EN3 G4-EN8 G4-EN15 G4-EN16 G4-EN18 G4-EN19 G4-EN23 G4-EN30 G4-EC2
<b>Sustainable Products and Packaging</b> <ul style="list-style-type: none"> <li>• Product ingredients</li> <li>• Packaging</li> <li>• Labeling and transparency</li> </ul>	<b>Environmental:</b> Materials; Products and Services  <b>Product Responsibility:</b> Product and Service Labeling		X	The market for sustainable products continues to grow as an increasing number of consumers prefer products that contain safe and clean ingredients, are packaged sustainably, and are labeled with enough information for consumers to make informed decisions.	G4-EN2 G4-EN27 G4-PR3

CSR Material Issues	G4 Categories and Material Aspects	Material within the organization	Material outside the organization	Relevance of issue	Specific Standard Disclosures
<b>Internal and External Engagement Around our Sustainability Vision</b> <ul style="list-style-type: none"> <li>Supply chain sustainability</li> <li>Engaging colleagues around sustainability</li> <li>Executive compensation tied to sustainability</li> </ul>	<b>Environmental:</b> Materials; Supplier Environmental Assessment	X	X	To be a sustainable company, we must engage our colleagues and suppliers in the process. Our internal procurement practices are one way we are doing this, especially around sustainable forestry products. Our colleagues play a role in establishing best practices for energy management, and we senior leaders who help drive our prescription for a Better World have success metrics tied to our annual performance reviews.	G4-EN2 G4-EN32
<b>Safe, Rewarding and Inclusive Workplace</b> <ul style="list-style-type: none"> <li>Wages and benefits</li> <li>Employee growth and development</li> <li>Employee health and wellness</li> <li>Diversity and inclusion</li> <li>Workplace safety</li> <li>Human rights</li> </ul>	<b>Labor Practices:</b> Employment; Occupational Health and Safety; Training and Education; Diversity and Equal Opportunity  <b>Human Rights:</b> Assessment	X		Our company hired more than 92,000 employees in 2016. Providing a safe and fulfilling workplace environment is essential to attracting and retaining top talent.	G4-LA1 G4-LA2 G4-LA10 G4-LA6 G4-LA12 G4-HR9
<b>Regulatory Compliance and Voluntary Standards Are Met or Exceeded</b> <ul style="list-style-type: none"> <li>Information security</li> <li>Customer privacy</li> <li>Public policy and political disclosure</li> <li>Governance</li> <li>Stakeholder engagement</li> </ul>	<b>Product Responsibility:</b> Customer Privacy  <b>Social:</b> Public Policy	X	X	Our customers and patients trust us with their personal health information and other valuable data. It is imperative that our policies and practices related to information security, consumer privacy, and disclosure of political contributions and lobbying activities are best-in class, from both a reputational and regulatory perspective. The Audit Committee of our Board of Directors is formally charged with oversight of these areas.	G4-PR8 G4-SO6
<b>Supply Chain Responsibility</b> <ul style="list-style-type: none"> <li>Human rights</li> <li>Sustainability risk and assessment</li> <li>Supplier diversity</li> </ul>	<b>Human Rights:</b> Investment; Child Labor; Supplier Human Rights Assessment  <b>Environmental:</b> Supplier Environmental Assessment  <b>Economic:</b> Procurement Practices		X	Though we do not have direct control over the impacts of our supply chain operations, we do have influence. Our stakeholders expect that we understand our supply chain impacts — both social and environmental in nature — and take steps to manage these impacts. We also use our influence to promote diversity within our supply chain.	G4-HR1 G4-HR5 G4-HR10 G4-HR11 G4-EN32 G4-EC9

#### G4-22 Restatements

There are no significant restatements that have any material effect; p. 1, [About This Report, 2016 GRI Index](#)

Note: Not externally assured.

#### G4-23 Changes from Previous Reports in Terms of Scope and/or Boundaries

For this year's report we have added CVS Pharmacy in Target locations as well as our Omnicare acquisition; p. 1, [About This Report, 2016 GRI Index](#)

Note: Not externally assured.

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## Stakeholder Engagement

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#### G4-24 Stakeholder Groups

Stakeholder Engagement: p. 10, [2016 CSR Report](#), and listed below (see G4-26)

Note: Not externally assured.

#### G4-25 How Stakeholders Were Identified

Stakeholder Engagement: p. 10, [2016 CSR Report](#), p. 12, [2016 GRI Index](#) (see G4-18)

Note: Not externally assured.

#### G4-26 Approach to Stakeholder Engagement

Stakeholder Engagement: p. 10, [2016 CSR Report](#), and listed below

Note: Not externally assured.

#### Types of Ongoing Engagement with Key Stakeholder Groups

**Employees:** Employee engagement surveys, focus groups, newsletters, intranet, magazine, community projects

**Non-Governmental Organizations:** Conferences, roundtables, strategic partnerships

**Suppliers:** Procurement contracts, supplier compliance program, business-building events

**Clients:** Dedicated client sales and account teams, satisfaction surveys, a client forum, webinars, ongoing trend and data reporting, industry insights

**Investors, Shareholders, Analysts:** Annual Report, Annual Analyst/Investor Day, Annual Shareholders Meeting, quarterly conference calls, meetings and conferences, investor website

**Consumers:** Pharmacy and medical services and interactions, consumer surveys, customer relations hotlines, social media, websites

**Local Communities and Civic Organizations:** Community engagement programs, volunteering, board memberships, event participation, speeches

**Trade and Industry Associations:** Meetings, conferences, reports, collaboration on industry issues

**Government and Regulatory Authorities:** Briefings, meetings, regulatory filings

**Media:** Press releases, social media, websites, interviews

#### G4-27 Topics Raised During Stakeholder Engagements

Stakeholder Engagement: p. 10, [2016 CSR Report](#), p. 13, [2016 GRI Index](#) (see G4-21)

Note: Not externally assured.



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## Report Profile

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### G4-28

#### Reporting Period

January 1–December 31, 2016

### G4-29

#### Date of Most Recent Report

May 2016

### G4-30

#### Reporting Cycle

Annual

### G4-31

#### Report Contact

Please submit questions or feedback regarding this report and our CSR strategy to [CSR@CVSHealth.com](mailto:CSR@CVSHealth.com), or:

CVS Health Corporation  
1 CVS Drive, Woonsocket, RI 02895  
401-765-1500

### G4-32

#### “In Accordance” Option, GRI Index and Report Assurance

CVS Health has chosen the GRI G4 Sustainability Report Guidelines “In Accordance” option Core. The GRI G4 Content Index is included on these pages.

### G4-33

#### Policy Regarding Report Assurance

We do not have a formal policy for external assurance at this time. However, we do use an external third party to verify our GHG emissions inventory.

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## Governance

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### G4-34

#### Governance Structure of the Organization

The Nominating and Corporate Governance Committee is the Board committee responsible for the company’s CSR strategy. See details of [CVS Health’s governance structure](#).

#### Ensuring Board-Level Accountability

CVS Health’s Board has adopted [Corporate Governance Guidelines](#), which are available on our investor relations website. These guidelines meet or exceed the listing standards adopted by the New York Stock Exchange (NYSE), on which our common stock is listed.

#### Meeting Board Independence Requirements

Under our Corporate Governance Guidelines, a substantial majority of directors must meet the NYSE’s requirements for independence. The Board determines

the independence of each director annually and reevaluates its determinations during the year as needed. In 2016, we had 11 members on our Board, all of whom are independent except for our president and chief executive officer, Larry Merlo. Only independent Directors serve on our Board’s Audit, Nominating and Corporate Governance, and Management Planning and Development Committees, as well as its recently formed Patient Safety and Clinical Quality Committee.

#### Sharing Responsibility via Board Committees

The Board considers its role in risk oversight when evaluating the company’s Corporate Governance Guidelines and its leadership structure. The Chairman and the CEO are each focused on the company’s risk management efforts and ensure relevant matters are appropriately brought to the Board and its Committees for their review. The other Board Committees are responsible for oversight of risk management practices for the categories relevant to their functions.

#### Building Board Diversity

The Nominating and Corporate Governance Committee focuses on the following qualities in identifying and evaluating candidates for Board membership: background, experience and skills; character, reputation and personal integrity; judgment; independence; ethnic diversity; commitment to the company and service on the Board; and any other factors that the Committee may determine to be relevant and appropriate.

While we do not currently have any specific minimum qualifications for candidates or a specific policy regarding diversity, the Committee believes that the Board’s composition, which represents diverse backgrounds and experiences, provides significant benefits to the company. The Board membership in 2016 included eight men and three women, one of whom is African-American. The Committee has committed to including diverse candidates in all searches for new Director candidates.

**G4-35**  
**Process for Delegating Authority for Sustainability Topics from the Board to Senior Executives and Other Employees**

Our Senior Vice President, CSR and Philanthropy, is responsible for developing our *Prescription for a Better World* strategy, and collaborating with others across the company on specific programs and initiatives. The Nominating and Governance Committee provides oversight of our CSR strategy and performance. Our Senior Vice President, CSR and Philanthropy, reports to this Committee on the company's approach to key issues.

**G4-36**  
**High-Level Accountability for Sustainability Topics**  
Eileen Howard Boone, Senior Vice President, CSR and Philanthropy

**G4-37**  
**Processes for Consultation between Stakeholders and the Board on Sustainability Topics**  
See p. 20 of CVS Health's 2017 Proxy Statement.

**G4-38**  
**Composition of the Board and its Committees**  
See pp. 22–28 of CVS Health's 2017 Proxy Statement.

**G4-39**  
**Whether the Chair of the Board is also an Executive Officer**  
CVS Health's Chairman of the Board, David W. Dorman, is not an executive officer of CVS Health. See p. 20 of CVS Health's 2017 Proxy Statement.

**G4-40**  
**Nomination and Selection Processes for the Board and its Committees**  
See p. 17–19 and 21–28 of CVS Health's 2017 Proxy Statement.

**G4-41**  
**Board Conflicts of Interest**  
See p. 20–21 of CVS Health's 2017 Proxy Statement.

**G4-42**  
**Board and Executives' Roles in the Organization's Mission Statements, Strategies, Policies and Goals Related to Sustainability Impacts**  
The Nominating and Governance Committee of our Board of Directors provides oversight of our CSR strategy and performance. Our Senior Vice President, CSR and Philanthropy, reports to this Committee on the company's approach to key issues.

**G4-44**  
**Board Performance with Respect to Governance of Sustainability Topics**  
The Nominating and Governance Committee of our Board of Directors is responsible for reviewing decisions made regarding key economic, environmental and social topics. Our Senior Vice President, CSR and Philanthropy, along with executive subject matter experts, are held accountable for performance on these matters through annual performance reviews.

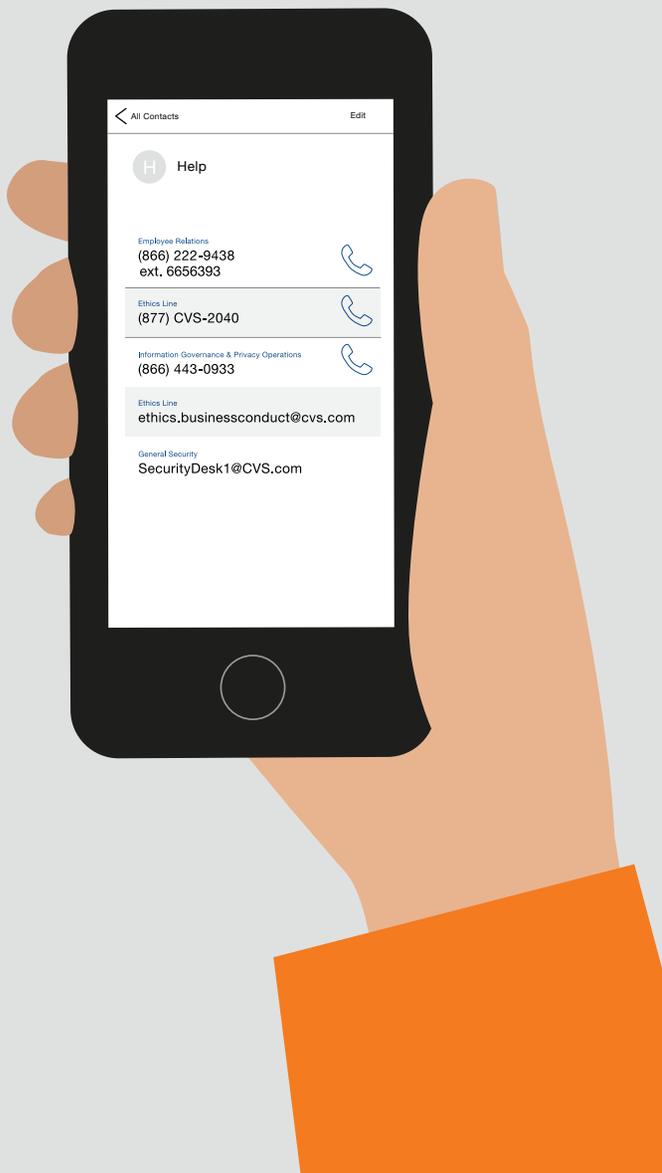
**G4-45**  
**Board Role in the Identification and Management of Sustainability Impacts, Risks, and Opportunities**  
Our Senior Vice President, CSR and Philanthropy, makes two presentations a year to the Board of Directors covering timely sustainability impacts, risks and opportunities for Board feedback. Often these presentations are informed by consultation with external stakeholders. The Board of Directors will also proactively request information on selected economic, environmental and social topics. These discussions help CVS Health to identify and manage issues of concern and opportunity.

**G4-47**  
**Frequency of the Board's Review of Sustainability Impacts, Risks, and Opportunities**  
Our Senior Vice President, CSR and Philanthropy, makes two presentations a year to the Board covering timely sustainability impacts, risks and opportunities for Board feedback. The Nominating and Governance Committee of our Board of Directors is responsible for reviewing our annual Corporate Social Responsibility Report.

**G4-48**  
**Highest Committee or Position that Formally Reviews and Approves the Organization's Sustainability Report**  
Larry Merlo, President and Chief Executive Officer, reviews and approves the CVS Health annual Corporate Social Responsibility Report along with our Nominating and Governance Committee of our Board of Directors.

**G4-49**  
**Process for Communicating Critical Concerns to the Board**  
Our Senior Vice President, CSR and Philanthropy, raises critical concerns to the Nominating and Governance Committee of our Board of Directors as part of her biannual presentations, and may make additional presentations as needed.

**G4-50**  
**Nature and Total Number of Critical Concerns that were Communicated to the Board**  
Our Senior Vice President, CSR and Philanthropy, presented on five critical concerns to the Board of Directors in 2016 regarding environmental and social issues relevant to our operations and products. At these presentations, requests were made for approval to act on a selected issue, or request funding to support a new initiative.



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## Remuneration and Incentives

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### G4-51 Remuneration Policies for the Board and Senior Executives

See p. 25–26 of CVS Health’s [2017 Proxy Statement](#) for the Management Planning and Development Committee’s responsibilities and activities.

See p. 28–29 of CVS Health’s [2017 Proxy Statement](#) for non-employee director compensation.

See p. 42–56 of CVS Health’s [2017 Proxy Statement](#) for Compensation Discussion and Analysis. The team members whose responsibility it is to reduce the company’s operational impacts have sustainability performance goals linked to compensation, as do the senior leaders of those teams.

### G4-52 Process for Determining Remuneration

See p. 25–26 of CVS Health’s [2017 Proxy Statement](#) for the Management Planning and Development Committee’s responsibilities and activities. See p. 42–56 of CVS Health’s [2017 Proxy Statement](#) for Compensation Discussion and Analysis.

### G4-53 Stakeholders’ Views on Remuneration

See p. 23 of CVS Health’s [2017 Proxy Statement](#) for information on stockholder outreach regarding executive compensation.

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## Ethics and Integrity

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### G4-56 Code of Conduct

Corporate Profile, p. 4, 2016 CSR Report; Ensuring Compliance and Integrity, p. 97, 2016 CSR Report

### G4-57 Helplines or Advice Lines for Employees

p. 38 in [Code of Conduct](#)  
CVS Health Ethics Line 1–877–CVS–2040

### G4-58 Mechanisms for Reporting Concerns about Unethical or Unlawful Behavior

p. 37–39 in [Code of Conduct](#)

# Specific Standard Disclosures

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## Economic

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### EC1

#### Economic Value

**Issue:** Community Investments

**Aspect:** Economic Performance

**Response:** [Corporate Profile, p. 4, 2016 CSR Report,](#)  
[Financial Highlights p. 14 2016 CSR Report](#)

other health care needs. To prepare for potential impacts, we evaluate our risks and opportunities on a continual basis.

### EC2

#### Climate Change Risks

**Issue:** Climate Risks

**Aspect:** Economic Performance

**Response:**

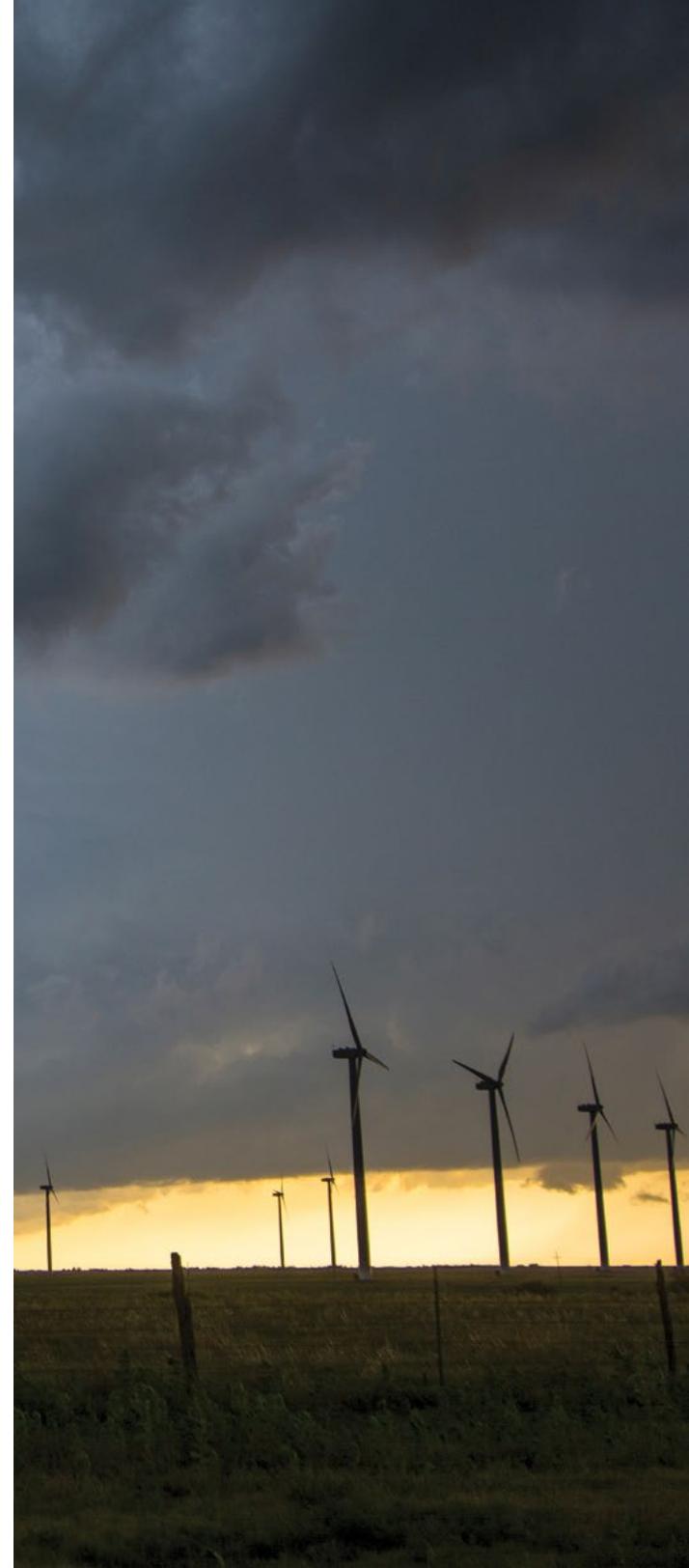
#### Climate Change Risks and Opportunities

We believe our proactive approach to climate change risk management, and our proven ability to respond during severe weather events, has strengthened the trust our customers have in CVS Health, and will enable our business to grow.

In evaluating and preparing for these risks, we believe that the unexpected closure of our data centers and corporate offices would pose the greatest threat to our business because it would impede our ability to operate the systems that support our stores. Our Business Continuity Plan addresses the loss of facilities, IT infrastructure and human resources, as well as losses in our supply chain in the case of floods, hurricanes and similar events. Financially, we are at risk of physical damage to our facilities, lost inventory from power outages and lost business from being closed in the wake of a natural disaster.

We have responded to disasters in the past and learned valuable lessons that help our business continuity team enhance our emergency response action plans on a regional level. Their focus is on ensuring we are operational during times of severe weather events or directing customers to other nearby CVS Pharmacy locations in the event that a particular store must close.

Climate change is causing unusual and sometimes extreme weather patterns around the world, and climate experts are foreseeing a new era of “super storms” emerging. As a provider of prescription medications and retail health services, we understand that a major disruption in our business can have serious implications for patients who rely on us for prescriptions and



### **Environmental Health and Human Health**

The link between environmental health and human health is well established. Air pollution exposure has been linked to health effects including respiratory disease, cardiovascular disease, cancer and preterm birth. According to a 2016 [report](#) from the International Energy Agency, air pollution has become a major health crisis leading to around 6.5 million deaths each year.

U.S. government researchers have concluded that climate change is a significant threat to the health of the American people. These climate change impacts endanger our health by affecting our food and water sources, the air we breathe, the weather we experience, and our interactions with the built and natural environments, according to a recent report. As the climate continues to change, the risks to human health continue to grow.

**Omissions:** We do not have data on the cost of actions taken to manage the risk or opportunity.

### **EC8**

#### **Indirect economic impacts**

**Issue:** Tobacco Cessation

**Aspect:** Indirect Economic Impacts

**Responses:** According to the Centers for Disease

Control and Prevention (CDC), in the U.S. the total economic cost of smoking is more than \$300 billion a year.

In 2014 we eliminated cigarettes and all tobacco products from our stores. A recent study [published](#) by CVS Health Research Institute in the *American Journal of Public Health* found that cutting nicotine from the shelves had an impact on overall tobacco sales. [Reducing Cigarette Purchases Nationwide, p. 41, 2016 CSR Report](#)

**Issue:** Medication Adherence

**Aspect:** Indirect Economic Impacts

**Response:** [Making Prescription Drugs and Services More Affordable, p. 25, 2016 CSR Report](#)

**Issue:** Coordination of Care

**Aspect:** Indirect Economic Impacts

**Response:** [Coordination of Care, p. 38, 2016 CSR Report](#)

**Issue:** Pricing of Drugs and Services

**Aspect:** Indirect Economic Impacts

**Response:** [Making Prescription Drugs and Services More Affordable, p. 25, 2016 CSR Report](#)

**Issue:** Location of Stores and Clinics

**Aspect:** Indirect Economic Impacts

**Response:** Large pockets of underserved and rural communities lack retail medical clinics or pharmacies.

In 2015, we began to work with direct-to-consumer telehealth providers to improve and expand the care of patients at home. [Serving Diverse and Underserved Populations, p.21, 2016 CSR Report](#)

**Issue:** Community Investments

**Aspect:** Indirect Economic Impacts

**Response:** [Reaching Diverse Communities through Project Health, p. 23, 2016 CSR Report](#)

### **EC9**

#### **Local suppliers**

**Issue:** Supplier Diversity

**Aspect:** Procurement Practices

**Response:** [Supplier Diversity, p. 106, 2016 CSR Report](#)



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## Environmental

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### Working with Colleagues on Sustainability

We continue to develop ways for our colleagues to engage. In 2016, we continued to promote our online colleague sustainability platform, which encourages colleagues to track their personal sustainability actions, such as biking to work, carpooling, printing on both sides of the page, turning lights off and using a reusable water bottle.

### Linking Sustainability to Compensation

Sustainability is becoming an increasingly important component of business strategy and, as it does, the argument for linking management's compensation to sustainability performance is gaining ground.

At CVS Health, each pillar within our CSR strategy — Health in Action, Planet in Balance, Leader in Growth — has an executive level sponsor who also has accountability to achieve the pillar's priorities and goals as part of his or her business plan. Remuneration of executive officers, as well as of business unit and facility managers, is partially linked to performance against these business plans.

### Sustainability Committees

We have established committees and task forces

that meet on an as-needed basis to provide guidance on sustainability-related decisions and initiatives. These include:

- Energy Technology Assessment Committee: Works to identify opportunities across our operations to reduce energy and GHG emissions while also lowering costs
- Sustainability Leadership Council: A team of leaders who meet periodically to discuss our sustainability strategy and set our carbon reduction goal
- Executive Management Council: A group of senior-level corporate executives representing all business units at CVS Health, who direct the overarching strategy, policy and implementation of our Environmental Management Program and advise our CEO on the program's performance

### EN2 Recycled Input Materials

**Issue:** Deforestation (paper, palm oil)

**Aspect:** Materials

**Response:** [Sustainable Paper Sourcing](#), p. 70, 2016 CSR Report

G4-EN3  
 Energy consumption within  
 the Organization

Issue: Emissions

Response:

### Total Energy Usage, by Type, for 2010-2016

	Electricity (Million MWh)	Natural Gas (Million Therms)	Propane & Oil (Therms)	Fuel Consumption** (Million Gallons)
2010	2.9	10.2	765,000	9.8
2011	2.9	10.4	585,000	10.1
2012	3.0	8.3	520,000	9.7
2013	2.9	12.3	580,000	9.3
2014	2.9	14.1	460,000	9.5
2015	2.9	12.4	444,000	10.6
2016	2.85	11.4	394,000	11.3

\*2010-2013 data represents all CVS Pharmacy distribution centers, stores and administrative locations, LL Paid facilities and Caremark locations. 2014 data included the addition of operations in Brazil. 2015 data includes the addition of Coram and Navarro locations, which were acquired in 2014. 2016 data includes the addition of Omnicare locations, which were acquired in 2015. The Target pharmacy and clinic locations are not included because they are comprised of small departments within large Target stores and do not have separately trackable energy usage. This data includes Scopes 1, 2 and 3 as detailed in the chart under G4-EN5.

EN8

Water Withdrawals by Source

Issue: Water

Aspect: Water

Response:

## Water Use Intensity Measurement for 2010-2016

	Total Water Usage (ML)	SF of Retail Space (Millions)	Normalized Water Usage (Per SF of Retail Space in ML)
2010	7,350	69.7	0.000105
2011	7,200	71.5	0.000101
2012	7,550	73.1	0.000103
2013	6,800	75.0	0.000091
2014	6,200	76.7	0.000081
2015	6,200	78.1*	0.000079
2016	5,711	79.2	0.000072

\*For each of 2015 and 2016, please note that the Company's 10-K reports a slightly higher figure for square feet of retail space due to the inclusion of over 1 million square feet of space associated with the pharmacies and clinics within Target stores, which were acquired on December 16, 2015. These facilities are excluded for the purposes of the intensity target calculation because the Target pharmacy and clinic locations are comprised of small departments within large Target stores and do not have separately trackable water usage.

## GHG Emissions (By Scope)\*

		2013	2014	2015	2016
Scope 1: Natural Gas, Other Fuels, Corporate Jet, Corporate Car Fleet	Tonnes of CO2e	193,091	185,548	215,060	198,047
	%	12%	11%	13%	12%
Scope 2: Electricity, Steam, Chilled Water	Tonnes of CO2e	1,465,827	1,468,193	1,368,598	1,285,716
	%	84%	84%	82%	82%
Scope 3: Dedicated Delivery Fleet, Employee Air Travel	Tonnes of CO2e	73,872	78,344	89,388	90,590
	%	4%	5%	5%	6%

**EN15  
GHG Emissions (Scope 1)**

**Issue:** Energy Use and GHG Emissions

**Aspect:** Emissions

**Response:** A breakdown of Scope 1, 2 and 3 data is included here. The baseline year for data provided is 2010; 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.

**External Assurance:** CVS Health carbon footprint data has been audited by the independent public accounting firm of Ernst & Young LLP (EY).

\*In 2012, emissions for Private and Dedicated Delivery Fleets were both reported under Scope 1 as part of Private Delivery Fleet. In 2013, emissions from Dedicated Delivery Fleet were moved to Scope 3.

## GHG Emissions (Tonnes of CO2e)

Scope 1	2013	2014	2015	2016
<b>Total</b>	193,091	185,548	215,060	198,047
<b>Natural Gas</b>	65,469	74,330	66,002	60,864
<b>Other Fuels</b>	3,893	3,010	2,885	2,575
<b>Corporate Fleet</b>	13,881	9,823	5,570	5,817
<b>Private Delivery Fleet</b>	23,012	30,190	32,858	36,119
<b>Refrigerants</b>	80,655	62,589	101,646	86,929
<b>Air Fleet</b>	6,180	5,606	6,098	5,745
<b>Scope 2</b>				
<b>Total</b>	1,465,827	1,468,193	1,368,598	1,285,716
<b>Electricity, Steam and Chilled Water</b>	1,465,827	1,468,193	1,368,598	1,285,716
<b>Scope 3</b>				
<b>Total</b>	78,872	78,344	89,388	90,590
<b>Dedicated Delivery Fleet</b>	48,254	47,495	51,449	50,310
<b>Business Travel</b>	193,091	25,281	28,885	27,394
<b>Rental Cars</b>	1,484	1,856	3,332	2,427
<b>Personal Cars</b>	—	3,712	5,721	10,460

\*Note: In 2012, emissions from Private and Dedicated Delivery Fleets were both reported under Scope 1 as part of Private Delivery Fleet. In 2013, emissions from Dedicated Delivery Fleet were moved to Scope 3. For 2014 and 2015 the Dedicated Delivery Fleet remained under Scope 3.





## GHG Emissions Scope Breakdown (%)

Scope 1	2013	2014	2015	2016
<b>Total</b>	12%	11%	13%	12%
<b>Natural Gas</b>	3.8%	4.3%	3.9%	3.9%
<b>Other Fuels</b>	0.2%	0.2%	0.2%	0.2%
<b>Corporate Fleet</b>	0.8%	0.6%	0.3%	0.4%
<b>Private Delivery Fleet</b>	1.3%	1.7%	1.9%	2.3%
<b>Refrigerants</b>	4.7%	3.6%	6%	5.5%
<b>Air Fleet</b>	0.4%	0.3%	0.4%	0.4%
<b>Scope 2</b>				
<b>Total</b>	84%	84%	82%	82%
<b>Electricity, Steam and Chilled Water</b>	84%	84%	82%	82%
<b>Scope 3</b>				
<b>Total</b>	4%	5%	5%	6%
<b>Dedicated Delivery Fleet</b>	2.8%	2.7%	3.1%	3.2%
<b>Business Travel</b>	1.4%	1.5%	1.7%	1.7%
<b>Rental Cars</b>	0.1%	0.1%	0.2%	0.2%
<b>Personal Cars</b>	—	0.2%	0.3%	0.7%

\*Note: In 2012, emissions from Private and Dedicated Delivery Fleets were both reported under Scope 1 as part of Private Delivery Fleet. In 2013, emissions from Dedicated Delivery Fleet were moved to Scope 3. For 2014 and 2015 the Dedicated Delivery Fleet remained under Scope 3.

## Total Carbon Footprint and Carbon Intensity Measurement 2010–2016

	CO2 Equivalents (Metric Tonnes CO2e)	CO2 Equivalents (Intensity per SF of Retail Space in Metric Tonnes)	Square Feet (of Retail Space in Millions)	Cumulative Progress Toward Carbon Intensity Reduction Goal*
2010	1,778,000	0.0255	69.7	NA
2011	1,800,500	0.0252	71.5	1%
2012	1,712,000	0.0234	73.1	8%
2013	1,733,000**	0.0234	75.0	9%
2014	1,737,000	0.0226	76.7	11%
2015	1,673,000	0.0214	78.1***	16%
2016	1,574,000	0.0199	79.2	22%

### EN16

#### GHG Emissions (Scope 2)

**Issue:** Energy Use and GHG Emissions

**Aspect:** Emissions

**Response:** Greenhouse Gas Emissions by Scope, p. 27, 2016 GRI Index

**External Assurance:** CVS Health carbon footprint data has been audited by EY.

### EN18

#### GHG Emissions Intensity

**Issue:** Energy Use and GHG Emissions

**Aspect:** Emissions

**Response:** Controlling Our Major Sources of GHG Emissions, p. 56, 2016 CSR Report

**External Assurance:** CVS Health carbon footprint data has been audited by EY.

\*Carbon Intensity Goal: Reduce carbon intensity by 15% by 2018, based on 2010 figures.

\*\*Adjusted from figure reported in the company's 2013 CSR report due to minor (-5%) updates as a result of CVS Health's third-party verification process.

\*\*\*10-K shows 79.4M SF, but includes 1.3M SF for Target pharmacies acquired on December 16, 2015, which are excluded for the purposes of the intensity target calculation.

## EN19

### Reduction GHG Emissions

**Issue:** Energy Use and GHG Emissions

**Aspect:** Emissions

Climate Change and GHG Emissions,

p. 56, 2016 CSR Report

**External Assurance:** CVS Health carbon footprint data has been audited by EY.

## EN23

### Waste by Type and Disposal Method

**Issue:** Waste and E-Waste

**Aspect:** Effluents and Waste

**Responses:** Waste Diversion and Recycling,

p. 59, 2016 CSR Report

Hazardous waste and disposal methods are reported in the table to the right. We identified waste and e-waste as a material issue, given the size of our operations. We do not have accurate data that measures total solid waste by type and disposal across our entire company, due to the varying municipal waste regulations in the communities where we operate, as well as varying contracts we hold with third-party waste haulers.

941,600 kWh of energy was produced from waste, eliminating 1,712 tonnes of CO2 emissions.

In 2016 we partnered with e-Cycle and Verizon to implement wireless reuse and recycling programs. Through these two programs, we reused and recycled 1,468 devices. Our e-Cycle partnership prevented more than 7.8 million gallons of water from contamination and saved enough power to provide 18 households with electricity for a day. The Verizon program reduced GHG emissions by 11,667 pounds; diverted 3.27 pounds of toxic metals from landfill; and reduced the need to mine and produce 26.84 pounds of aluminum and steel.

## Hazardous Waste Disposal Methods 2015–2016

Disposal Methods	Waste in Tonnes 2016	% of Total 2016	Waste in Tonnes 2015	% of Total 2015
Waste to Energy	1,890	55.02	1,848	54.21
Recycle/Metals Recovery	507	14.75	543	15.93
Fuels Blending	525	15.27	522	15.31
Incineration	429	12.49	372	10.91
Neutralization/Waste Water	85	2.47	124	3.64
Total Waste	3,436	100	3,409	NA

This data includes Retail, Caremark, and Distribution Centers.

**EN27**  
**Mitigation of Environmental Impacts  
of Products and Services**

**Issue:** Product Ingredients

**Aspect:** Products and Services

**Response:** Sustainable products and packaging,  
p. 64, 2016 CSR Report and CVS Store Brand  
Restricted Substances List

**Issue:** Packaging

**Aspect:** Products and Services

**Response:** Sustainable Products and Packaging,  
p. 64, 2016 CSR Report

**Omissions:** We continue to work with our suppliers to influence packaging design for most of our CVS Brand products, in addition to partnering with our national brand vendors on their packaging efforts. We do not, however, track packaging reductions quantitatively.

**Issue:** Waste

**Aspect:** Products and Services

**Response:** Recycling Rates

- 101 tonnes were recycled through all programs at retail stores, corporate offices and distribution centers
- 18.46 tonnes of plastic bags were diverted from landfills to our plastic bag recycling program

**Other recycling figures:**

- 54.12 tonnes of mixed paper
- 9.16 tonnes of PET and plastic bottles
- 3.12 tonnes of aluminum cans and materials
- 1.56 tonnes of glass
- 1.54 tonnes of HDPE
- 0.67 tonnes of white paper
- 0.22 tonnes of Styrofoam cups
- 0.09 tonnes of plastic film
- 0.19 tonnes of bimetal cans
- 211,021 boxes
- 38.74 tonnes of metals

Status of recovery of recyclable material through single-stream recycling and expansion of said programs.





**EN28**  
**Products and Packaging**  
**Material Reclaimed**

**Issue:** Prescription Drug Abuse

**Aspect:** Products and Services

**Response:** Ensuring Proper Disposal,  
p. 47, 2016 CSR Report

**Omissions:** Medications are intended to be taken as described. Rather than measuring the percentage of medications sold and reclaimed, we report on efforts to reclaim unused medications through our drug take-back programs.

**EN30**  
**Environmental Impacts from Product**  
**Distribution and Employee Travel**

**Issue:** Energy Use and GHG Emissions

**Aspect:** Transport

**Response:** Efficiencies in Transportation,  
p. 58, 2016 CSR Report

**EN32**  
**New Suppliers Screened Using**  
**Environmental Criteria**

**Issue:** Deforestation (paper, palm oil)

**Aspect:** Supplier Environmental Assessment

**Responses:** Sustainable Paper Sourcing,  
p. 70, 2016 CSR Report;  
Sustainable Products and Packaging,  
p. 64, 2016 CSR Report

**EN33**  
**Supply Chain Environmental Impacts**

**Issue:** Sustainability Risk and Assessment

**Aspect:** Supplier Environmental Assessment

**Response:** Supply Chain Sustainability,  
p. 70, 2016 CSR Report

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## Labor Practices

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### Creating Robust Workplace Practices and Policies

We are committed to creating a welcoming, inclusive and productive workplace where all colleagues feel safe and empowered to contribute at their highest levels. These principles are outlined in our [Code of Conduct](#), which states that our workplace should be free from discrimination and harassment, threats or acts of violence or intimidation. In addition, it should provide all colleagues an equal opportunity to grow and develop their careers and be appropriately compensated for their contributions to the company's success. All colleagues receive and acknowledge our Code of Conduct when joining the company and acknowledge it annually through training.

CVS Health's Compliance team, with support from the Legal Department, plays a role in assessing any potential code violations and corrective action, as needed.

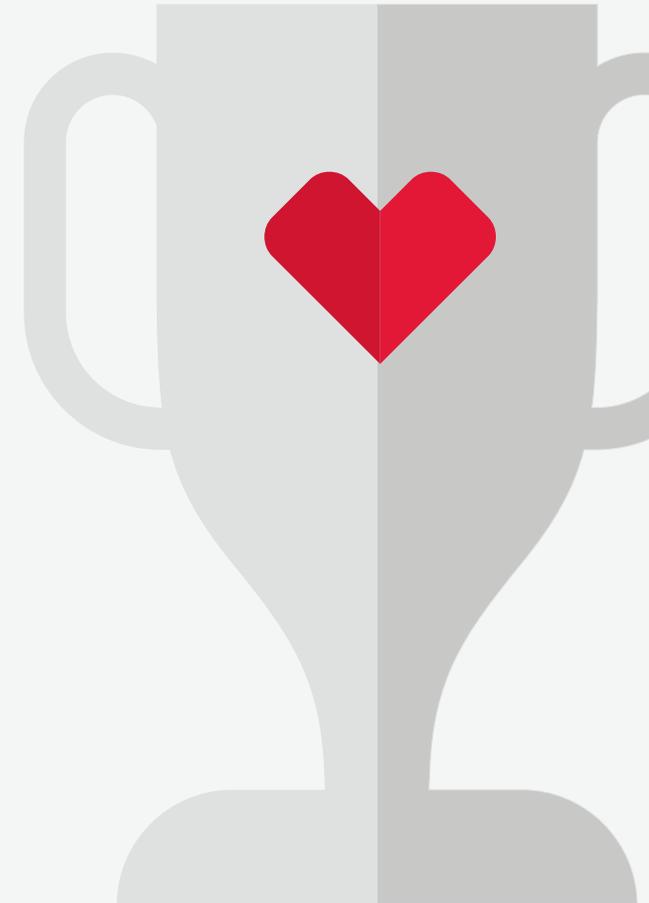
We have professional and productive relationships with our union colleagues and their representatives, and recognize the rights of our colleagues to decide whether or not to join a union, which is included in our company policies.

We also comply with local labor laws regarding employment of youth. The minimum age of employment at CVS Health is 16, or older in some instances.

### Rewarding Colleague Commitment

Recognition is an important element of the workplace experience at CVS Health, and we believe hard work and a commitment to our purpose should be rewarded and celebrated. Examples of our recognition programs include:

- **Paragon Awards:** Recognizing colleagues who have had an extraordinary impact through their work or in their community.
- **CEO Awards:** Presented to colleagues who work in the corporate setting who have led major initiatives, championed teamwork, generated innovative ideas, increased revenue or shown leadership around our core values.
- **Values in Action Recognition:** Colleagues and leaders can recognize each other and grant points redeemable for merchandise, travel vouchers, gift cards or charitable donations.
- **Values in Action Breakthrough Awards:** Celebrating colleagues whose ideas, actions and behaviors have led to a breakthrough that exemplifies our company values of innovation, collaboration, caring, integrity and accountability.



## LA2

### Benefits Provided to Full-time Employees

**Issue:** Wages and Benefits

**Aspect:** Employment

**Response:** Delivering Comprehensive Benefits and Compensation, p. 86, 2016 CSR Report

**Issue:** Employee Health and Wellness

**Aspect:** Employment

**Response:** Improving Colleague Health, p. 33, 2016 CSR Report

## LA6

### Rates of Injury, Occupational Disease, Lost Days, Absenteeism and Work-related Fatalities

**Issue:** Workplace Safety

**Aspect:** Occupational Health and Safety

**Response:** A Targeted Approach to Safety, p. 87, 2016 CSR Report; Empowering our Colleagues on Safety, p. 87, 2016 CSR Report

## LA10

### Programs for Skills Management that Support Continued Employability and Help Manage Career Endings

**Issue:** Employee Growth and Development

**Aspect:** Training and Education

**Response:** Advancing the Careers of Colleagues

### Building Retail Careers

Our Regional Learning Centers (RLCs) help to attract and cultivate talent interested in careers across our enterprise, providing a pipeline of highly qualified and diverse professionals in our largest markets. Operating in collaboration with government agencies, community colleges and community-based organizations that provide employment and educational services, our RLCs supported the training and development of more than 11,000 CVS Pharmacy retail colleagues in 2016. They also provided pre-employment skills and continuing education to an additional 1,500 job-seekers. Our RLCs support our continued investment in

programs that facilitate the hiring of new colleagues who were previously on public assistance. In 2016, we hired more than 4,000 people through our workforce development programs aimed at reducing the cycle of poverty. Since 1996, we have helped to transition more than 100,000 people from public assistance into meaningful jobs and career paths at CVS Health.

### Retail Leadership Programs

• **Foundations for Leading** is designed for store and pharmacy managers who want to build their leadership skills and prepare for advancement. In addition to classroom sessions, participants take part in action-learning assignments and experiential mentorships over a 10- to 12-month period. Approximately 870 store and pharmacy managers participated during 2016.

• **Emerging Leaders** provides development opportunities, including key learning exercises as well as mentoring and coaching sessions, for colleagues on career paths for district manager, pharmacy supervisor, region manager or human resources business partner roles. After meeting defined, role-specific requirements, individuals participate in virtual job tryouts and area-level round robin interviews. More than 250 colleagues participated in 2016.

• **Leads Program** is a classroom-based leadership development program geared toward all newly promoted district managers, pharmacy supervisors and MinuteClinic practice managers. In 2016, 137 attended.

### Enterprise Leadership Programs

• **Foundations for Leading and Learning** provides newly promoted first-level managers and leaders with a deeper understanding of the enterprise business. Participants attend classroom and online sessions over a 12-month period. In 2016,

420 colleagues attended, spending an average of 30 hours in the program.

• **Transitions to Advanced Leadership** is a newly developed, mid-level leadership initiative, discussed in more detail in the main body of this Report. In 2016, 248 leaders attended this program.

• **Omnicare Management Training Program** is a six-week virtual training program covering foundational topics in leadership. In 2016, 294 colleagues attended, spending an average of 8.5 hours of virtual classroom time.

• Smaller programs (20 or fewer participating) included our **Pharmacy Residency Program**, our **Enterprise Career Maps Program** and **Graduate Degree Sponsorship**.

## LA12

### Composition of Governance Bodies and Employees

**Issue:** Diversity and Inclusion

**Aspect:** Diversity and Equal Opportunity

**Responses:** Workforce Diversity Data

**Issue:** Governance

**Aspect:** Diversity and Equal Opportunity

**Response:** Building Board Diversity

The Nominating and Corporate Governance Committee focuses on the following qualities in identifying and evaluating candidates for Board membership: background, experience and skills; character, reputation and personal integrity; judgment; independence; ethnic diversity; commitment to the company and service on the Board; and any other factors that the Committee may determine to be relevant and appropriate.

While we do not currently have any specific minimum qualifications for candidates or a specific policy

regarding diversity, the Committee believes that the Board's composition, which represents diverse backgrounds and experiences, provides significant benefits to the company. The Board membership in 2016 included eight men and three women, one of whom is African-American. The Committee has committed to including diverse candidates in all searches for new Director candidates.

A recent amendment to the charter of the Nominating and Corporate Governance Committee, formalized the Committee's practice that every Board candidate search includes diverse candidates, including women and minorities.

**Issue:** Governance

**Aspect:** Diversity and Equal Opportunity

**Response:** Attracting and Retaining a Diverse Workforce

### **Talent Is Ageless: Building Health and Creating Employment Opportunities for Older Americans, 2016**

In 2016, our Talent Is Ageless program demonstrated significant growth and progress in building creative partnerships with national and community-based organizations that provide employment and health promotion programs for our older adults. Our Workforce Initiatives group collaborated with the following organizations in 2016 that supported our hiring training, hiring and recruitment efforts:

- We hosted three events at the House of Lebanon in Washington, D.C. covering important topics for older adults such as Medicare, Exercise and Nutrition, and Chronic Diseases. The CVS Health and Wellness events offered senior residents education, resources and guidance on important health issues with the goal of promoting healthy living.
- Several mature worker applicants from the National Caucus & Center on Black Aging, Inc's SCSEP program were hired as crew members in Greensboro and Cary, NC. Applicants had received

coaching and assistance from NCBA's special workforce program that enables mature workers to be job-ready.

- In collaboration with the nonprofit Council for Adult and Experiential Learning, we developed a new competency tool to assist mature workers in showcasing their achievements and competencies gained in both paid and volunteer experience.

### **Abilities In Abundance: Tapping into new Talent and Abilities**

Abilities in Abundance disability partnerships are part of CVS Health's commitment to diversity and disability inclusion. Here are a few examples:

- **Workability I**, a school-based program funded by the state of California, serves high-school-aged students with special needs transitioning from school to employment. CVS Health and Workability I partnered to establish a formal statewide work experience program in 2009. In 2016, CVS Health placed more than 300 students in this program that gained work experience in our stores.
- **The Massachusetts Rehabilitation Commission**, a division of the Commonwealth's Executive Office of Health & Human Services, has partnered with CVS Health over the past two years on a customized job-driven training program that provides an eight-week immersion course into the pharmacy technician role. Since the program's inception, nearly 90 participants have been served, with 65 of those individuals being hired. In 2016, CVS Health hired 21 participants from the customized training program.
- **The National Employment Team (THE NET) of the Council of Administrators of Vocational Rehabilitation** and CVS Health collaborated to establish a national direct-hire program in 2002. The program is funded by the federal government on a state-by-state basis. CVS Health works with 80 NET Disability coordinators throughout the U.S.,

putting people on the path to better health and employment. In 2016, 247 participants were hired for positions in front-store, pharmacy, and pharmacy benefit manager positions.

### **Military Alliances**

We continue to identify partnerships which will provide our talent pipeline with those who have served our country and the spouses who support them. Just a few examples:

- **Private Public Partnership Office Hiring Initiative at Fort Belvoir**  
The Public Private Partnership Office provides a collaborative system that allows civilian employers an opportunity to maximize their recruitment efforts and leverage the highly skilled and capable workforce found within the Army Reserves. CVS Health has developed a customized training program to educate transitioning soldiers and reservists on the pre-employment and transferable skills that will assist them in finding and securing civilian employment. Those interested in retail careers will also enroll in the Store Manager In Training (SMIT) program, which prepares them for a leadership role.
- **Career Skills Program at Fort Leavenworth**  
This program provides up to 20 weeks of career exploration prior to transitioning out of the Army. The service member receives training and work within the CVS retail environment to develop the necessary skills for a leadership position. Using the SMIT training and development materials, successful completion can lead to a civilian career. Service members are compensated by the Army during the program.
- **Operation Reinvent** This two-day career transition workshop is for women within 6–12 months of separation from service. These quarterly sessions are scheduled on-base.

## Diversity of our Colleagues and Senior Leadership

### Strategic Diversity Management: Objectives and Oversight

It is our goal to ensure that the diversity of our colleagues reflects the diversity of our customers and the communities we serve. Our approach to diversity management includes four primary objectives:

- Reflecting the marketplaces we serve and the demographics of our communities through our workforce
- Engaging our colleagues by leveraging workplace relationships to create and sustain a culture of inclusion
- Putting policies, practices, programs and procedures

in place that enable us to develop and retain the best diverse talent

- Ensuring alignment with and engagement of external partners, customers, clients and communities

### Fostering Diversity through Board Leadership

Oversight of strategic diversity management at CVS Health is the purview of the full Board of Directors. Our CEO and his executive leadership team serve as our Diversity Management Steering Committee and report to the full Board. Each of these senior leaders serves as an executive sponsor for one of our Colleague Resource Groups (CRGs), networks that offer colleagues the opportunity to share or support a particular ethnicity, culture or perspective.

Our Diversity Management Leadership Council provides direction for the execution of our strategic diversity management. The Council reviews progress against our goals for workforce representation, colleague engagement, talent development and marketplace diversity. In addition, our Council members serve as champions for the company's diversity strategy and are responsible for incorporating and leveraging strategic diversity management in each of their business units or departments.

Area Diversity Leadership Teams, which are established in all of our retail markets, as well as in the logistics, information systems and retail pharmacy departments, are responsible for translating and executing the enterprise diversity management strategy at the department and business unit level.

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## Human Rights

### HR1 Investment Agreements and Contracts that Include Human Rights Clauses or Underwent Screening

**Issue:** Human Rights

**Aspect:** Investment

**Response:** Human Rights and Supplier Compliance

### Vendor Code of Conduct

CVS Health requires all suppliers to conduct business in accordance with its Vendor Code of Conduct and other applicable legal and ethical standards. We seek suppliers that share our values as well as our promise to deliver outstanding service. CVS Health suppliers are required to adhere to our company's ethical standards, supplier requirements, and business processes, which are published on our supplier website and communicated in our [Vendor Code of Conduct](#).

CVS Health also requires full compliance with all

applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act. Vendors and suppliers may not, directly or indirectly, offer, pay, promise or authorize the payment of any money or thing of value to any government official, including any employee or agent of a government-owned or government-controlled business, for the purpose of: influencing any act or decision of such government official, in his/her official capacity; inducing such government official to do or omit doing any act in violation of the lawful duty of such official; securing any improper advantage; or inducing such government official to use his/her influence in order to assist in obtaining or retaining business.

Our internal [Code of Conduct](#) also addresses the company's standard of ethics when interacting with suppliers. Colleagues with direct responsibility for import supply chain management have been trained on mitigating risks within the supply chain of products,

including risks associated with human trafficking and slavery.

### Global Supplier Audit Program

The CVS Health Factory Social Audit Program helps us assess our performance and allows us to compare the results against industry standards. This ensures that our direct import suppliers and other store brand suppliers are in compliance with social, legal and trade security standards in accordance with local laws in which they operate.

CVS Health works with independent third party UL to audit all store brand and select non-saleable merchandise, including uniforms and bags, as well as supplier factories outside of the U.S. and Canada against UL's Responsible Sourcing Workplace Assessment (RSWA). The RSWA is aligned with the Global Social Compliance Program and International Labour Organization (ILO) convention recommendations.

The factory audits are based on the following assessment criteria:

- **Labor**, including abuse, coercion, harassment, child labor and young workers, and forced labor
- **Health & Safety**, including risk assessment and management, education, and accidents
- **Management Systems**, including compliance, education and grievance mechanism
- **Environment**, including risk assessment and management, general and hazardous waste, air emissions and noise pollution
- **Ethics & Business Integrity**, including bribery attempt and facilitation. A primary focus is engaging lower-performing suppliers and factories. Our goal is to work with them directly in order to remediate their factory performance on social compliance, rather than to exclude them immediately from our supply chain.

In addition to our annual human rights screening in 2016, we also conducted our annual supplier and factory training on social compliance and new subcontracting requirements. We also offer additional supplier and factory training via online learning tools.

In lieu of UL's Responsible Sourcing Workplace Assessment (RSWA) audits, CVS Health accepts

other globally recognized third-party social audit reports, including:

- **ICTI** — International Council of Toy Industries
- **WRAP** — Worldwide Responsible Accredited Production
- **BSCI** — Business Social Compliance Initiative
- **SA8000** — Social Accountability International (SAI)

**HR5**  
**Significant Risk of Child Labor in Operations and Suppliers**

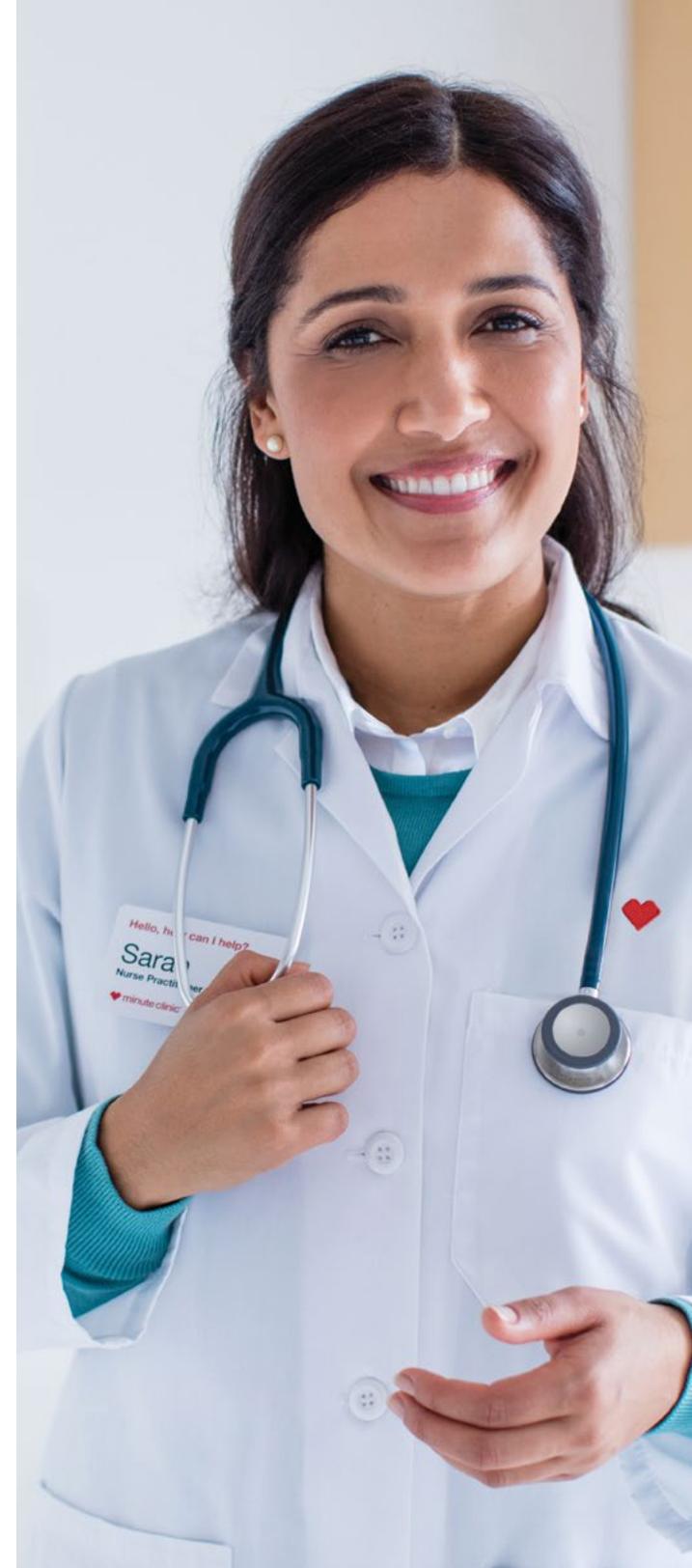
**Issue:** Human Rights  
**Aspect:** Child Labor  
**Response:** Zero Tolerance Incidents, p. 37, 2016 GRI Index

**HR10**  
**New Suppliers Screened for Human Rights**

**Issue:** Human Rights  
**Aspect:** Supplier Human Rights Assessment  
**Response:** Global Supplier Audit Program, see HR1

**HR11**  
**Human Rights Impacts in the Supply Chain**

**Issue:** Human Rights  
**Aspect:** Supplier Human Rights Assessment  
**Response:** Zero Tolerance Incidences, see HR5



## 2016 Zero Tolerance Summary

Zero Tolerance Issues/ Low Scoring Factories	Number of Factories Found to Have a Zero Tolerance Issue	Action Taken	Follow-up/Remediation Process
Child Labor	4	Orders were canceled. Facility was placed on probation.	Production for approved orders was moved to an approved facility.
Attempted Bribery (Factory Management Bribing the Auditor to Receive a Passing Score on the Audit)	4	Orders were canceled. Facility was placed on probation.	Production for approved orders was moved to approved facility.
Forced/Person Labor, Human Trafficking	1	Corrective Action was taken with supplier and factory.	Passport retention resulted in immediate corrective action taken and validation audit performed to ensure corrective action was implemented.
Abuse and Harassment	1	Orders were canceled. Facility was placed on probation.	Production for approved orders was moved to an approved facility.
Life Threatening Conditions – Locked/Blocked Exits	43 Total 22 Locked 15 Blocked 6 Locked and Blocked	Orders for 43 factories with locked/blocked exits were placed on hold until corrective action was taken. One order was canceled.	For locked and blocked exits, immediate corrective action was taken and proof of correction was submitted through a corrective action plan for approval. For locked exits, either corrective action was taken or the orders were moved to approved factories. One order was canceled.
Falsified Documents	N/A	N/A	N/A
Confirmed Falsified Audit Report and/or Business License	N/A	N/A	N/A
Intentional Nondisclosure of Finished Goods Subcontracting	N/A	N/A	N/A

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## Society

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### Ensuring Compliance and Integrity

Complying with legal requirements and acting with integrity are important to CVS Health for many reasons. In addition to the fines and penalties associated with violating laws and regulations, non-compliance can significantly impact shareholder value and profitability, as well as corporate reputation. Violating health care laws, including customer and patient privacy, can also result in being excluded from federally funded programs such as Medicare. We are committed to ensuring that we have sound practices, policies, processes and compliance mechanisms in place.

Our commitment extends to everyone within our organization: Our colleagues are expected to uphold our standards in all interactions with customers, plan members, clients, physicians, vendors and all others with whom we do business. Our Compliance and Integrity Program provides a framework for fostering a culture of compliance throughout the company. The program includes the following components:

- Compliance oversight and governance
- Policies, procedures and standards of conduct
- Due diligence in authority personnel
- Training and education
- Monitoring, auditing and reporting systems
- Effective lines of communication
- Enforcing standards and discipline procedures

### Providing Effective Compliance Oversight

Our Chief Compliance Officer (CCO) is responsible for overseeing and implementing our Compliance and Integrity Program. This position reports to the

Audit Committee of the Board of Directors and to the company's Chief Executive Officer. As part of the administration of the program, the CCO chairs the Corporate Compliance Committee, a cross-functional group comprised of company legal and business leaders who provide expertise, coordination and oversight.

### Implementing Policies, Procedures and Standards of Conduct

The CVS Health Code of Conduct articulates the company's expectation of legal and ethical conduct, and provides information on what to do when confronted with a potential compliance issue. The CCO leads the development of and updates to the Code, which takes place at least annually. The Code is reviewed by the Audit Committee of the Board of Directors.

### Conducting Due Diligence in Hiring

CVS Health evaluates colleagues and contractors based on their role and responsibilities. Prior to employment, we perform background checks, licensure searches and exclusion screenings for all candidates. Candidates who do not pass the screening are denied employment. We also conduct post-hiring monitoring to ensure continued good standing.

### Providing Training and Education

We provide compliance training to all new full- and part-time colleagues on a number of issues, with the aim of raising awareness of policies through the presentation of real-life work situations that pose ethical dilemmas or may violate aspects of our Code of Conduct. Training includes our Code of Conduct; fraud, waste and abuse; firewalls; insider trading; HIPAA/privacy; corporate integrity agreement; anti-money laundering; and charitable giving practices. Ongoing compliance training requirements are based on employee job function and responsibilities, and

existing government mandates. Training content is reviewed and approved by the Compliance Office, and training is tracked and completion statistics are shared with executive management.

### Implementing Monitoring, Auditing and Reporting Systems

Our Business Compliance Officers work with business segments to communicate new or changing compliance requirements and to identify and create action plans to address potential compliance issues. We also utilize a number of tools to monitor and detect policy violations or improper conduct.

### Maintaining Lines of Communication

The company contracts with an independent third party that provides secure, confidential telephone and web-based systems for use by individuals who wish to report a concern or submit an inquiry relating to business conduct. This service is available 24 hours per day, 365 days per year. In addition, the third party offers translation services that allow telephone and web reports to be made in several different languages. Individuals also have the option of directly communicating a concern to the Compliance Department via email, facsimile or hard copy mail. Employees have the ability to raise a compliance issue and seek guidance directly with the CCO and members of management, Human Resources and the Legal Department. CVS Health has a strict non-retaliation policy that protects our colleagues who use these resources in good faith.

### Enforcing Standards and Discipline Procedures

The CCO oversees the Ethics Line as well as other alleged violations and the Compliance department is responsible for logging, triaging, following up and tracking reported potential compliance violations to conclusion. This includes directing a thorough investigation and, upon completion, determining whether credible evidence of a violation exists.



When it is confirmed that misconduct has occurred, corrective action, which may include remedial action to address the specific issue or help prevent similar issues in the future, discipline and/or additional training is initiated promptly.

As appropriate, certain confirmed violations may be reported to outside agencies or authorities. In addition, the CCO provides the Audit Committee of the Board of Directors with information concerning significant violations or alleged significant violations of the Code of Conduct and applicable policies and procedures.

### SO6 Political Contributions

**Issue:** Public Policy and Political Disclosure

**Aspect:** Public Policy

**Response:** Transparency Regarding Political Donations, p. 96, 2016 CSR Report and listed below

### Participating in the Political Process

It is CVS Health's policy that the CEO and the Board are responsible for determining the company's public policy and political interests in a manner consistent with applicable laws. The Nominating and Corporate Governance Committee reviews and considers the company's policies and practices, including expenditures regarding political contributions and direct and indirect lobbying. It also reviews and considers the company's policies and practices regarding other significant public policy issues.

### Articulating Our Public Policy Principles

Our Public Policy Principles outline our priorities for participating in the public policy sphere. We are committed to addressing health care costs, quality and access, because they are essential factors in helping people on their path to better health. To advance our policies, we work with federal and state policymakers, others in our industry, the broader business community, and nonprofit and civic partners.

### Keeping our Lobbying Activities Focused

Lobbying is highly regulated in the U.S., and we comply with applicable U.S. federal and state laws, including the Lobbying Disclosure Act and Honest Leadership and Open Government Act, which require reporting on lobbying activities and certification of compliance with Congressional gift rules.

Our Government Affairs team represents the company's point of view in Washington, DC in state capitals and with regulatory agencies around the country. We focus on legislative and public policy issues that impact the company's delivery of health care and long-term business interests. We communicate with policymakers and stakeholders on issues that impact our business, health plan clients and customers. In addition to our efforts to advocate for health care access, quality and affordability, we continued our commitment to address prescription drug abuse in 2016.

For instance, we participate in the Alliance to Prevent the Abuse of Medicines, a non-profit partnership of key stakeholders representing every aspect of the prescription drug supply chain, to develop and offer policy solutions aimed at decreasing prescription drug abuse. We are involved in other initiatives related to prescription drug abuse as well.

Beginning in 2015, we posted copies of our federal lobby reports on our website to make the information more accessible to our stakeholders.

### Transparency Regarding Political Donations

All of the company's contributions promote the interests of the company and are made without regard to the private political preferences of company officers and executives. CVS Health is prohibited by federal law from making corporate contributions directly to candidates or political parties in federal elections. We make contributions at the state level as allowed by state laws, and to other organizations as described

below, in each case in alignment with our public policy priorities and business interests.

Our Political Activities and Contributions Report discloses all of our political contributions, which may be made, depending on our priorities for the particular year, to candidates for state and federal office, political action committees and entities organized under Section 501(c)(4) or Section 527 of the Internal Revenue Code. Note that CVS Health makes contributions only to those 527 organizations that are campaign committees or political parties that are regulated by Federal Election Commission or state campaign finance laws, whose transparency rules enable us to understand how our funds are used.

With respect to 501(c)(4) and 527 organizations, we disclose amounts paid to advocacy and/or political purposes for any organization whose CVS Health contribution is \$25,000 or greater.

### Disclosing CVS Health Colleagues Political Action

As with many corporations, we offer certain eligible colleagues an opportunity to participate in the political process by voluntarily contributing to the CVS Health Employees Political Action Committee (EPAC). Political contributions to federal candidates, certain state candidates, political party committees and political action committees are made by our EPAC. Consistent with federal law, CVS Health pays the administrative, solicitation and compliance costs of the committee. The activities of the CVS Health EPAC are subject to comprehensive regulation by the federal government and certain state governments, including detailed disclosure requirements.

Under the Lobbying Disclosure Act of 1995, CVS Health submits to Congress semi-annual reports, which also include a listing of CVS Health EPAC's contributions to federal candidates. We report these contributions in the Political Activities and Contributions report on our website. Included on our website are disclosures of the contributions the CVS Health EPAC also makes at the

state level. We also operate employee-funded state Political Action Committees (PACs) in Rhode Island, Massachusetts and New York.

CVS Health has a policy governing political contributions made from corporate and EPAC funds to ensure that all potential political contributions made by or on behalf of CVS Health or a CVS Health EPAC are reviewed and approved internally for compliance with all federal, state and local laws, and that all of the company's political activities are conducted in accordance with high ethical standards. This policy applies to all colleagues of CVS Health, and each of its subsidiaries and affiliates. CVS Health does not make any independent expenditures in federal, state or local elections. CVS Health requires certifications of compliance with this policy, generally through the company's annual compliance training. Certifications must be submitted following such training by all CVS Health representatives and colleagues at the director-level and above who maintain budgetary authority for potential political contributions.

CVS Health participates in various federal and state trade associations or organizations that operate in support of specific industries. Trade associations participate in activities such as education, advertising and lobbying to influence public policy. Many associations offer other services, such as producing conferences, networking or charitable events or offering classes or educational materials. Some associations also make political contributions or operate a PAC.

Details regarding CVS Health's 2016 membership dues can be found in our annual Trade Association Dues Report, along with past reports. These reports include names of trade and industry associations to which we pay annual total dues of \$25,000 or more and the amount of dues paid. The amount of such dues totaled \$5.6 million in 2016, of which approximately \$1.7 million was used for advocacy and/or political activities.





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## Product Responsibility

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### PR1 Health and Safety Assessments of Products and Services

**Issue:** Support for Chronic Disease

**Aspect:** Customer Health and Safety

**Response:** Support for Patients with Chronic Disease, p. 28, 2016 CSR Report

**Omissions:** The prevention and management of chronic disease is a strategic focus for CVS Health. While we are unable to measure our efforts as a percentage, we continuously monitor and evaluate existing services and develop new services to support patients on their path to better health.

### PR3 Product and Service Information Required for Labeling

**Issue:** Labeling and Transparency

**Aspect:** Labeling Transparency

**Responses:** We have a growing line of healthier snacks that fall under the FitChoices™ category, as well as other organic personal care products. Efforts to label the environmental and social benefits is a focus for these products. Healthier Product Offerings, p. 31, 2016 CSR Report

### PR6 Sale of Banned or Disputed Products

**Issue:** Prescription Drug Abuse

**Aspect:** Marketing Communications

**Response:** Facilitating Overdose Treatment, p. 46, 2016 CSR Report

**Issue:** Tobacco Cessation

**Aspect:** Marketing and Communications

**Response:** Tobacco-Free Lives, p. 40, 2016 CSR Report

### PR1 Health and Safety Impact Assessments of Products and Services

**Issue:** Patient and Customer Safety

**Aspect:** Customer Health and Safety

**Response:** Quality assurance is a mandatory procedure performed by our pharmacists with every prescription filled.

Patient and Customer Well-Being and Safety, p. 36, 2016 CSR Report

### PR3 Product and Service Information Required for Labeling

**Issue:** Patient and Customer Safety

**Aspect:** Product and Service Labeling

**Response:** To help ensure patient safety, 100% of our prescription labels meet both regulatory requirements and our internal standards. Patient and Customer Well-Being and Safety, p. 36, 2016 CSR Report

### PR5 Surveys Measuring Customer Satisfaction

**Issue:** Customer Service

**Aspect:** Product and Service Labeling

**Response:** Expanding Our Reach Through MinuteClinic, p. 20, 2016 CSR Report

## Facilitating Access through Convenience Additional CVS Health Services in 2016

### Curbside Pickup

Consumers in 39 select markets (comprising nearly 3,900 stores) can now order online and have the order brought to their vehicle outside the CVS Pharmacy location. This service is especially valuable for consumers with small children or mobility challenges.

### Optometry & Audiology

As we broaden our scope of health care services, we are testing a model to conveniently provide audiology and optometry services to our patients in select CVS Pharmacy locations. Clinical services at our optical centers are provided under an optometrist's care up to five days a week, and our hearing centers are under the direction of licensed audiologists or hearing instrument specialists. The centers diagnose, treat and manage acute and chronic eye disease and hearing loss, conduct exams, write prescriptions and provide a selection of eyewear or hearing aids,

as well as related products and services for children and adults. In 2016, we piloted an offer for patients to receive eye exams and prescription glasses in the same day.

Our first optical centers opened in 2015 with five stores in Baltimore. Seven hearing centers were opened in Dallas and Cleveland. In 2017, we plan to expand our hearing centers into five new states and triple the number of our stores offering these services.

### PR8

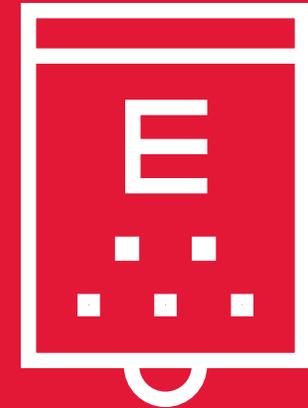
#### Complaints Regarding Breaches of Customer Privacy and Losses of Customer Data

**Issue:** Information Security and Customer Privacy

**Aspect:** Customer Privacy

**Response:** Ensuring Customer, Patient and Employee Privacy, p. 6, 2016 GRI Index.

We publicly report breaches to Health and Human Services (HHS) Office of Civil Rights. This information is available [here](#). See page 6 of this report.





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Mr. Robert Izzo  
Energy Manager  
One CVS Drive  
Woonsocket, Rhode Island 02895

1 June 2017

Dear Robert,

We have completed our engagement to provide review level assurance on CVS's scope 1, 2, and 3 (exclusively corporate business travel) emissions for the year ended December 31, 2016. Our engagement was performed in accordance with our Statement of Work dated March 1, 2017 under our Agreement during the period from March 1, 2017 to June 1, 2017.

Based on our procedures performed during the period from March 1, 2017 to June 1, 2017, we prepared the attached Report for you to include as an attachment to your 2017 CDP Climate Change Response sent to us on May 30, 2017. In the event that changes are made in relation to the assertions or criteria as described in the Management Representation Letter you provided on June 1, 2017, we kindly ask you to contact us before submitting the response to CDP.

We appreciate the cooperation and assistance provided to us during the course of our work. If you have any questions, please call Brendan LeBlanc +1 617 585 1819.

Very truly yours,

A handwritten signature in black ink that reads 'Brendan LeBlanc'.

Attachment – Independent Accountant's Review Report

**Health is everything.™**