



**At CVS Health<sup>®</sup>, we serve as the front door to health care — touching the lives of one in three Americans — with a presence in thousands of communities across the country. We play an active role in providing more affordable, accessible, and effective care, and our corporate social responsibility (CSR) strategy supports these efforts. It also helps to ensure that we deliver on our purpose of helping people on their path to better health.**

# Our Prescription for a Better World

At CVS Health, everything we do starts with our purpose: helping people on their path to better health. Our *Prescription for a Better World* framework ensures that, as we fulfill this purpose, we are positively impacting the communities we serve and growing our business.

We are committed to making quality health care more affordable and accessible, ensuring the health and well-being of our patients and customers, using resources efficiently and operating our business with integrity. These priorities are represented in the three pillars that support our strategy: *Health in Action*, *Planet in Balance*, and *Leader in Growth*.

In 2017, our *Prescription for a Better World* came to life through a range of initiatives and commitments. We've

put a stake in the ground in the fight against our nation's opioid abuse epidemic, doubled down on our commitment to help people lead tobacco-free lives, and continued to provide millions of dollars in charitable support to free clinics and community health centers. We have also worked hard to establish an emissions reduction target in line with climate science, adopted a holistic approach to supporting our colleagues' health and professional growth, and continued to expand our workforce development programs.

# Tracking Our Performance



**Target:** NEW: Establish MinuteClinic® partnerships with five VA Health Care Systems by 2022

**2017 Progress:** This is a newly added target in 2018



**Target:** Increase enrolled colleagues investing in HSA and average HSA account balance by 5% by 2022

**2017 Progress:** Increased enrolled colleagues by 4.4%



**Target:** Increase pharmacist outreach to educate youth and families by reaching 750K individuals by 2020

**2017 Progress:** Delivered 7.3K+ presentations to nearly 345K students and adults



**Target:** Achieve a 10% decline in new youth smokers by 2020, compared to 2015 baseline

**2017 Progress:** 8% reduction in new youth smokers since 2015



**Target:** Achieve a 3% decline in the national youth smoking rate by 2020, compared to 2015 baseline

**2017 Progress:** 1.3% decline in the national youth smoking rate Since 2015



**Target:** Reach 5M youth with tobacco-free messaging by 2020, compared to 2015 baseline

**2017 Progress:** Reached 4.4M youth with tobacco-free messaging and education



**Target:** Double the number of tobacco-free educational institutions by 2020, compared to 2015 baseline

**2017 Progress:** 253 new institutions have gone tobacco-free with our support



**Target:** Reduce carbon intensity by 15% per square foot of retail space by 2018

**2017 Progress:** Achieved target three years ahead of schedule



**Target:** Reduce water use in retail operations for new construction by 20% in 2020

**2017 Progress:** Achieved 18% reduction



**Target:** Ensure 100% of paper procured is sustainably sourced by 2020

**2017 Progress:** 93% of the paper we used across the enterprise was sustainably sourced in 2017

# Tracking Our Performance



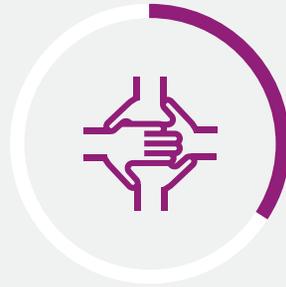
**Target:** Source all palm oil in our store brand products from verified, responsible sources by 2020

**2017 Progress:** 31% of our store brand suppliers have either become members of RSPO or obtained Rainforest Alliance certification



**Target:** Log 10K “green actions” for colleagues on our online engagement portal by 2020

**2017 Progress:** Colleagues have logged more than 4K green actions



**Target:** Increase participation in Colleague Resource Groups to 10% of our workforce by 2025

**2017 Progress:** 3.43% of our workforce participates in a CRG



**Target:** Increase the number of hours our colleagues volunteer by 10% year-over-year

**2017 Progress:** In 2017, the number of hours our colleagues volunteered increased by 19%



**Target:** Provide in-person, classroom training sessions for 100% of mid-level leaders by 2019

**2017 Progress:** 41% of mid-level leaders have benefited from our Transitions to Advanced Leadership program



**Target:** Colleagues will collectively complete at least 2M hours of compliance training every year

**2017 Progress:** Colleagues completed 2.06M hours of compliance training in 2017



**Target:** Increase the average participation rate across all 401(k) plans to 50% by 2020

**2017 Progress:** 47% of our colleagues contribute annually to their 401(k) plans



**Target:** Hire another 5K registered apprentices by 2022

**2017 Progress:** Our new target is in addition to the 4.7K+ colleagues we've hired through our Registered Apprenticeship program



**Target:** \$1B spend on Tier I suppliers by 2017, or 10% of our total sourceable procurement spend

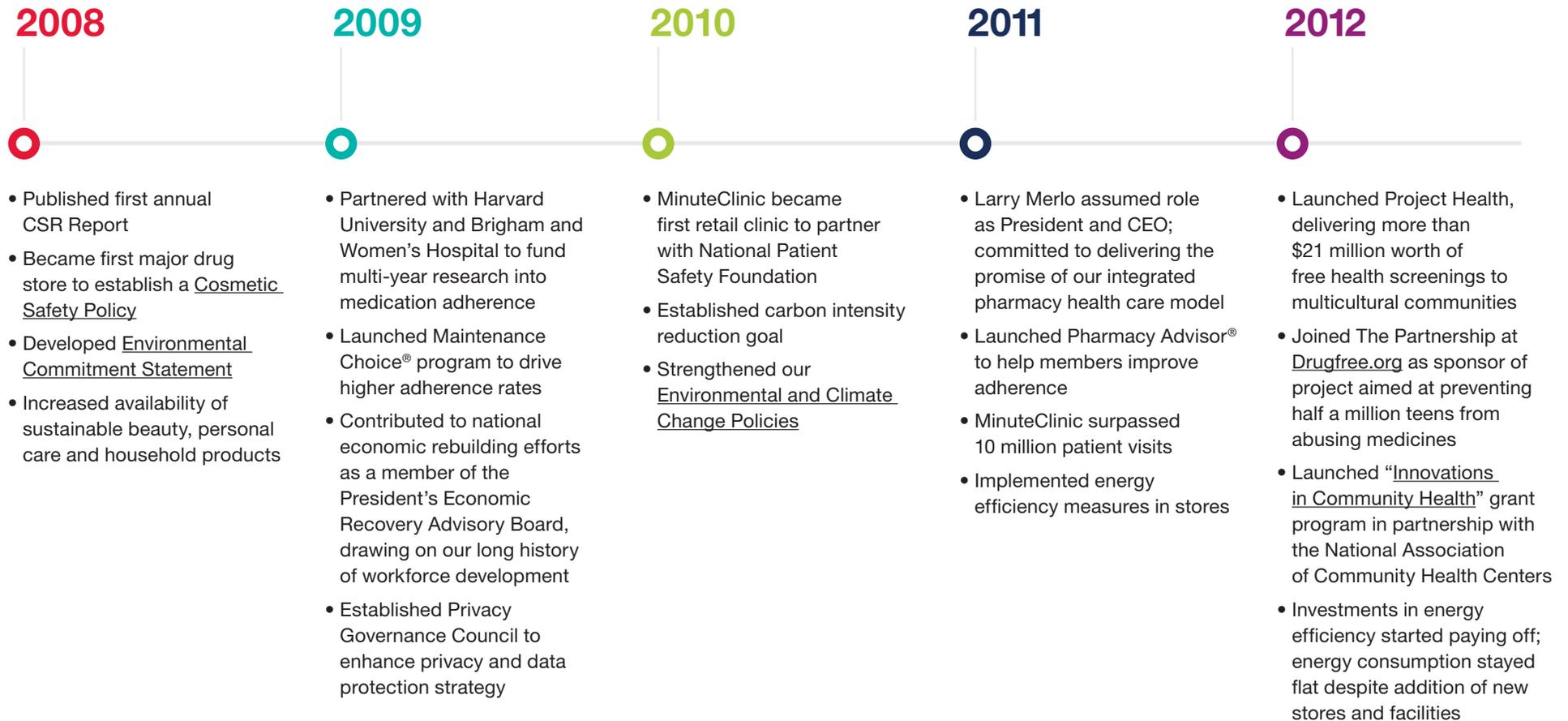
**2017 Progress:** In 2017, we spent \$2.3B with diverse Tier I suppliers



**Target:** Acknowledgment of our Human Rights Policy by 100% of colleagues by 2019

**2017 Progress:** We are on track to achieve this goal in 2018

# CSR Milestones Timeline



# CSR Milestones Timeline

2013



- Launched partnerships with the National Association of Free and Charitable Clinics (NAFC) and the School-Based Health Alliance
- Revamped Gold Emblem® line, incorporating nutritional information on front of packaging
- Evaluated data on prescriptions filled at CVS Pharmacy® to identify and halt inappropriate prescribing of high risk drugs
- Opened first Leadership in Energy and Environmental Design (LEED) Platinum store
- Listed on Dow Jones Sustainability Index
- Expanded factory audit program to include factories located in high risk countries that produce regulated and non-regulated CVS® brand items

2014



- Eliminated tobacco sales in all stores, becoming the first major retail pharmacy to do so
- Announced corporate name change to CVS Health, reflecting broader health care commitment
- Launched proprietary Gold Emblem Abound® line of snacks with more than 40 wholesome items free from artificial flavors and preservatives
- Became title sponsor of American Lung Association LUNG FORCE® campaign focused on women's lung health
- Teamed up with The Partnership at Drugfree.org to launch community donation program for drug collection units
- Surpassed 20 million patient visits at MinuteClinic
- Expanded Project Health to 27 markets nationwide
- Partnered with other leading retailers, product and chemical manufacturers to develop common goals in sustainable chemical management
- Required social audits for all subcontracted factories outside of the U.S. and Canada that supply consumer-ready finished goods
- Launched multi-year partnership and in-store fundraising campaign with Stand Up to Cancer® to fund innovative cancer research
- Improved accessibility of information on our political activities and contributions
- Scored among first tier companies in the CPA-Zicklin Index of Corporate Political Disclosure and Accountability
- Achieved perfect score of 100% on the Human Rights Campaign Foundation's annual Corporate Equality Index (CEI)
- Began to provide health and other benefits to same sex partners of colleagues

2015



- Launched \$5 million, five-year commitment to the Campaign for Tobacco-Free Kids
- Surpassed 25 million patient visits at MinuteClinic
- Acquired Omnicare®, significantly expanding ability to serve senior patient population
- Acquired Target's pharmacy and clinic businesses
- Launched Pharmacists Teach®, connecting CVS pharmacists to local high school students to discuss the dangers of prescription drug abuse
- Redesigned 450 stores to give healthy snacks more prominence
- Removed formaldehyde from CVS® brand baby products, and eliminated microbeads and triclosan from all CVS brand products
- Joined Roundtable on Sustainable Palm Oil
- Exceeded carbon intensity reduction goal three years ahead of schedule
- Committed to 100% cage-free eggs by 2025
- Pledged to source 100% of our paper stock from sustainable sources by 2020
- Established water reduction goal for newly constructed stores

# CSR Milestones Timeline

2016



- Launched Be The First, a 5-year, \$50 million commitment to help create the first tobacco-free generation
  - As part of Be The First, began awarding grants to support U.S. colleges and universities in becoming tobacco-free
- Expanded assortment of healthier foods and beverages to more than 2,900 stores nationwide
- Made naloxone available without a prescription to patients in 31 states
- Committed to reach 750,000 individuals with pharmacist community outreach education by 2020
- Announced removal of parabens, phthalates and the most prevalent formaldehyde donors across nearly 600 beauty and personal care products
- Published restricted ingredients list
- Launched partnership with the Veterans Affairs Health Care System to offer urgent care services to veterans through MinuteClinic
- Published responsible palm oil sourcing policy; committed to sourcing all palm oil in our store brand products responsibly by 2020
- Conducted Human Rights Impact Assessment and published enterprise-wide Human Rights Policy

2017



- Announced plans to acquire Aetna<sup>®</sup>
- Research showed our decision to remove tobacco reduced the number of cigarette purchases across all retail settings
- Became first national pharmacy to remove artificial trans fats from all exclusive store brand food products
- Reached goal of spending more than \$1 billion with diverse suppliers; became member of Billion Dollar Roundtable
- Implemented label claim substantiation policy
- Unveiled new store design with new assortment of healthier food and health-focused products
- Opened Talent Connect Center to serve the Fort Bragg, NC military community in transitioning from military life to private sector civilian careers
- Committed to hiring 5,000 new apprentices by 2022

2018



- Became member of the UN Global Compact
- Launched packaging review initiative
- Developed science-based emissions reduction target
- Increased starting wage rate of hourly employees to \$11 an hour
- Committed to absorbing increases in employee health insurance premiums for the 2018–2019 plan year
- Announced new paid parental leave program



# Health in Action



**Millions of times a day, we're helping people on their path to better health — advising on prescriptions, helping patients manage chronic and specialty conditions, and ensuring that healthier decisions are easier to make. Our integrated health care model enables us to tackle the critical health challenges facing our nation. Not only do we have the size and capability; we believe it's our responsibility.**

**We are helping to address these issues — from escalating costs and challenges in accessing health care, to a rise in chronic disease and an epidemic of opioid abuse — by providing more affordable, accessible and quality care.**

**As part of our work to deliver on this commitment, in December 2017 we announced our plan to acquire Aetna, one of the nation's leading diversified health care benefits companies. We believe this combination presents a unique opportunity to redefine access to high-quality care in lower-cost, local settings and will provide greater integration of care, empowering patients and their providers to make more informed decisions.**

# Top Accomplishments in 2017



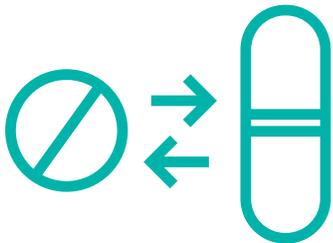
Enhanced our utilization management program to ensure that opioids are being prescribed and used appropriately, consistent with guidelines set by the U.S. Centers for Disease Control and Prevention (CDC)



Began providing real-time information on medication cost and coverage to improve prescription decision-making by patients and their care teams



\$122 million worth of free health services provided through Project Health since 2006



Implemented new measures to protect patients against harmful drug interactions



Supported communities through major hurricanes and other natural disasters



350,000 students reached through our Prescription Drug Abuse education program, Pharmacists Teach



**“For me, helping take care of people who are struggling with addiction has been one of the most gratifying parts of my professional career.”**

## A Community Health Center Fights Back

With a grant of more than \$80,000 from the CVS Health Foundation, a team at the Greater Lawrence Family Health Center — made up of physicians, clinical pharmacists, behavioral specialists and IT professionals — developed a robust protocol that will train all clinicians, nurses and medical assistances on the screening, brief intervention and referral to treatment (SBIRT) approach to addiction treatment. SBIRT is an evidence-based practice used to identify, reduce and prevent misuse and abuse of alcohol and drugs. They’ve added education around safe prescribing practices, and incorporated substance abuse screening tools into their electronic medical records.

“For me, helping take care of people who are struggling with addiction has been one of the most gratifying parts of my professional career. Some of my patients that I have known for a long time turned out to have a difficulty with addiction. I have a few that I’ve been able to help stabilize. I knew them before they started having a lot of trouble, and have now gotten to stay with them as they have rebuilt their lives, and reunited with their families.” — Dr. Stephen Bittenwieser, faculty physician, Greater Lawrence Family Health Center



# Planet in Balance



**We believe there is a strong connection between human health and the health of our planet. That is why our commitment to environmental sustainability focuses on assessing and reducing the direct and indirect impacts of everything we do, including our operations, products and supply chain.**

**As part of our commitment to helping people on their path to better health, in 2017 we continued to advance sustainability initiatives and follow through on our [Environmental Commitment and Climate Change Policy Statements](#). It's a collaborative effort that engages company leaders, our colleagues, supplier partners, industry peers and NGO and advocacy groups.**

**Our progress in 2017 spanned the areas of energy use, water use, and sustainable products and packaging. We worked with business partners and colleagues to maximize our efforts, and with third-party organizations to validate our progress and help inform current and future initiatives.**

# Top Accomplishments in 2017



Submitted science-based emissions reduction target for approval from the Science Based Targets initiative



Removed chemicals of consumer concern across nearly 600 store brand beauty and personal care products



Achieved a 26% reduction in carbon intensity, compared to 2010 baseline



Reduced electricity usage by 6 percent from 2016



Reduced fleet travel by about one million miles due to improved routing software



Diverted 47.9 percent of our waste to recycling or reuse



**“We really needed to take care of patients, and no one ever told us ‘No.’”**

## Providing Care for Hurricane Harvey Evacuees

There was no time to waste after Hurricane Harvey made landfall along the Texas coast. At Houston’s NRG center, Regional Support Pharmacist Justin Koch and four colleagues secured a table and covered it with a CVS Pharmacy tablecloth. As patients were triaged through the medical area, the team began calling prescription requests in to nearby CVS Pharmacy locations and picking them up using their own cars. A steady rotation of volunteer pharmacists and pharmacy technicians — including one who was herself an evacuee — started working 12-hour shifts at the “pop-up” pharmacy. The “wheel and spoke” model of filling prescriptions at nearby stores emerged naturally in response to the needs of the shelter. Koch and his colleagues called in prescriptions, trained volunteers and called in IT support to formalize procedures.

“We really needed to take care of patients, and no one ever told us ‘No,’” Koch said. “It was always, ‘How can we help?’”



# Leader in Growth



**Year after year, our company continues to drive sustainable growth, creating value for our stockholders, our partners, our colleagues and our communities. Our CSR strategy is aimed at ensuring that this growth leads to not only a significant impact on our nation's economy, but also leverages our size and scale to create widespread impact as a responsible corporate citizen.**

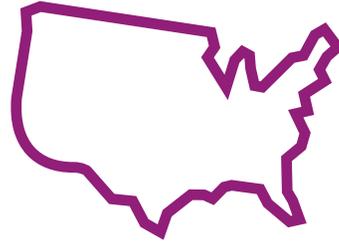
**As a Leader in Growth, we are creating meaningful career opportunities for colleagues of all backgrounds and abilities, and expanding our benefit, training and development offerings to create a workplace where they can thrive. We are bringing opportunity into the communities where we operate, and to our small and diverse-owned business partners.**

**Being a Leader in Growth also means operating with integrity, transparency and accountability across our enterprise, including best-in-class compliance practices, respect for human rights and a commitment to diversity throughout our supply chain.**

# Top Accomplishments in 2017



Set ambitious new targets for spending with diverse suppliers



Hired 4,700 Registered Apprentices (to-date); announced commitment to hire 5,000 more by 2022



Introduced 40,000 underserved young people to careers in health care



Achieved perfect scores on Corporate Equality Index and Disability Equality Index



Provided more than \$100 million in charitable giving through the CVS Health Foundation, corporate grants, in-kind gifts, employee giving and fundraising, and other community investments



Achieved first listing on DiversityInc's Top 50 Companies



**“I wasn’t worried about getting a job.  
I was worried about having a purpose.”**

## Helping Veterans Find Meaningful Careers

After serving 14 years with the U.S. military, Ricky Derring is a key part of [CVS Health’s new Talent Connect Center](#), which opened in July 2017 to serve the Fort Bragg, NC military community. CVS Health and a small number of other companies participate in the newly dedicated Fort Bragg Career Resource Center, which connects service members who are becoming civilians with companies that can provide training and employment.

“I wasn’t worried about getting a job,” Derring said. “I was worried about having a purpose.”

Since 2015, CVS Health has hired nearly 10,000 colleagues with military experience and almost 3,000 military spouses. In 2016, we hired our first Director of Military Programs, who helps veterans find employment and develops partnerships that support the military community.

**Health is everything.<sup>TM</sup>**