

**Better Health,  
Better Community,  
Better World.**

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**At CVS Health<sup>®</sup>, we have long been focused on improving not only the health of our patients and consumers, but the health of all of the communities we serve. Our corporate social responsibility (CSR) strategy ensures we put our businesses and resources to work – not just at a global or national level, but in tangible ways that make a difference in our communities and people’s lives. There is no more pressing issue than fixing what is broken with the U.S. health care system and CVS Health is positioned to lead the change. We welcome the opportunity to work with our partners, shareholders, and other stakeholders. Together, we will deliver better health, all toward better communities and a better world.**

– Larry J. Merlo, President and Chief Executive Officer

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**Our CSR journey is more than a decade in the making. Since publishing our first CSR Report in 2008, we've built our reputation as a leader in corporate social responsibility through business decisions that deliver on our purpose. We are tackling our nation's most pressing public health challenges and investing in increased access to health care at the local level. We are taking an increasingly sophisticated approach to reducing our environmental impact and creating economic opportunity for hundreds of thousands of people, and we have always been focused on building healthier communities while driving healthy growth for our company.**

– Eileen Howard Boone, Senior Vice President, Corporate Social Responsibility & Philanthropy



# CSR Strategy

## **Better Health, Better Community, Better World**

At CVS Health, we share a single, clear purpose: helping people on their path to better health. As we integrate Aetna® into our enterprise, our innovative new business model will allow us to bring real, meaningful change to the marketplace.

In 2018, we took the opportunity to reframe our CSR strategy to be more inclusive of our broader enterprise and maximize our impact. Our refreshed CSR framework, *Better Health, Better Community, Better World*, conveys our mission to leverage our scale, expertise and innovative spirit in ways that positively impact all of our stakeholders. It charts our course for the future and focuses in the three key areas:

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## **Building Healthier Communities**

Make community health and wellness central to our charge for a better world.

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## **Leading & Inspiring Growth**

Leverage the assets, scale and expertise of our business to create economic opportunities and value for employees, customers, suppliers and investors.

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## **Protecting Our Planet**

Ensure environmental sustainability is embedded in our approach to business operations and product development.

To ensure accountability for delivering on our strategy, we track our progress against 23 measurable, multi-year performance targets. We continue to work with internal and external stakeholders to deliver on these commitments, identify new opportunities to strengthen our performance and increase transparency.

# Building Healthier Communities Performance Targets

Over the past several years we have established 23 measurable, time-bound performance targets to track progress against our goals and strategic priorities. Below is a snapshot of our progress. You can read more about our work to achieve each target in our full [2018 CSR report](#).



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

**2018 Progress:** In 2018, we built upon our footprint, launching pilots in California and Texas



**Target:** Increase enrolled colleagues investing in a health savings account (HSA) and average HSA account balance by 5% by 2022

**2018 Progress:** On track to meet our goal by 2022



**Target:** Increase pharmacist outreach to educate youth and families by reaching 750,000 individuals by 2020

**2018 Progress:** “One Choice Changes Everything®” curriculum delivered to nearly 450,000 teens and parents



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

**2018 Progress:** 20% decrease in new youth smokers since 2015



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

**2018 Progress:** 1.7% decline in the national youth smoking rate since 2015



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

**2018 Progress:** We have reached more than 9 million youth with smoking prevention messaging



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

**2018 Progress:** In 2018, 15% of schools had gone tobacco-free



# Leading and Inspiring Growth Performance Targets

Over the past several years we have established 23 measurable, time-bound performance targets to track progress against our goals and strategic priorities. Below is a snapshot of our progress. You can read more about our work to achieve each target in our full [2018 CSR report](#).



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

**2018 Progress:** In 2018, 4% of our workforce participated in a CRG, up from 3.43% in 2017



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

**2018 Progress:** The value of volunteerism increased by 43%



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

**2018 Progress:** 44% of current mid-level leaders have benefited from our leadership program



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

**2018 Progress:** In 2018, colleagues completed 2.06 million hours of compliance training



**Target:** Increase the average participation rate across all 401(k) plans for eligible colleagues by 2020

**2018 Progress:** In 2018, 45.4% of our colleagues contributed to their 401(k) plans



**Target:** Hire another 5,000 registered apprentices by 2022

**2018 Progress:** At the end of 2018, we had hired more than 3,200 colleagues through this program



**Target:** Increase our annual spending with Tier I diverse- and women-owned suppliers to \$1.5 billion

**2018 Progress:** By the end of 2018, we had exceeded our 2020 Tier I spending target



**Target:** Increase our annual spending with Tier II diverse- and women-owned suppliers to \$1 billion

**2018 Progress:** In 2018, we increased our spend with diverse Tier II suppliers to \$746 million



**Target:** Achieve review and acknowledgment of our Human Rights Policy from 100% of colleagues by 2019

**2018 Progress:** By the end of 2018, 99% of colleagues had reviewed and acknowledged the policy

# Protecting Our Planet Performance Targets

Over the past several years we have established 23 measurable, time-bound performance targets to track progress against our goals and strategic priorities. Below is a snapshot of our progress. You can read more about our work to achieve each target in our full [2018 CSR report](#).



**Target:** NEW: By 2030, reduce our absolute scope 1 and 2 GHG emissions by 36% from a 2010 base year

**2018 Progress:** This is a new target in 2018



**Target:** NEW: By 2023, we will ensure that 70% of our suppliers by emissions establish their own science-based reduction targets for their scope 1 and 2 emissions

**2018 Progress:** This is a new target in 2018



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

**2018 Progress:** Achieved 20% reduction in our standard prototype stores



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

**2018 Progress:** In 2018, 96% of the paper our company used was sustainably sourced



**Target:** NEW: By 2023, our fleet will reduce empty miles by 2.5 million, compared to a 2018 baseline

**2018 Progress:** This is a new target in 2018



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

**2018 Progress:** 97% of our store brand suppliers had either become members of RSPO or obtained Rainforest Alliance certification



**Target:** Our colleagues will log 10,000 “green actions” on our online colleague engagement portal by 2020

**2018 Progress:** Colleagues have logged more than 6,000 green actions

Building Healthier Communities



# Building Healthier Communities

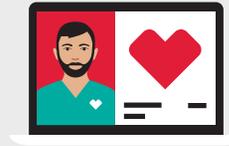
**At CVS Health, our purpose is helping people on their path to better health – and we’ve never been better positioned to do so. As we combine with Aetna, we are creating a new, innovative health care model. We are transforming the health care experience and investing in community health at the local level. Through our scale, capabilities and resources – and building on our legacy of community investment – we are making community health and wellness central to our charge for a better world.**



## 2018 Highlights



Increased the number of safe medication disposal sites, adding 750 units in CVS Pharmacy® locations



Introduced MinuteClinic Virtual Care to provide quality, convenient, and affordable care via a mobile app or desktop computer



Brought the Pharmacists Teach Prescription for Parents program to 26 new states, delivering 134 presentations



Provided 4.3M patients with quality, affordable care through MinuteClinic with a 94% patient satisfaction rate



Awarded \$2M to 21 community health centers to increase access to medication-assisted treatment for 350,000 patients



Committed to transparency for all beauty imagery by the end of 2020, celebrating a more authentic representation of beauty



Awarded \$1M to the National Association of Free and Charitable Clinics to help patients manage chronic conditions



Maintained employee insurance premiums for the 2018–2019 plan year despite a year-over-year 5% increase in costs



Delivered \$5.3M in free health care services through Project Health



Awarded \$4M for youth tobacco prevention initiatives and helped 82 new colleges implement smoke- and tobacco-free policies



**“We look forward to continuing to partner with the VA and to sharing the experiences we have garnered through our work together.”**

**– Sharon Vitti, Senior Vice President and Executive Director, MinuteClinic**

The comprehensive health care services provided by MinuteClinic positions CVS Health to make a meaningful difference in the lives of America’s 19 million veterans. To provide our nation’s heroes with the high-quality, convenient care they deserve, we have invested in a strategic partnership with the U.S. Department of Veterans Affairs (VA) since 2016. Through the CVS Health-Veterans Administration program, veterans can contact a VA-run triage help line and when clinically appropriate, VA nurses offer eligible veterans the options to receive care at participating MinuteClinic locations for treatment of minor illnesses and injuries. Additionally, MinuteClinic has integrated information technology with the VA, allowing MinuteClinic to make patient data available to the VA via the eHealth Exchange, so the VA has the full record of any medical services provided during the MinuteClinic visit. These programs have served more than 3,500 veterans over the last three years, most commonly treating conditions such as ear infections, sinus infections, and cough. Veterans’ average in-clinic wait time remains under 30 minutes, and in quality surveys, veterans have reported a very positive experience.

In 2017, we set a new CSR performance target to form partnerships with five VA health care systems by 2022. In 2018, we built upon our footprint of Phoenix and Northern California, launching pilots in Santa Clarita, CA and Corpus Christi, TX to help achieve our goal. We were also proud to support the enactment of the VA Mission Act, which enhances veteran access to community care through the VA.

“We are proud to have worked closely with the Department of Veterans Affairs on the local and national levels to ensure our walk-in clinic programs deliver high-quality care to veterans when and where they need it. The new law provides opportunities to serve even more of our nation’s veterans across the country, increasing access, reducing wait times for minor illnesses, coordinating patient care, and integrating information technology. We look forward to continuing to partner with the VA and to sharing the experiences we have garnered through our work together.”

**– Sharon Vitti, Senior Vice President and Executive Director, MinuteClinic**



Leading and Inspiring Growth



# Leading and Inspiring Growth

**As a health care innovation company, the way we do business has far-reaching impacts on the health of millions of Americans and the economic mobility of thousands of communities across the country. As we continue to grow, we are committed to creating value for all our stakeholders, including our shareholders, clients, partners, communities and colleagues.**

**We are committed to creating a best-in-class and inclusive workplace across our entire supply chain and conducting business with integrity, transparency and accountability. By leading and inspiring growth in every facet of our business, we are positioning our company for continued success and deepening our ability to create positive social change.**



## 2018 Highlights



Created opportunities for nearly 85,000 new colleagues through workforce development programs and other recruiting efforts



Drove a total economic impact of \$5.8B and supported 38,000+ jobs through our supplier diversity program



Provided opportunities for 2,800+ youth to participate in myCVS Journey Pathways to Health Care Careers



Enhanced our Board of Directors to include deep insurance company oversight experience by adding four new directors from Aetna



Hired 3,200+ colleagues through our U.S. Department of Labor Registered Apprenticeship program for pharmacy technicians



Achieved nearly 100% colleague review and acknowledgment of our Human Rights Policy



**“CVS Pharmacy has open arms to everyone and they have a lot of patience, too. I love seeing and interacting with my regular customers. Working at CVS Pharmacy has been an amazing experience.”**

**— Kaylee Merrick, Cashier, CVS Pharmacy**

We believe in breaking down employment barriers for individuals of all abilities. Since 2015, we’ve hired nearly 7,000 colleagues with disabilities, who bring valuable and diverse life experiences to their roles with CVS Health.

In 2018, we expanded on this commitment and opened seven mock pharmacies at rehabilitation centers around the country through a partnership with the National Consortium of State-Operated Comprehensive Rehabilitation Centers (NCSOCRC). Mock pharmacies provide opportunities for students training for roles as certified pharmacy technicians and retail sales associates to practice what they are learning in the classroom before

entering the workforce. At the end of 2018, CVS Health had more than 43 of these training centers around the country, with 29 geared toward individuals with disabilities.

Kaylee Merrick is a cashier and stock clerk who works at a CVS Pharmacy location in Virginia. Kaylee graduated from our training program at the mock pharmacy in Fishersville, VA, where she used her time to develop the customer service skills necessary to work in a CVS Pharmacy or retail environment. When asked about her job, she said, “CVS Pharmacy has open arms to everyone and they have a lot of patience, too. I love seeing and interacting with my regular customers. Working at CVS Pharmacy has been an amazing experience.”

Protecting Our Planet



# Protecting Our Planet

Protecting our planet is imperative to delivering on our purpose of helping people on their path to better health. Climate change is affecting global health, and we believe we can play a meaningful role in helping to reverse its devastating effects. The latest findings from the Intergovernmental Panel on Climate Change (IPCC) make it clear that bold action is needed today.

We are committed to doing our part, not only because it's our role as a leader in health care, but because doing so also makes us a more innovative organization, and inspires confidence from our investors, colleagues, partners and customers. Year after year, we build on the progress we've made to run our business more efficiently, provide consumers with more sustainable product offerings and ensure a responsible supply chain.



## 2018 Highlights



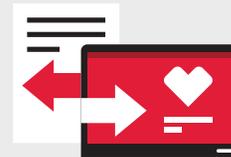
Established science-based emissions reduction targets



Removed oxybenzone and octinoxate from our store brand sun screens with SPF 50 and lower



Developed a new CSR performance target for our fleet to reduce 2.5M empty miles by 2023



Recognized among the top 3% of 5,000 companies as a CDP Supplier Engagement Leader



Audited 500+ printers that produce packaging for our store brands portfolio to understand their sustainability capabilities



Retrofitted 1,740 retail locations with interior LED lighting, saving \$7.5M in annual energy costs



**We donated more than 650,000 units of organic products and recycled more than 230,000 units.**

We are committed to minimizing our waste and increasing opportunities for recycling to lessen environmental impacts, reduce costs, and support regulatory standards. In 2018, we diverted 55 percent of our waste to recycling, with 86 percent of the solid waste generated at our distribution centers diverted for recycling.

In September of 2018, we launched a first-of-its-kind program to address a new California law that prohibits retailers from sending organic waste to landfill. With support from a third-party partner, we developed an innovative solution for managing excess food products in our stores to prevent them from becoming waste. Inventory scanning technology in our stores identifies excess, seasonal, or nearly expired food and directs

CVS Pharmacy colleagues to place the items in a designated tote which is transported back to our distribution centers and then to third-party facilities. There, inedible organic waste is processed to create renewable energy and organic fertilizer, while quality organics are donated to local charities and food banks—a win for the planet and community health.

In the first four months of this program pilot, we donated more than 650,000 units of organic products and recycled more than 230,000 units. The program is now live in all retail stores in California and the value of the product donated in 2018 is estimated to be \$2.1 million. We continue to evaluate this program with the goal to extend it beyond California in the future.

**Health is everything.®**