

Environmental Sustainability Executive Brief



Environmental Sustainability

The health of the environment impacts the people and communities we serve. We understand that climate change affects human health, including increases in heat-related illnesses and lung diseases including asthma, with new scientific findings illustrating the increased severity of this challenge every year.

- Established new climate-related policies: anti-deforestation, forestry, timber commodities, pollinator and pest management, and water
- Became one of the first seven companies globally to have a net zero target validated by the Science-Based Target Initiative (SBTi) Net-Zero Standard
- Named to the S&P Dow Jones Sustainability North American Index for the ninth consecutive year and the World Index for the third consecutive year
- Recognized on CDP's Climate A-List as a Supplier Engagement Leader for the third consecutive year

3K+

colleagues engaged in our GreenTeam Colleague Resource Group

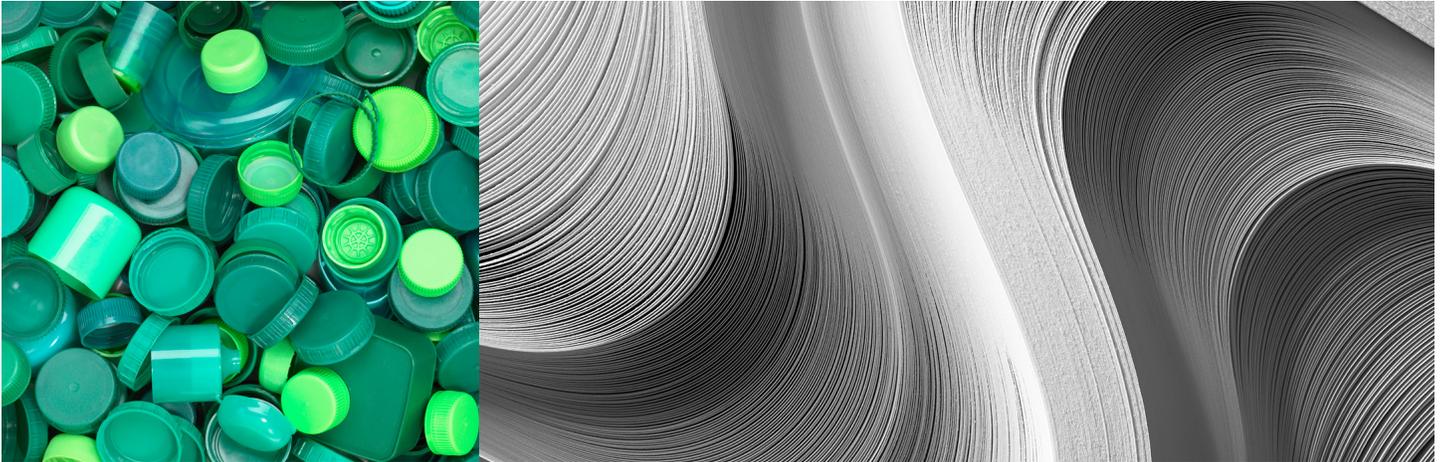
2K+

bags were reused over a three-month period at four stores in California and more than 1,300 bags or tags were registered through Beyond the Bag Initiative pilot program

Energy Efficiency

- Transitioned 740 CVS Pharmacy® locations to energy-saving LED lighting
- Completed LED lighting upgrades at 137 stores
- Aligned lighting times with operating hours achieved 1.3-million MWh reduction
- Realized more than \$770K and 4.8 million MWh in savings through lighting efficiency at 800 stores in California
- Began exploring renewable energy alternatives for 3–5% of our current energy demand to achieve our goal of 50% renewable energy by 2040





Paper Savings

- **7.3M** customers have opted to enroll in digital receipts since 2016
- Launched new point-of-sale technology to enable option for customers to choose a digital receipt, printed receipt, or no receipt at all
- Shifted print circulars to primarily digital
- **96%** of the paper used across our operations was sustainably sourced
- **70%** reduction of paper use through advancements in digital offerings

Transportation Efficiency

- **500K** empty miles eliminated through backhaul program
- Recognized as a SmartWay Carrier Partner for **12** consecutive years
- **81%** of carriers under our management are SmartWay partners

Waste Management

- **50%** of all waste diverted to recycling or reuse
- **\$140M+** in value of product donated

Sustainable Product Offerings

- Converted all Store Brand women's hygiene products to sustainable organic cotton and replaced plastic applicators in six tampon products with applicators made from **90%** plant-based material, saving more than **three million** plastic tampon applicators a year

Sustainable Packaging

- **1/3+** of our Store Brand items carry How2Recycle labels offering customers useful information on responsibly disposing of product packaging
- **100%** of our Store Brand packaging will have How2Recycle labeling by 2025
- Engaged WWF to audit Store Brand packaging portfolio and launch new sustainable packaging goals
- Became Principal Retail Member of ReSource: Plastic

Sustainable Sourcing

- Developed a new policy to reduce the presence of harmful pesticides in our private label supply chain for food and beverage products
- We are currently working with our suppliers to expand our selection of cage-free and free-range eggs in all our stores with a goal to achieve **100%** cage-free eggs by the end of 2022



Sustainable Packaging Goals

100%

Ensure all packaging for Store Brands products is 100 percent reusable, recyclable, compostable, or can be returned to us for proper disposal at the end of life by 2030

50%

Reduce single-use virgin plastic in Store Brand packaging by 50 percent by 2030

2023

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

50%

Reduce plastic use in operations by 50 percent by 2030

2025

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

Our goals

50%

Reduce our environmental impact by at least 50 percent by 2030

50%

Procure 50 percent of energy from renewable sources by 2040

90%

Execute our SBTi validated net-zero target, by reducing absolute scope 1, 2 and 3 (value chain) emissions 90 percent by 2050

90%

Achieve carbon neutrality by 2030 for direct operations emissions 90 percent by 2050



Tackling pill bottle sustainability

We are exploring solutions that will offer more sustainable materials for our pill bottles, like aluminum, or offering additional take-back initiatives to recycle plastic bottles in our retail pharmacies.



- In 2021, we piloted an **aluminum prescription bottle** at a CVS Pharmacy location in Wellesley, MA

- In 2022, we will conduct a pilot to **take back consumer pill bottles** in 22 stores for 9 months. The bottles will be converted to pellets that can be reused