



2022 Environmental, Social and Governance (ESG) Report Appendix



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Proud of our past. Excited for the future.



Organization Details

- CVS Health Corporation
- Public Corporation
- Headquartered in Woonsocket, RI
- Operates in the United States in 50 states plus the District of Columbia and Puerto Rico
- More than 300,000 colleagues
- Our Purpose: Bringing our heart to every moment of your health

Corporate profile

Our Locations

9,000+

retail locations

over 110M

pharmacy benefit manager (PBM) plan members

85%

of Americans live within 10 miles of a CVS® location

1,100+

walk-in medical clinic (MinuteClinic®) locations

nearly 5M

consumers visit CVS Health® locations daily

over 24M

medical members

Financial Results

Our employees earned

\$19.3B

in wages

Economic Impact

\$322.5B

in total revenues

\$6.1B

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

\$2.9B

in benefits

\$5.1B

to providers of capital

\$260M+

in charitable contributions, employee giving, in-store fundraising and in-kind donations

ESG strategy and governance

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

Our Chief Sustainability Officer (CSO) shares relevant ESG-related impacts, risks and opportunities with the Nominating and Corporate Governance Committee semiannually and the entire Board annually. Additionally, the full Board reviews our annual ESG Report and receives an annual ESG update from our CSO.

In 2022, the Nominating and Corporate Governance Committee was engaged in several key ESG topics, including:

- Climate change reporting and risks
- Progress toward achieving emissions reduction targets, including net-zero targets
- Renewable energy procurement
- Philanthropic programs and investments
- Health equity
- Diversity, equity and inclusion

At these presentations, the Committee assesses how to support new initiatives through action and approval.

Strategy

Our CSO is responsible for developing our ESG strategy and ensuring we are making progress against our goals. Under this direction, the ESG and Philanthropy team regularly works with leaders to align our strategy with key business imperatives and collaborate with colleagues throughout the Company on programs and initiatives that drive social and environmental impact.

Our ESG Steering and Operating Committees are charged with advancing ESG initiatives and progress to achieving our *Healthy 2030* goals. The ESG Steering Committee comprises senior leaders across the company at the vice president level and above, including representatives from HR, legal, finance and each of our business units. The ESG Operating Committee is comprised of leaders



at the director level and above responsible for leading the day-to-day initiatives driving our progress. We regularly evaluate more than 100 risks through an ongoing process managed by our Enterprise Risk and Resilience (ERR) Program. These include immediate risks, such as severe weather events, and long-term risks that can influence our business and value chain elements. We ensure business continuity plans are in place for our colleagues and our customers for risks of all types

– natural, technological, human-caused and others.

Through our ESG strategy, we have established several policies that govern our approach to issues of importance to our business and our stakeholders, including our **Climate Change Policy**, **Human Rights Policy**, **Forestry Policy**, **Timber Commodities Policy**, and **Privacy Commitments**, all located in our online **Resource Library**. These policies are reviewed and updated, as needed, on an annual basis.



Remuneration

To advance our ESG strategy, we have identified key colleagues and business leaders with direct oversight of initiatives that will help us achieve our goals. These colleagues drive performance and meet established targets as part of their business plans and annual goals. This includes members of our ESG Steering and Operating Committees, as well as key senior leaders. Remuneration of these colleagues is partially linked to performance against these business plans.

In support of our long-established Strategic Diversity Management Framework, we have committed to progressing in racial, ethnic and gender representation. Colleagues at levels of Senior Vice President and above have an additional award modifier reflecting this goal and we are expanding this to include Vice Presidents and above in 2023.

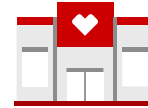
Healthy 2030 Strategy

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



Healthy People

We are committed to delivering health care products and services that make the health care experience simple, equitable, convenient and deeply personal for each of us.



Healthy Business

We are a business that is inclusive and committed to creating value for our colleagues, shareholders, business partners and supply chain.

Priority topics aligned with this pillar:

- Access to quality health care
- Health equity
- Mental health
- Patient and customer safety
- Responding to public health challenges
- Safe and affordable housing
- Pricing of drugs and services
- Prescription drug misuse
- Advancing public health
- Public policy
- Chronic disease prevention and management
- Medication adherence
- Maternal health

Priority topics aligned with this pillar:

- Diversity, equity and inclusion
- Colleague health and safety
- Workforce development
- Wages and benefits
- Data protection and privacy
- Human rights
- Governance
- Responsible marketing and advertising
- Public policy
- Ethics and compliance
- Risk management

Healthy 2030 Strategy

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



Healthy Community

We are committed to improving the health and well-being of our communities and advancing health equity to ensure everyone has a fair and just opportunity to be as healthy as possible.



Healthy Planet

We are committed to achieving net-zero emissions, reducing waste, providing customers with sustainable product offerings, and embedding sustainable practices across our supply chain.

Priority topics aligned with this pillar:

- Access to quality health care
- Health equity
- Social determinants of health
- Community investments
- Smoking cessation

Priority topics aligned with this pillar:

- Climate action
- Sustainable operations
- Sustainable packaging
- Waste reduction
- Supply chain sustainability
- Deforestation
- Product quality and ingredients
- Water stewardship

ESG prioritization assessment

CVS Health's ESG priority topics represent the areas in which the company has the most significant economic, environmental and social impacts, as well as the topics that most influence the decisions of our stakeholders and governance over our priorities. These topics inform our ESG strategy and goals, as well as our approach to transparent reporting.

Every two years, we carry out a full prioritization assessment to better reflect our growing business, strategy and stakeholder expectations. In 2021, we conducted a comprehensive ESG prioritization assessment in accordance with the **Global Reporting Initiative (GRI) Standards**. This included topics from our previous assessments and uncovered emerging topics through internal and external stakeholder engagement, competitive benchmarking, and review of the media and industry landscape. We evaluated roughly 100 priority topics that CVS Health stakeholders care about, and for which CVS Health has a significant level of influence.

In 2022, we saw an opportunity to engage our growing and diverse leadership team in review of our ESG priority topics. We conducted a survey of vice presidents and above across our company, and interviews with key executive leaders. The results of this survey indicated that our existing priority topics remain relevant. CVS Health leaders feel

that the Company has a clear role to play in ensuring equitable access to quality health care, as well as combating climate change as it directly impacts human health. As our business evolves, we will continue to monitor these topics and trends and will conduct a full ESG prioritization assessment in the second half of 2023 in accordance with the GRI Standards.

The prioritization assessment reflects the experiences and evolving conversations of our policymakers, shareholders, regulatory bodies, patients, colleagues and business partners since our last assessment. It showed that stakeholders continue to align to our *Healthy 2030* strategy, reflecting a continuous increase in importance and prioritization of topics addressing diversity, equity and inclusion, climate action, human capital and health related topics.

More information can be found **[on our website](#)**.



Stakeholder engagement

CVS Health maintains regular, open communication with various stakeholders who help us best understand how to advance our purpose and *Healthy 2030* strategy. We are fortunate to have many partners engaged in our work, and we are committed to establishing a two-way dialogue with advocates, policymakers, shareholders, clients, customers, colleagues and patients. We rely on their insights and feedback to develop and execute our ESG strategy. More information on recent collaborations can be found on the [**Stakeholder Engagement**](#) section of our website.



Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Patients and consumers	<ul style="list-style-type: none"> • In-person interactions • Telehealth appointments • Virtual consultations • Focus groups • Customer relations inquiries • Surveys • Social media • Websites • Mail/email 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Prescription drug misuse • Climate action • Deforestation • Diversity, equity and inclusion • Product quality and ingredients • Responsible marketing and advertising • Public policy tobacco cessation • Addressing the opioid epidemic • Water efficiency • Chemical management • Wages and benefits • Employee health and safety • Packaging (and reducing single-use plastics) • Energy efficiency • Human rights

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Colleagues	<ul style="list-style-type: none"> • Meetings and interviews with subject matter experts • Engagement surveys • Training and professional development opportunities • CVS Health intranet • Colleague Resource Groups (CRGs) virtual meetings • Town Hall meetings • Weekly emails from leadership with enterprise updates • Memos from CEO • Social Justice and Equity online resource center • Enterprise blog regarding enterprise Social Justice and Equity work • COVID-19 online resource center • Executive Diversity Council (the DMLC) • Business Unit Specific Diversity Councils 	<ul style="list-style-type: none"> • Colleague health, safety and well-being • Climate action • Providing access to mental health treatment • Health equity • Recycling and waste management • Human rights • Driving behavior change • Product at CVS Pharmacy® • Employee engagement • Diversity, equity and inclusion • Supporting women's health • Water stewardship and efficiency • Responsible marketing • Deforestation • Reducing food insecurity

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Investors and Stockholders	<ul style="list-style-type: none"> • Annual stockholders meeting • Quarterly earnings calls • Phone briefings • Email correspondence • Response to ratings and rankings • Conferences • Surveys and data requests • Website 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Diversity, equity and inclusion • Health equity • Simplifying the health care experience • Mental health • Pandemic response • Prescription drug misuse • Social determinants of health • Chronic disease prevention and management • Data protection and privacy • Wages and benefits • Disaster response and resilience • Product development/design • Targeted community investments • Patient and customer safety • Climate action

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Suppliers	<ul style="list-style-type: none"> • Meetings • Phone briefings • Conferences and events • Factory audits • Human Rights Policy • Code of Conduct • Training and workshops • Surveys and audits 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Diversity, equity and inclusion • Health equity • Simplifying the health care experience • Mental health • Pandemic response • Prescription drug misuse • Social determinants of health • Chronic disease prevention and management • Data protection and privacy • Wages and benefits • Disaster response and resilience • Product development/design • Targeted community investments • Patient and customer safety • Climate action

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Government and regulators	<ul style="list-style-type: none"> • Virtual and in-person meetings or briefings • Email correspondence • White papers and other briefing materials • Trade organizations • Participation in coalitions • Roundtable discussions • Public events • Sponsorship of events • Speaking engagements • Media engagements 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Diversity, equity and inclusion • Health equity • Simplifying the health care experience • Mental health • Pandemic response • Prescription drug misuse • Social determinants of health • Chronic disease prevention and management • Data protection and privacy • Wages and benefits • Disaster response and resilience • Product development/design • Targeted community investments • Patient and customer safety • Climate action

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Nonprofit organizations and NGOs	<ul style="list-style-type: none"> • Roundtables • Strategic relationships • Participation on boards and advisory councils • Attending annual meetings • In-person and virtual engagement meetings • Webinars 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Diversity, equity and inclusion • Health equity • Simplifying the health care experience • Mental health • Pandemic response • Prescription drug misuse • Social determinants of health • Chronic disease prevention and management • Data protection and privacy • Wages and benefits • Disaster response and resilience • Product development/design • Targeted community investments • Patient and customer safety • Climate action

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Industry groups and forums	<ul style="list-style-type: none"> • Conferences • In-person and virtual meetings 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Diversity, equity and inclusion • Health equity • Simplifying the health care experience • Mental health • Pandemic response • Prescription drug misuse • Social determinants of health • Chronic disease prevention and management • Data protection and privacy • Wages and benefits • Disaster response and resilience • Product development/design • Targeted community investments • Patient and customer safety • Climate action • Human rights

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Local communities	<ul style="list-style-type: none"> • Community engagement programs • Virtual volunteering • Board memberships • Event sponsorship • Grantmaking 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Diversity, equity and inclusion • Health equity • Simplifying the health care experience • Mental health • Pandemic response • Prescription drug misuse • Social determinants of health • Chronic disease prevention and management • Data protection and privacy • Wages and benefits • Disaster response and resilience • Product development/design • Targeted community investments • Patient and customer safety • Climate action

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
Clients	<ul style="list-style-type: none"> • In-person and virtual meetings • Phone • Email correspondence • Surveys • Disclosure requests 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Prescription drug misuse • Climate action • Deforestation • Diversity, equity and inclusion • Product quality and ingredients • Responsible marketing and advertising • Public policy • Tobacco cessation • Addressing the opioid epidemic • Water efficiency • Chemical management • Wages and benefits • Employee health and safety • Packaging (and reducing single-use plastics) • Energy efficiency • Human rights

Stakeholder engagement

Stakeholder groups and engagement types

Stakeholder Group	Stakeholder Engagement Channels	Top Issues Raised
<p>Media</p>	<ul style="list-style-type: none"> • Direct outreach • Website • Social media • Responses to inquiries 	<ul style="list-style-type: none"> • Access to quality health care • Pricing of drugs and services • Diversity, equity and inclusion • Health equity • Simplifying the health care experience • Mental health • Pandemic response • Prescription drug misuse • Social determinants of health • Chronic disease prevention and management • Data protection and privacy • Wages and benefits • Disaster response and resilience • Product development/design • Targeted community investments • Patient and customer safety • Climate action

Protecting data privacy and upholding information security

Safeguarding the data and information we receive about our members, patients, customers and colleagues is of the utmost importance to us. Under the leadership of our Chief Privacy Officer, we regularly monitor and assess compliance with global data privacy regulatory requirements, identify and mitigate privacy risk, provide privacy training across the enterprise, and partner with business areas to integrate privacy into the design and development of systems, processes, products and services.

In 2022, global cyber attacks grew to an unprecedented volume. CVS Health, like all companies, experienced many such attacks on our technology systems. Such attacks, including the increase in ransomware threats throughout the health care industry in 2022, did not materially impact CVS Health. Our Information Security program, led by our Chief Information Security Officer, ensures that CVS Health has implemented comprehensive defensive controls to protect our company, customers and colleagues.

We continue to make significant investments in our cybersecurity program, modernizing our capabilities and accelerating our ability to adapt to a changing cyber landscape. Our team of cybersecurity experts uses advanced protection technologies to identify, detect and respond to cyber threats. An example of this is our deployment of many machine-

learning models to detect complex threats. Our teams regularly practice responding to different types of attacks through planned scenarios.

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

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

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



Human capital and diversity data

Workforce diversity data

Total employee count 316,975 as of 12/31/2022

Additional workforce diversity data is also available in our [Consolidated Employer Information report EEO-1](#)

The percentages in the tables throughout this section may not total 100 percent due to rounding.

Employment + Type

Type	2022	2021	2020
Full-time	73%	72%	71%
Part-time	27%	28%	29%

Employment + Gender

Gender	2022	2021	2020
Female	70%	71%	70%
Male	30%	29%	30%
Unspecified	<1%	<1%	0%

Employment + Age

Age	2022	2021	2020
Up to 24	18%	18%	16%
24 to 54	65%	66%	68%
55+	16%	16%	16%



Human capital and diversity data

Employment + Ethnicity

Ethnicity	2022	2021	2020
White (not Hispanic or Latino)	49%	52%	53%
Black/African American (not Hispanic or Latino)	18%	17%	16%
Hispanic/Latino	16%	14%	15%
Asian (not Hispanic or Latino)	12%	10%	11%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	1%	<1%	1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%	<1%	0%
Two or more races	4%	3%	3%
Unspecified	1%	3%	1%

Board of Directors + Gender

Total board member count: 12 as of 12/31/2022

Gender	2022	2021	2020
Female	42%	38%	31%
Male	58%	62%	69%

Vice President and Above + Gender

Total employee count, vice president and above: 519 as of 12/31/2022

Gender	2022	2021	2020
Female	39%	39%	39%
Male	60%	60%	61%
Unspecified	<1%	1%	0%

Manager Level and Above + Gender¹

Total employee count, manager level and above: 31,826 as of 12/31/2022

Gender	2022 ¹	2021	2020
Female	55%	55%	52%
Male	44%	45%	48%
Unspecified	<1%	0%	0%

¹In 2022, colleagues in the "Manager Level and Above" category include all colleagues with one or more direct reports; prior years include colleagues coded at the "Manager Level and Above," whether or not those colleagues had direct reports.

Human capital and diversity data

Vice President and Above + Race/Ethnicity

Total employee count, vice president and above: 519 as of 12/31/2022

Race/Ethnicity	2022	2021	2020
White (not Hispanic or Latino)	79%	80%	86%
Black/African American (not Hispanic or Latino)	6%	6%	4%
Hispanic/Latino	3%	2%	1%
Asian (not Hispanic or Latino)	10%	8%	7%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	<1%	0%	<1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%	0%	<1%
Two or more Races	1%	0%	0%
Unspecified	<1%	2%	<1%

Manager Level and Above + Ethnicity

Total employee count, manager level and above: 31,826 as of 12/31/2022

Ethnicity	2022	2021	2020
White (not Hispanic or Latino)	64%	65%	67%
Black/African American (not Hispanic or Latino)	10%	9%	8%
Hispanic/Latino	9%	8%	7%
Asian (not Hispanic or Latino)	13%	12%	14%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	1%	1%	1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%	0%	0%
Two or more Races	2%	0%	0%
Unspecified	1%	3%	1%

Human capital and diversity data

Gender and Ethnicity breakdown by role

Historical data for 2017 – 2021 is available in past ESG Reports [on our website](#)

Nurses + Gender

Gender	2022
Female	94%
Male	6%
Unspecified	0%

Physician Assistants + Gender

Gender	2022
Female	93%
Male	7%
Unspecified	0%

Nurses + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic or Latino)	69%
Black/African American (not Hispanic or Latino)	15%
Hispanic/Latino	6%
Asian (not Hispanic or Latino)	7%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	<1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%
Two or more Races	2%
Unspecified	1%

Physician Assistants + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic or Latino)	58%
Black/African American (not Hispanic or Latino)	17%
Hispanic/Latino	5%
Asian (not Hispanic or Latino)	16%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%
Two or more Races	2%
Unspecified	1%

Human capital and diversity data

Pharmacists + Gender

Gender	2022
Female	62%
Male	37%
Unspecified	0%

Pharmacy Technicians + Gender

Gender	2022
Female	81%
Male	19%
Unspecified	1%

Pharmacists + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic or Latino)	55%
Black/African American (not Hispanic or Latino)	11%
Hispanic/Latino	4%
Asian (not Hispanic or Latino)	26%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%
Two or more Races	2%
Unspecified	1%

Pharmacy Technicians + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic or Latino)	43%
Black/African American (not Hispanic or Latino)	18%
Hispanic/Latino	18%
Asian (not Hispanic or Latino)	14%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	1%
American Indian/Alaskan Native (not Hispanic or Latino)	<1%
Two or more Races	5%
Unspecified	1%

Human capital and diversity data

Medical Directors + Gender

Gender	2022
Female	59%
Male	41%
Unspecified	0%

Social Workers + Gender

Gender	2022
Female	95%
Male	5%
Unspecified	0%

Medical Directors + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic or Latino)	63%
Black/African American (not Hispanic or Latino)	13%
Hispanic/Latino	4%
Asian (not Hispanic or Latino)	18%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	0%
American Indian/Alaskan Native (not Hispanic or Latino)	0%
Two or more Races	1%
Unspecified	<1%

Social Workers + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic or Latino)	63%
Black/African American (not Hispanic or Latino)	27%
Hispanic/Latino	8%
Asian (not Hispanic or Latino)	0%
Native Hawaiian or Other Pacific Islander (not Hispanic or Latino)	0%
American Indian/Alaskan Native (not Hispanic or Latino)	0%
Two or more Races	2%
Unspecified	0%

Human capital and diversity data

Care Concierge + Gender

Gender	2022
Female	85%
Male	14%
Unspecified	1%

Field Leadership + Gender

Gender	2022
Female	39%
Male	61%
Unspecified	<1%

Care Concierge + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic)	32%
Black/African American (not Hispanic)	39%
Hispanic	18%
Asian (not Hispanic)	2%
Native Hawaiian or Other Pacific Islander (not Hispanic)	<1%
American Indian/Alaskan Native (not Hispanic)	1%
Two or more Races	7%
Unspecified	1%

Field Leadership + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic)	72%
Black/African American (not Hispanic)	7%
Hispanic	5%
Asian (not Hispanic)	12%
Native Hawaiian or Other Pacific Islander (not Hispanic)	1%
American Indian/Alaskan Native (not Hispanic)	<1%
Two or more Races	2%
Unspecified	1%

Human capital and diversity data

Distribution Center + Gender

Gender	2022
Female	44%
Male	55%
Unspecified	<1%

Distribution Center + Race/Ethnicity

Race/Ethnicity	2022
White (not Hispanic)	38%
Black/African American (not Hispanic)	24%
Hispanic	29%
Asian (not Hispanic)	4%
Native Hawaiian or Other Pacific Islander (not Hispanic)	1%
American Indian/Alaskan Native (not Hispanic)	<1%
Two or more Races	3%
Unspecified	1%

Occupational data¹

Occupational Data	2022
Number of Work-Related Fatalities	Company-wide: 2 Retail: 1 Distribution Centers: 0
Rate of Work-Related Fatalities²	Company-wide: 0.000843 Retail: 0.000793 Distribution Centers: 0
Number of Recordable Injuries	Company-wide: 4387 Retail: 3423 Distribution Centers: 614
Rate of Recordable Injuries²	Company-wide: 1.849 Retail: 2.716 Distribution Centers: 7.964
List of the main types of work-related injury	Needlestick (Retail) Fall, Slip or Trip (Retail & DC) Lifting (Retail & DC) Fall on Same Level (Retail) Bodily Reaction (Retail & DC) Lifting/Moving Totes for Restocking (Retail & DC) Strain or Sprain (DC) Pushing/Pulling (DC)
Number of hours worked	Company-wide: 474,555,107 Retail: 252,084,759 Distribution Centers: 15,419,119

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

¹This data does not include temporary labor. Temporary labor contracts are such that the companies that provide temporary labor are responsible for reporting their own injuries.

²Rates are calculated based on 200,000 hours.

Human capital and diversity data

Employee engagement data

Employee engagement data	2022
Levels of employee engagement	77% of the workforce was actively engaged in 2022. We offer our Colleague Engagement Survey annually, and in 2022, 77% of participating colleagues scored favorable (78% of women and 75% of men).
Average hours of training per employee per year	<p>CVS Health offers several resources and programs that attract, engage, develop, advance and retain colleagues. We provide a robust online orientation program that pairs new hires with seasoned colleagues. The training continues throughout a colleague's career through in-person, virtual and self-paced learning at all levels. We also provide tools and workshops for colleagues to manage their career development. Our training practices consider updated, tech-enabled tools and keep our colleagues informed of new industry developments relevant to their roles. During the year ended December 31, 2022, CVS Health colleagues invested approximately 17 million hours of learning and development courses.</p> <p>Our colleague development program also promotes the importance of compliance across our business. CVS Health colleagues demonstrate this commitment through our annual Code of Conduct and Compliance training, which nearly 100% of active colleagues completed in 2022. In 2022, we launched more than 70 different training courses as part of our Enterprise Compliance Training Program</p>
Paid parental leave	Full-time employees with 12 months of continuous service and who welcome a new child into their home are eligible to take up to four weeks away from work at 100% of their pay to ensure the newest addition to their family gets off to a strong start in life. In 2022, 7,884 colleagues requested an average of six weeks of paid parental leave, comprised of 72% women and 28% men.

Job security and pay practices data

Job security and pay practices data	2022
New employee hires	136,643 new employee hires in 2022 <ul style="list-style-type: none"> • 67% female • 32% male • <1% unspecified
Rate of employee turnover	Involuntary employee turnover in 2022 was 6.3%; among all involuntary turnover, females represented 65%, males represented 35%, and those who did not specify a gender represented <1%. Voluntary turnover in 2022 was 37.8%; among all voluntary turnover, females represented 70%, males represented 29%, and those who did not specify a gender represented <1%.
Ratio of entry level wage to minimum wage	1.95
Percentage of employees earning minimum wage	100%
Median annual compensation	2022: \$39,520

Human capital and diversity data

Average hourly wage by region

Location State	Avg. Pay Hourly Rate
AK	\$37.09
AL	\$26.40
AR	\$30.82
AZ	\$34.02
CA	\$29.35
CO	\$36.73
CT	\$37.06
DC	\$27.14
DE	\$25.85
FL	\$27.04
GA	\$27.16
HI	\$23.48
IA	\$27.56
ID	\$31.51
IL	\$34.81
IN	\$26.82
KS	\$32.46
KY	\$29.14

Location State	Avg. Pay Hourly Rate
LA	\$27.91
MA	\$30.72
MD	\$28.37
ME	\$32.10
MI	\$27.37
MN	\$35.38
MO	\$28.89
MS	\$27.10
MT	\$31.92
NC	\$29.17
ND	\$30.18
NE	\$32.54
NH	\$31.96
NJ	\$28.96
NM	\$29.20
NV	\$27.97
NY	\$27.97
OH	\$29.32

Location State	Avg. Pay Hourly Rate
OK	\$27.79
OR	\$36.42
PA	\$29.25
PR	\$22.73
RI	\$40.60
SC	\$27.36
SD	\$38.49
TN	\$25.98
TX	\$29.02
UT	\$32.66
VA	\$28.96
VT	\$31.31
WA	\$39.07
WI	\$31.11
WV	\$28.16
WY	\$39.24

United Nations (UN) Sustainable Development Goals

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

To further our progress against these goals, we collaborate with organizations that help us to advance our ESG strategy — including the United Nations Global Compact (UNGC). CVS Health was the first U.S. pharmacy chain to hold membership in the UNGC, which confirms our commitment to the Compact's 10 principles with respect to human rights, labor, the environment and anti-corruption.



Our contributions to the Sustainable Development Goals



Goal 2: Zero Hunger

We recognize the impact healthy food can have in making healthier happen and are committed to breaking down barriers to access and reducing food insecurity in the communities where we live and work. In 2022, we provided more than \$27 million to Feeding America to support local food banks across the U.S. In collaboration with local communities, our colleagues donated their time to volunteer at local food banks and soup kitchens. Through our Health Zones initiative, we provided one million pounds of food to those who are food insecure, and established new healthy programs. For example, in Greater Atlanta, we are teaming up with local partners to provide healthy cooking classes to low-income seniors managing chronic conditions



Goal 3: Good Health and Well-Being

As a leading health solutions company, providing access and affordable care is central to everything we do. We are making healthier happen for the nearly 5 million customers who walk through our stores each day, our 24.4 million medical benefit members, more than 110 million PBM plan members, and the over 47 million consumers who access our digital tools¹. Through our innovative business model, we are redefining health care delivery. We continue to expand our digital offerings to reach more patients with convenient and affordable care. For example, since 2020, we have provided 30 million mental health virtual care visits to patients across all CVS Health services.



Goal 4: Quality Education

We are committed to supporting the career aspirations of our colleagues, their families, and future health care leaders within our communities. We offer scholarships for the children of our colleagues as they pursue their educational careers. We invest in tomorrow's health care leaders through scholarship programs for students pursuing their education at accredited schools of pharmacy, nursing, physician assistance, social work and mental health. Through these programs, we provide more than \$3.25 million annually. And to ensure that the diversity of the health care workforce reflects the diversity of patients, we ensure that 25 percent of scholarships are awarded to diverse candidates.

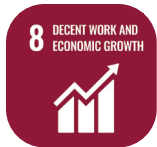


Goal 5: Gender Equality

Our workforce is comprised of 70 percent female colleagues. We are proud to have strong female senior leadership representation. Key leadership positions, including Chief Executive Officer, Chief Customer Officer (CCO) and Co-President of CVS Retail, Chief Strategy Officer, and Chief People Officer (CPO), as well as five seats on our Board of Directors, are held by women. We support our female colleagues at all tiers through internal initiatives such as our Network for Executive Women and our Women Inspiring Success and Excellence (WISE) CRG.

¹ https://s2.q4cdn.com/447711729/files/doc_downloads/other_documents/Investor-Fact-Sheet.pdf

Our contributions to the Sustainable Development Goals



Goal 8: Decent Work and Economic Growth

Our business' health depends on the work of our colleagues and supply chain partners. With an innovative workforce and dedicated leadership team, in 2022 we were able to hire more than 136,000 new colleagues, and paid out \$19 billion in wages; \$2.9 billion in benefits; and \$6.1 billion in income, property and employer taxes in the U.S.

Through our workforce development programs, we offer pre-employment training, skill building and education to individuals before they join an additional, more hands-on program with CVS Health, or other organizations. These programs prepare participants for employment opportunities in CVS Health and other companies. This also allows our team to have a future pipeline of talent more prepared to engage with the workforce based on established relationships developed during these training programs. We're investing in the next generation of health care providers through our scholarship programs for future pharmacists, nurse practitioners, social workers and mental health professionals.



Goal 12: Responsible Consumption and Production

As a health solutions company, we know that the health of all people is directly connected to the health of our planet. We're committed to reducing the impacts of our operations and employ robust waste management practices to divert waste from landfill, increase the recyclability of our products, and engage customers on our journey. In 2022, we diverted 52 percent of all waste from landfill, and completed waste audits at corporate headquarters. Through our network of more than 4,600 drug disposal units, we have facilitated safe disposal of over 5 million pounds of prescription medication. We also added How2Recycle messaging to 60 percent of our store brand products to help consumers properly dispose of products.



Goal 13: Climate Action

At CVS Health, we are committed to leadership that preserves the planet, improves the health of all communities, and mitigates climate risks. In 2022, we made significant progress toward our goal of achieving 50 percent renewable energy by 2040. In August, we reached **our first agreement to purchase clean, renewable energy** through a 42-megawatt share of the Mammoth Central solar facility in Indiana. We remain on track to meet the science-based, emissions reduction targets that have set us on a path to carbon neutrality by 2030 and net zero emissions across our value chain by 2050.



Goal 15: Life on Land

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

Colleague health, safety and well-being

As a company that is meaningfully impacting public health issues, the safety, health and well-being of our colleagues is our top priority. We actively encourage our colleagues to take care of their own health and provide programs and tools to improve financial, emotional and physical well-being to all colleagues, not just those enrolled in benefits. We recognize how vital our colleagues are to our success and strive to offer them competitive and comprehensive wages and benefits. We do this by investing in their health through employee health insurance premiums, health-savings accounts, medical, prescription, dental and vision coverage, parental leaves, partner and family sick time and other programs that support our colleagues on their holistic journey to well-being. We also strive to provide pay, benefits and services that meet the varying needs of our colleagues. We offer market-competitive pay, stock grants and bonuses, an Employee Stock Purchase Plan, health care and retirement benefits.

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

As an equal opportunity and affirmative action employer, we do not discriminate in recruiting,

hiring or promotion based on race, ethnicity, sex/gender, sexual orientation, gender identity or expression, age, disability, or protected veteran status or on any other basis or characteristic prohibited by applicable federal, state or local law.

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



Social compliance audit summary

As indicated in our **Human Rights Policy**, we require our suppliers and their factories to provide fair and safe working conditions for all workers, and to treat their employees with dignity and respect. Our Ethical Sourcing & Customs Trade Partnership Against Terrorism (CTPAT) Compliance Program requires all new and existing factories within scope to undergo risk-based audits. These risk-based audits are conducted by our independent third party UL Solutions, and focus on social, legal and trade security standards. Since 2015, we have mandated that factories, along with their suppliers, participate annually in e-learning courses on those topics.

CVS Health maintains a strict zero-tolerance policy when auditing factories and we take this commitment seriously. If a zero-tolerance issue is found, the factory is immediately put on probation and orders are canceled. Alert Notification issues are serious issues that require immediate action. If an Alert Notification issue is found during an audit, factories

must provide evidence that the issue has been addressed and undergo a verification process. Failure to successfully complete the verification process will result in the factory being placed on probation. A probationary period lasts one year, after which we conduct a new audit to determine if we will work together again.



Social compliance audit summary

Zero Tolerance Issues	Number of Audits Found to Have an Issue ¹
Child Labor	0
Abuse and Harassment	0
Bribery	0
Forced or Prison Labor, Human Trafficking	1
Confirmed Falsified Audit Report and/or Business License	0
Intentional Non-Disclosure of Finished Goods Subcontracting (Tier 1 and Tier 5 Subcontractors)	0
Life Threatening Conditions²	0

¹To align with how Social Compliance audit data is tracked internally, the methodology for disclosing Zero Tolerance and Alert Notification issues was changed in 2022 from number of factories found to have an issue to number of audits found to have an issue.

²“Life Threatening Conditions” as a Zero Tolerance Issue is for situations in which CVS Health feels a factory is knowingly putting workers in harm by purposefully preventing or making it challenging for them to exit (ex: permanently locking/ blocking exits and/or evacuation pathways). “Life Threatening Finding” as an Alert Notification Issue captures situations in which there is no harmful intent on the part of the factory.

Alert Notification Issues	Number of Audits Found to Have an Issue ¹	Action Taken
Life Threatening Finding (Locked/Blocked Exits, Blocked Pathways)	14	All factories provided evidence that the issue(s) had been corrected within the required timeframe. 12 factories underwent the Verification process, which confirmed the issue(s) were not reoccurring. One factory underwent the Verification process, which confirmed the issue(s) were not reoccurring, however a new issue was identified. Additional Verification did not take place due to order cancellation.
Discrimination	3	All factories provided evidence that the issue(s) had been corrected within the required timeframe. All factories underwent the Verification process, which confirmed the issue(s) were not reoccurring.
Non-Disclosure of Finished Goods Subcontracting (Tier 1 and Tier 5 Subcontractors)	5	The suppliers provided information on their Tier 1 subcontractor within the required timeframe. All Tier 1 subcontractors were audited, and passed their audit. There were no non-disclosed Tier 5 subcontractors.
Missing Business License	0	N/A
Passport Retention	0	N/A
Life Threatening Finding (Locked/Blocked Exits, Blocked Pathways) AND Non-Disclosure of Finished Goods Subcontracting (Tier 1 and Tier 5 Subcontractors)²	1	The factory provided evidence that the issue(s) had been corrected within the required timeframe and underwent the Verification process, which confirmed the issue(s) were not reoccurring. The supplier provided information on their Tier 1 subcontractor within the required timeframe. Their Tier 1 subcontractor was audited, and passed their audit.

Environmental data

Additional information on our climate-related progress, including our TCFD reporting, can be found on our [website](#).

Total Energy Usage by Type (2020-2022)

Year	Electricity (Million MWH)	Natural Gas (Million Therms)	Propane & Oil (Therms)	Fuel Consumption (Million Gallons) ¹
2020	2.5	13.4	423,517	10.3
2021	2.4	14.4	466,025	11.8
2022	2.2	22.5	551,822	5.85

Progress Towards 1.5-degree SBT 2020-2022, 2019 baseline

Year	CO ₂ e ¹ (MT)	Reduction against baseline
2019	1,193,890	N/A
2020	1,142,764	-4%
2021	1,070,042	-11%
2022	1,036,327	-13%
2030 Target	570,349	-47%

¹Scope 1 and 2 market-based method



Environmental data

GHG Emissions by Scope 2020-2022

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

CVS Health Scope 1 and 2 data from 2020 and 2021 has been externally assured. Historical assurance statements (including for earlier years, beginning with 2016) can be found [on our website](#). Our 2022 Scope 1, 2 and 3 data will be reviewed for external assurance in the coming months by an independent third party.

GHG Emissions (Metric Tonnes of CO₂e) 2020-2022

Scope 1 Breakdown	2022 Tonnes of CO ₂ e	2022 % of total emissions	2021 Tonnes of CO ₂ e	2021 % of total emissions	2020 Tonnes of CO ₂ e	2020 % of total emissions
Scope 1 Total	250,062	24%	188,257	18%	165,384	14%
Natural Gas	119,463	12%	76,472	7%	71,341	6%
Other Fuels	3,655	0%	3,006	0%	2,788	0%
Corporate Fleets	19,190	2%	9,133	1%	10,287	1%
Private Delivery Fleet	31,385	3%	30,763	3%	29,488	3%
Refrigerants	71,097	7%	65,946	6%	49,317	4%
Air Fleet	5,271	1%	3,016	0%	3,164	0%

Scope 2 Breakdown	2022 Tonnes of CO ₂ e	2022 % of total emissions	2021 Tonnes of CO ₂ e	2021 % of total emissions	2020 Tonnes of CO ₂ e	2020 % of total emissions
Scope 2¹ Total	786,266	76%	881,786	82%	977,380	86%
Electricity¹, Steam and Chilled Water	786,266	76%	881,786	82%	977,380	86%
Scope 1 and 2¹ Total	1,036,327	100%	1,070,042	100%	1,142,764	100%

¹Market Based

Environmental data

GHG Emissions (Metric Tonnes of CO₂e) 2020-2022

In 2023, CVS Health undertook a comprehensive review of its GHG emissions reporting methodology in alignment with the GHG Protocol published by the WRI and WBCSD. As a result of this review, new sources of Scope 3 emissions have been included and the prior datasets have been refined. The Scope 3 emissions for 2022 presented in the table below reflect the updated methodology.

Scope 3 data from 2019-2021 is being re-evaluated in accordance with the new methodology and we expect previously published historical Scope 3 data to be revised following the completion of the review. Updated Scope 3 data from 2019 to 2021 will be presented in our forthcoming 2023 CDP response, and we will also update this ESG report on our website.

Scope 3 Breakdown	2022 Tonnes of CO ₂ e	2022 % of total emissions
Scope 3 Total	14,457,271	100%
1. Purchased Goods and Services	12,954,003	90%
2. Capital Goods	171,511	1%
3. Fuel and Energy Related Activities	349,606	2%
4. Upstream Transportation	382,995	3%
5. Waste	103,198	<1%
6. Business Travel	38,545	<1%
Business Air Travel	11,011	—%
Rental Cars	5,909	—%
Personal Cars	19,303	—%
Hotel Stays	2,256	—%
Rail Travel	66	—%
7. Employee Commuting	437,707	3%
8. Upstream Leased Assets	19,706	<1%
9. Downstream Transportation & Distribution	—%	—%
10. Processing of Sold Products	—%	—%
11. Use of Sold Products	—%	—%

Environmental data

GHG Emissions (Metric Tonnes of CO₂e) 2020-2022

Scope 3 Breakdown	2022 Tonnes of CO ₂ e	2022 w % of total emissions
12. End-of-Life of Sold Products	—%	—%
13. Downstream Leased Assets	—%	—%
14. Franchises	—%	—%
15. Investments	—%	—%

Regulated waste disposal methods 2020-2022¹

Waste Disposal Methods	2022 ² Waste in Tonnes	2022 %	2021 Waste in Tonnes	2021 %	2020 Waste in Tonnes	2020 %
Waste Recovered (including Energy Recovery)	3,271	35%	2,430	43%	2,331	56%
Waste Recycled	4,455	45%	1,780	32%	744	17%
Waste Reused	0.2	<1%	0.2	0%	0.2	<1%
Waste Incinerated	1,796	19%	1,139	20%	1,038	24%
Waste to Landfill	84	<1%	291	5%	159	4%
Total Waste Generated³	9,606	100%	5,640	100%	4,272	100%

¹This table was renamed from "Hazardous Waste Disposal Methods" to "Regulated Waste Disposal Methods" in 2022 to more accurately characterize the waste included.

²Totals do not add to 100 due to rounding.

³The waste categories included are hazardous waste, hazardous pharmaceutical waste, non-hazardous regulated waste, non-hazardous pharmaceutical waste, and organics.

Environmental data

Recycling Figures 2022

Our overall diversion rate for 2022 is 52%

- 197,051 tons were recycled through all programs at retail stores, corporate offices and distribution centers (including Coram, Caremark and Omnicare)
- 8.5 tons of plastic bags were diverted from landfills to our plastic bag recycling program
- Other recycling figures:
 - 8.8 tons of mixed paper
 - 1.89 tons of plastic bottles and cans
 - 2,162 tons of white paper

Water Use Intensity Measurement (2020-2022)

Year	Total Water Usage (ML)	SF of Retail Space (Millions)	Normalized Water Usage (Per SF of Retail Space in ML)
2020	5,612	80.4	0.00007
2021	5,728	79.9	0.000072
2022	6,303	78.9	0.00008

Global Reporting Initiative (GRI) index

The 2022 CVS Health ESG report has been developed in accordance with the GRI Standards (2021). CVS Health also supports the Culture of Health for Business Framework, which was developed in 2019 by a group of leading companies, nonprofits and academia with support from the Robert Wood Johnson Foundation. Disclosures reflected within that Framework are included within our GRI Index disclosures.



GRI Index

Organizational & Reporting

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
2-1	Organization details	<p>Corporate Profile, p. 3, 2022 ESG Report Appendix</p> <p>CVS Health Corporation is a publicly traded corporation on the New York Stock Exchange. Ticker Symbol: CVS</p> <p>Corporate Headquarters is located at: CVS Health 1 CVS Drive Woonsocket, RI 02895</p>
2-2	Entities included in the organization's sustainability reporting	<p>About this Report, p. 38, 2022 ESG Report</p> <p><u>2022 Proxy Statement</u></p>
2-3	Reporting period, frequency and contact point	<p>About this Report, p. 38, 2022 ESG Report</p> <p>Reporting period covers calendar year 2022, January 1 – December 31, 2022</p> <p>Both sustainability and financial reporting cycles at CVS Health run on a calendar year.</p> <p>Report publication, April 7, 2023</p> <p><u>CSR@CVSHealth.com</u> CVS Health Corporation Attn: SVP and CSO, Corporate Social Responsibility & Philanthropy 1 CVS Drive, Woonsocket, RI 02895 401-765-1500</p>
2-4	Restatements of information	<p>We have made no material restatements of information provided in previous ESG Reports.</p>
2-5	External Assurance	<p>We do not have a formal policy for external assurance at this time.</p> <p>We use an external third party, Apex Company, to verify our carbon footprint and water data. Verification statements of past reports can be found <u>on our website</u></p>
2-6	Activities, value chain and other business relationships	<p>Corporate Profile, p. 3, 2022 ESG Report Appendix</p> <p><u>Creating Value</u></p> <p>About this Report, p. 38, 2022 ESG Report</p>

GRI Index

Organizational & Reporting

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
2-7	Employees	All work is performed by our company's employees, with a large majority of them performing retail-related duties in our over 9,000+ retail locations located primarily in the U.S. CVS Health Workforce Data, p. 21, 2022 ESG Report Appendix
2-8	Workers who are not employees	CVS Health employees are both full and part-time employees as well as third-party contractors. CVS Health Workforce Data, p. 21, 2022 ESG Report Appendix; About this Report, p. 38, 2022 ESG Report Requirements 2-8-b and 2-8-c: Confidentiality constraints: We do not publicly disclose this data. CVS Health contractors are not included within the boundaries of our reporting as they are considered employees of their respective organizations we do business with.

Governance

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
2-9	Governance structure and composition	ESG Strategy & Governance, p. 4, 2022 ESG Report Appendix Committees of the Board, 2022 Proxy Statement
2-10	Nomination and the selection of the highest governance body	<u>CVS Health Corporate Governance Guidelines</u>
2-11	Chair of the highest governance body	Board Structure and Processes, 2022 Proxy Statement Roger M. Farah serves as Independent Chair of our Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Strategy & Governance, p. 4, 2022 ESG Report Appendix
2-13	Delegation of responsibility for managing impacts	ESG Strategy & Governance, p. 4, 2022 ESG Report Appendix
2-14	Role of the highest governance body in sustainability reporting	ESG Strategy & Governance, p. 4, 2022 ESG Report Appendix
2-15	Conflicts of interest	Related Person Transaction Policy, 2022 Proxy Statement <u>Corporate Governance Guidelines</u>

GRI Index

Governance

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
2-16	Communication of critical concerns	ESG Strategy & Governance, p. 4, 2022 ESG Report Appendix Stakeholder Engagement, p. 9, 2022 ESG Report Appendix Information unavailable/incomplete. There are many ways in which critical concerns of stakeholders are brought to our Board of Directors. Our President and CEO and executive leadership team bring these issues to our Board on an ongoing basis
2-17	Collective knowledge of the highest governance body	Committees of the Board, <u>2022 Proxy Statement</u> <u>CVS Health Corporate Governance Guidelines</u>
2-18	Evaluation of the performance of the highest governance body	<u>CVS Health Corporate Governance Guidelines</u>
2-19	Remuneration policies	Compensation Discussion and Analysis, <u>2022 Proxy Statement</u> <u>CVS Health Corporate Governance Guidelines</u>
2-20	Process to determine remuneration	Compensation Discussion and Analysis, <u>2022 Proxy Statement</u> <u>CVS Health Corporate Governance Guidelines</u>
2-21	Annual total compensation ratio	Compensation Discussion and Analysis, <u>2022 Proxy Statement</u>

Strategy

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
2-22	Statement on sustainable development strategy	Letter from Chief Executive Officer and Chair of the Board, p. 3, 2022 ESG Report Letter from Chief Sustainability Officer, p. 4, 2022 ESG Report

GRI Index

Ethics and Integrity

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
2-23	Policy commitments	All CVS Health colleagues, members of its Board of Directors, and suppliers, are required to acknowledge receipt of the Code of Conduct and Human Rights Policy annually. Additionally, all colleagues must complete an annual Code of Conduct and Compliance training. All colleagues must undergo annual Code of Conduct and Compliance training. In 2022, nearly 100% of active colleagues completed this training. <u>CVS Health Code of Conduct</u> <u>CVS Health Human Rights Policy</u>
2-24	Embedding policy commitments	All CVS Health colleagues, members of its Board of Directors, and suppliers, are required to acknowledge receipt of the Code of Conduct and Human Rights Policy annually. Additionally, all colleagues must complete an annual Code of Conduct and Compliance training. All colleagues must undergo annual Code of Conduct and Compliance training. In 2022, nearly 100% of active colleagues completed this training. <u>CVS Health Code of Conduct</u> <u>CVS Health Human Rights Policy</u>
2-25	Process to remediate negative impacts	<u>CVS Health Human Rights Policy</u>
2-26	Mechanisms for seeking advice and raising concerns	<u>CVS Health Code of Conduct</u> CVS Health Ethics Line 1-877-CVS-2040
2-27	Compliance with laws and regulations	<u>CVS Health Form 10-K</u> Any significant instances of noncompliance with laws and regulations and material fines in the current and prior reporting periods are set forth in our annual reports on Forms 10-K filed with the SEC, which include our audited financial statements.
2-28	Membership associations	Stakeholder Engagement, p. 9, 2022 ESG Report Appendix

GRI Index

Stakeholder Engagement

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
2-29	Approach to stakeholder engagement	Stakeholder Engagement, p. 9, 2022 ESG Report Appendix
2-30	Collective bargaining agreements	As of December 31, 2022, 8.7% of employees were covered by collective bargaining agreements. In the fall of 2021, CVS Health finalized the negotiation of a successor collective bargaining agreement with eight union locals representing our employees in many of our California retail locations. Through good faith negotiations we were able to address the concerns of our employees related to health care costs, store safety and wages. The final agreement was endorsed by all of the unions and overwhelmingly ratified by our employees.

301: Material Topics

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
3-1	Process to determine material topics	About this Report, p. 38, 2022 ESG Report ESG Prioritization Assessment, p. 8, 2022 ESG Report Appendix
3-2	List of material topics	ESG Prioritization Assessment, p. 8, 2022 ESG Report Appendix About this Report, p. 38, 2022 ESG Report
3-3	Management of material topics	Corporate Profile, p. 3, 2021 ESG Report Appendix ESG Strategy & Governance, p. 4, 2022 ESG Report Appendix ESG Prioritization Assessment, p. 8, 2022 ESG Report Appendix

GRI Index

201: Economic Performance

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
201-1	Direct economic value generated and distributed	Corporate Profile, p. 3, 2022 ESG Report Appendix CVS Health does not currently capture EVG&D data by country/region/market levels.
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Report 2022 CDP Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Reporting in Accordance with GRI: If the organization cannot comply with a disclosure or with a requirement in a disclosure, then the organization is required to specify in the GRI content index the disclosure or the requirement it cannot comply with, and provide a reason for omission with an explanation.
201-4	Financial assistance received from government	Reporting in Accordance with GRI: If the organization cannot comply with a disclosure or with a requirement in a disclosure, then the organization is required to specify in the GRI content index the disclosure or the requirement it cannot comply with, and provide a reason for omission with an explanation.

203: Indirect Economic Impacts

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
203-1	Infrastructure investments and services supported	In 2022, we provided more than \$260 million in philanthropic giving. Healthy Community, p. 24, 2022 ESG Report
203-2	Significant indirect economic impacts	Workforce Initiatives, p. 19, 2022 ESG Report Diverse Marketplace, p. 18, 2022 ESG Report

204: Procurement Practices

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
204-1	Proportion of spending on local suppliers	More than \$129 million was spent on diverse and small business suppliers located in Rhode Island and Connecticut.

GRI Index

205: Anti-Corruption

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
205-1	Operations assessed for risks related to corruption	Social Compliance Audit Summary, p. 35, 2022 ESG Report Appendix
205-2	Communication and training about anti-corruption policies and procedures	100% of CVS Health colleagues are required to acknowledge receipt of the Code of Conduct and complete an annual Code of Conduct and Compliance training. Members of our Board of Directors, when doing work for CVS Health, as well as our supplier partners, are also governed by the Code of Conduct. <u>Code of Conduct</u>
205-3	Confirmed incidents of corruption and actions taken	Social Compliance Audit Summary, p. 35, 2022 ESG Report Appendix

301: Materials

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
301-1	Materials used by weight or volume	CVS Health is the Principal Retail Member of ReSource: Plastic in collaboration with World Wildlife Fund. As such, we report annually through their Footprint Tracker on plastic usage of store brands packaging. The data for 2021 can be found in their annual <u>ReSource: Plastic Progress Report</u> . Data for calendar year 2022 will be available in late 2023.
301-2	Recycled input materials used	Meeting Ambitious Sustainable Packaging Goals, p. 37, 2022 ESG Report Through our work with the World Wildlife Foundation (WWF), we included recycled content in the ReSource: Plastic Progress Report. We also have goals to include increased recycled content in paper and plastic packaging.
301-3	Reclaimed products and their packaging materials	Embedding Sustainability at Retail, p. 36, 2022 ESG Report

GRI Index

302: Energy

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
302-1	Energy consumption within the organization	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 37, 2022 ESG Report Appendix CVS Health annual CDP Submission Energy Consumption (Global), p. 37, 2022 ESG Report Appendix
302-2	Energy consumption outside of the organization	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 37, 2022 ESG Report Appendix CVS Health annual CDP Submission Energy Consumption (Global), p. 37, 2022 ESG Report Appendix
302-3	Energy intensity	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 37, 2022 ESG Report Appendix CVS Health annual CDP Submission Energy Consumption (Global), p. 37, 2022 ESG Report Appendix
302-4	Reduction of energy consumption	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 37, 2022 ESG Report Appendix CVS Health annual CDP Submission Energy Consumption (Global), p. 37, 2022 ESG Report Appendix
302-5	Reductions in energy requirements of products and services	Total Energy Usage by Type, GHG Emissions, Environmental Data, p. 37, 2022 ESG Report Appendix CVS Health annual CDP Submission Energy Consumption (Global), p. 37, 2022 ESG Report Appendix

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303: Water & Effluents

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
303-1	Interactions with water as a shared resource	Water Use Intensity Measurement, Environmental Data, p. 41, 2022 ESG Report Appendix Water Management, p. 41, 2022 ESG Report Appendix <u>CVS Health annual CDP Water Security Submission</u>
303-2	Management of water discharge-related impacts	Water Use Intensity Measurement, Environmental Data, p. 41, 2022 ESG Report Appendix Water Management, p. 41, 2022 ESG Report Appendix <u>CVS Health annual CDP Water Security Submission</u>
303-3	Water withdrawal	Water Use Intensity Measurement, Environmental Data, p. 41, 2022 ESG Report Appendix Water Management, p. 41, 2022 ESG Report Appendix <u>CVS Health annual CDP Water Security Submission</u>
303-4	Water discharge	Nearly all of our water is discharged to local municipal treatment plants or to groundwater from irrigation; a small subset of sites, about 105, discharge into local septic systems. The rest discharge into municipal sewers. <u>CVS Health annual CDP Water Security Submission</u>
303-5	Water consumption	<u>CVS Health annual CDP Water Security Submission</u>

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305: Emissions

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
305-1	Direct (Scope 1) GHG emissions	GHG Emissions, Environmental Data, p. 38, 2022 ESG Report Appendix
305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions, Environmental Data, p. 38, 2022 ESG Report Appendix
305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions, Environmental Data, p. 38, 2022 ESG Report Appendix
305-4	GHG emissions intensity	GHG Emissions, Environmental Data, p. 38, 2022 ESG Report Appendix CDP Climate Change
305-5	Reduction of GHG emissions	GHG Emissions, Environmental Data, p. 38, 2022 ESG Report Appendix
305-6	Emissions of ozone-depleting substances (ODS)	CVS Health is not a significant emitter of ozone-depleting substances, NO _x , So _x , or other significant air emissions. Not Applicable: CVS Health determined not material.
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	CVS Health is not a significant emitter of ozone-depleting substances, NO _x , So _x , or other significant air emissions. Not Applicable: CVS Health determined not material.

306: Waste

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
306-1	Waste generation and significant waste-related impacts	Regulated Waste Disposal Methods, p. 40, 2022 ESG Report Appendix Embedding Sustainability at Retail, Meeting Ambitious Sustainable Packaging Goals, p. 37, 2022 ESG Report
306-2	Management of significant waste-related impacts	Regulated Waste Disposal Methods, p. 40, 2022 ESG Report Appendix Recycling Impact, p. 41, 2022 ESG Report Appendix
306-3	Waste generated	Regulated Waste Disposal Methods, p. 40, 2022 ESG Report Appendix Recycling Impact, p. 41, 2022 ESG Report Appendix
306-4	Waste diverted from disposal	Regulated Waste Disposal Methods, p. 40, 2022 ESG Report Appendix Recycling Impact, p. 41, 2022 ESG Report Appendix
306-5	Waste directed to disposal	Regulated Waste Disposal Methods, p. 40, 2022 ESG Report Appendix Recycling Impact, p. 41, 2022 ESG Report Appendix

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308: Supplier Environmental Assessment

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
308-1	New suppliers that were screened using environmental criteria	CVS Health includes environmental guidance in supplier requests for proposals. We also evaluate the factories of our store brand suppliers for environmental criteria through our social compliance program. CVS Health and suppliers are engaged in legal agreements and therefore subject to confidentiality.
308-2	Negative environmental impacts in the supply chain and actions taken	CVS Health and suppliers are engaged in legal agreements and therefore subject to confidentiality.

401: Employment

GRI Disclosure No.	GRI Disclosure Title	2021 CVS Health Response
401-1	New employee hires and employee turnover	Human Capital and Workforce Diversity Data, p. 21, 2022 ESG Report Appendix
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>CVS Health Benefits</u>
401-3	Parental leave	<u>Occupational Health & Safety Statement</u> <u>CVS Health Code of Conduct</u> Human Capital and Workforce Diversity, p. 21, 2022 ESG Report Appendix

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403: Occupational Health and Safety

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
403-1	Occupational health and safety management system	<u>Occupational Health & Safety Statement</u> <u>CVS Health Code of Conduct</u> Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix
403-2	Hazard identification, risk assessment, and incident investigation	Making healthier happen for colleagues, p. 21, 2022 ESG Report
403-3	Occupational health services	Making healthier happen for colleagues, p. 21, 2022 ESG Report
403-4	Worker participation, consultation, and communication on occupational health and safety	<u>Occupational Health & Safety Statement</u> <u>CVS Health Code of Conduct</u> Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix
403-5	Worker training on occupational health and safety	<u>Occupational Health & Safety Statement</u> <u>CVS Health Code of Conduct</u> Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix
403-6	Promotion of worker health	Making healthier happen for colleagues, p. 21, 2022 ESG Report
403-7	Prevention and mitigation of occupational health and safety impact directly linked by business relationships	<u>Occupational Health & Safety Statement</u> <u>CVS Health Code of Conduct</u> Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix
403-8	Workers covered by an occupational health and safety management system	<u>Occupational Health & Safety Statement</u> <u>CVS Health Code of Conduct</u> Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix
403-9	Work-related injuries	Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix
403-10	Work-related ill health	Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix

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404: Training and Education

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
404-1	Average hours of training per year per employee	Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix CVS Health Form 10-K
404-2	Programs for upgrading employee skills and transition assistance programs	Workforce Initiatives, p. 19, 2022 ESG Report
404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix

405: Diversity and Equal Opportunity

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
405-1	Diversity of governance bodies and employees	Diversity, Equity and Inclusion, p. 16, 2022 ESG Report Human Capital and Diversity Data, p. 21, 2022 ESG Report Appendix Director Qualification Criteria Diversity, 2022 Proxy Statement
405-2	Ratio of basic salary and remuneration of women to men	Information is confidential

408: Child Labor

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
408-1	Operations and suppliers at significant risk for incidents of child labor	All factories within scope for the Ethical Sourcing & Customs Trade Partnership Against Terrorism (CTPAT) Compliance Program are considered to have significant risk for incidents of child labor. Social Compliance Audit Summary, p.35, 2022 ESG Report Appendix

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414: Supplier Social Assessment

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
414-1	New suppliers that were screened using social criteria	Social Compliance Audit Summary, p.35, 2022 ESG Report Appendix
414-2	Negative social impacts in the supply chain and actions taken	Social Compliance Audit Summary, p.35, 2022 ESG Report Appendix

415: Public Policy

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
415-1	Political contributions	<u>CVS Health Website: Political Activities and Contributions</u>

416: Customer Health and Safety

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
416-1	Assessment of the health and safety impacts of product and service categories	CVS Health assesses 100% of our store brand products through our robust quality assurance processes. This includes the factory the product is manufactured in, as well as adherence to our <u>Restricted Substances List</u> , <u>Chemical Safety Policy</u> , and <u>Responsible Palm Oil Policy</u> , among others.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Social Compliance Audit Summary, p.36, 2022 ESG Report Appendix

GRI Index

417: Marketing and Labeling

GRI Disclosure No.	GRI Disclosure Title	2022 CVS Health Response
417-1	Requirements for product and service information and labeling	Diverse Marketplace, p. 18, 2022 ESG Report CVS Health Website: Tested to Be Trusted Cosmetic Safety Policy CVS Store Brand Restricted Substances List Commitment to Responsible Marketing Practices
417-2	Incidents of non-compliance concerning product and service information and labeling	Information incomplete/unavailable
417-3	Incidents of non-compliance concerning marketing communications	Information incomplete/unavailable

418: Customer Privacy

GRI Disclosure No.	GRI Disclosure Title	2021 CVS Health Response
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We publicly report breaches as required to the U.S. Department of Health and Human Services (HHS) Office of Civil Rights. See Breach Portal .

Sustainability Accounting Standards Board (SASB) Index

CVS Health reports in alignment with the Sustainability Accounting Standards Board (SASB). The below provides disclosures CVS Health has deemed relevant to its business within the following SASB industry categories: Health care (Drug Retailers and Managed Care) and other industries (Insurance, Multiline and Specialty Retailers and Distributors, Food Retailers and Distributors, and Household and Personal Products).

Environment

Energy Consumption (Global)	2022
Total Energy	11,264,947 GJ
Proportion of power use from renewable sources	0.23%
Proportion of power use from grid electricity	99.77%

Water Management	2022
Total water withdrawn	6,303 m ³
Percent water withdrawn in regions with High or Extremely High Baseline Water Stress	36%
Total water consumed	1,765 m ³
Percent water consumed in regions with High or Extremely High Baseline Water Stress	49%



SASB Index

Environment

Waste Management	2022
Total amount of hazardous pharmaceutical waste	3951.98 metric tons (t)
(1) Percent incinerated	36.15%
(2) Percent recycled or treated	63.85%
(3) Percent landfilled	0%
Total amount of non-hazardous pharmaceutical waste	309.01 metric tons (t)
(1) Percent incinerated	99.89%
(2) Percent recycled or treated	0.11%
(3) Percent landfilled	0%

Leadership and Governance

Systemic Risk Management	2022
Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	<u>2022 Proxy Statement</u>

Human Capital

Employee Health & Safety	2022
Total recordable incident rate (TRIR)	1.849
Days away, restricted or transferred (DART) rate	Company-wide: 0.762 Retail: 0.973 Distribution Center: 5.618

Employee Recruitment, Development & Retention	2022
Physicians	
(1) Voluntary turnover rate	7%
Voluntary turnover rate - Female	53%
Voluntary turnover rate - Male	47%
Voluntary turnover rate - Unspecified	0%
(2) Involuntary turnover rate	1%
Involuntary turnover rate - Female	29%
Involuntary turnover rate - Male	71%
Involuntary turnover rate - Unspecified	0%

SASB Index

Human Capital

Employee Recruitment, Development & Retention	2022
Non-physician health care practitioners	
(1) Voluntary turnover rate	26%
Voluntary turnover rate - Female	93%
Voluntary turnover rate - Male	7%
Voluntary turnover rate - Unspecified	<1%
(2) Involuntary turnover rate	4%
Involuntary turnover rate - Female	86%
Involuntary turnover rate - Male	14%
Involuntary turnover rate - Unspecified	<1%
All other employees	
(1) Voluntary turnover rate	23%
Voluntary turnover rate - Female	69%
Voluntary turnover rate - Male	31%
Voluntary turnover rate - Unspecified	<1%

Employee Recruitment, Development & Retention	2022
All other employees	
(2) Involuntary turnover rate	7%
Involuntary turnover rate - Female	68%
Involuntary turnover rate - Male	31%
Involuntary turnover rate - Unspecified	<1%
Description of talent recruitment and retention efforts for health care practitioners	<u>Health Care Careers Site</u>

Labor Practices	2022
Average Hourly Wage	\$29.93
Management	
Percentage Female	55%
Percentage White	64%
Percentage Hispanic	9%
Percentage Black	10%
Percentage Asian	13%
Percentage more than one ethnicity	2%
Percentage unknown	1%

SASB Index

Human Capital

Labor Practices	2022
All other employees	
Percentage Female	72%
Percentage Hispanic	17%
Percentage White	47%
Percentage Black	19%
Percentage Asian	12%
Percentage more than one ethnicity	4%
Percentage unknown	1%

Incorporation of Environmental, Social and Governance Factors in Investment Management	2022
Total invested assets, by industry and asset class	<u>Investments</u>

Social Capital

Data Security & Privacy	2022
Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)	Data Protection and Privacy, 2022 ESG Report Appendix, p. 20 Our Privacy Policies can be found on our website .
Description of approach to identifying and addressing data security risks	Data Protection and Privacy, 2022 ESG Report Appendix, p. 20

Management of Controlled Substances	2022
Description of policies and practices to manage the number of prescriptions issued for controlled substances	<p>CVS Health has made a commitment to help address the misuse of prescription opioids by designing programs and collaborating with community leaders, policymakers, law enforcement, health care professionals and others to increase community-based educational programs related to opioid misuse, create safe prescription drug disposal sites, expand access to life-saving antidotes, and advocate for targeted and effective policies, locally and nationally.</p> <p>Our ongoing opioid misuse prevention efforts and enterprise initiatives are supported by all parts of the company — including our CVS Pharmacy retail presence in nearly 10,000 communities across the country, CVS Caremark, our PBM that manages medications for more than 100 million plan members — and reach patients, providers, payors, advocacy organizations, elected leaders and community health advocates.</p> <p>More information on our commitments to address the misuse of opioids is available on our website</p>

SASB Index

Social Capital

Transparent Information & Fair Advice for Customers	2022
Customer retention rate	PBM Client Satisfaction 98% HCB Member Satisfaction 93% Commercial Client Satisfaction 99%

Pricing & Billing Transparency	2022
Description of policies or initiatives to ensure that patients are adequately informed about price before undergoing a procedure	We believe that consumers should be in control of their own health care. A major component of this is promoting care in the lowest cost setting with health care professionals appropriately qualified and trained for the level of care needed. Treating non-urgent and minor ailments in retail clinics rather than hospital emergency rooms makes care more affordable and convenient for patients while ensuring that high-cost settings are available for those who truly need them. We also know that people are more likely to take their prescribed medications when they know they can afford them — and that can lead to better health outcomes. Company-wide, we’re also committed to making prescriptions more affordable for more people.
Discussion of how pricing information for services is made publicly available	Transparency around the cost of drugs, services or coverage is critical to making healthier happen for the millions of patients we serve. Across our enterprise we offer robust tools and resources to help consumers find affordable, accessible and quality care. For example, our Script Intelligence tool helps members save on out-of-pocket costs through actionable, up-to-the-minute, member-specific plan information across multiple points of care. Learn more on our website .

Business Model and Innovation

Policies Designed to Incentivize Responsible Behavior	2022
Discussion of products and/or product features that incentivize health, safety and/or environmentally responsible actions and/or behaviors	Embedding Sustainability at Retail, p. 36, 2022 ESG Report

Business Model and Innovation

Climate Change Impacts on Human Health and Infrastructure

2022

Description of policies and practices to address:

(1) The physical risks due to an increased frequency and intensity of extreme weather events

Description of process climate-related risks are included in our multi-disciplinary company-wide risk identification, assessment and management process.

Acute, short-term climate-related physical risks are monitored every six months, or more frequently, including daily during hurricane and wildfire season. Medium and long-term chronic physical risks are monitored annually or less frequently. We also consider technology, market, legal, reputational, current and emerging regulatory risks. This process applies to the Company's enterprise operations.

Risks are monitored up to the year 2040. The process for identifying and assessing risks at the Company level is assigned to the head of each Business Unit (BUL). The Risk Management and CS&R teams support BUL by presenting climate-scenarios and conducting brainstorming sessions. BULs assess risks by quantifying potential impacts in financial terms. Emphasis is placed on reputational risk.

Top risks for the Company are maintained in a Risk Register by our CRO, which is presented annually to the Audit Committee of the Board of Directors, ensuring proper controls and mitigation plans are in place. Climate-related risks are treated the same as all other risks on the Risk Register.

Processes for managing climate risks and how to respond to them: The top risks for the Company make it on to the Risk Register and are prioritized for mitigation through ESG strategic planning efforts. We have enterprise-wide risk mitigation protocols for physical climate-related risks from extreme weather, including with critical vendors and suppliers. During active situations, risks and threats are tracked in real-time, by our Enterprise Risk Event Monitoring visualization system. We prioritize mitigation efforts based on the importance of the issue to the business, stakeholders, and the potential financial impact on the Company. Other major considerations include number of assets, colleagues and customers potentially affected.

Processes for managing climate opportunities and how to respond to them: Each business unit is responsible for identifying, assessing, and managing opportunities that may arise from climate change. Opportunities are capitalized upon if they are deemed profitable, practical and in line with business strategy e.g. energy efficiency opportunities are primarily identified and assessed in terms of their potential to reduce emissions in line with our Science Based Target (SBT).

The Facilities unit also assesses opportunities in terms of financial impact as part of the planning and budgeting process, generally choosing to capitalize on opportunities that have a reasonable ROI.

SASB Index

Business Model and Innovation

Packaging Lifecycle Management	2022
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	<p>In 2020, we joined the Sustainable Packaging Coalition's How2Recycle® program and began including detailed recycling icons and instructions on our store brand product packaging to educate consumers on how to prepare product packaging for disposal. As of the end of 2022, we had added How2Recycle labeling to 60% of our store brand products. We continue to enhance the sustainability of our store brands product packaging, and have partnered with World Wildlife Fund (WWF) and ReSource: Plastic to reduce plastic waste and increase the sustainability of the materials being used within our packaging portfolio. We're focused on reducing use of plastic and virgin materials and ensuring recyclability for all store brand products.</p> <p>In 2022, we were proud to join ReSource: Plastic as Principal Retail Member to support efforts to establish high standards on plastic sourcing for the retail industry. We also introduced robust packaging goals and report our progress annually in our ESG report.</p>
Product Sourcing, Packaging & Marketing	2022
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	<p>We are committed to providing our customers with a range of sustainable and "Better for you" products that are efficacious and formulated in a way that inspires trust in our customers.</p> <p>Our suppliers adhere to our store brands Quality Assurance Agreement, which includes information about our restricted substances list and other requirements, which communicates our expectations to suppliers. We publicly share <u>restricted substances list</u>.</p>
Discussion of strategies to reduce the environmental impact of packaging	<p>In 2020, we joined the Sustainable Packaging Coalition's How2Recycle® program and began including detailed recycling icons and instructions on our store brand product packaging to educate consumers on how to prepare product packaging for disposal. As of the end of 2022, we had added How2Recycle labeling to 60% of our store brand products. We continue to enhance the sustainability of our store brands product packaging, and have partnered with World Wildlife Fund (WWF) and ReSource: Plastic to reduce plastic waste and increase the sustainability of the materials being used within our packaging portfolio. We're focused on reducing use of plastic and virgin materials and ensuring recyclability for all store brand products.</p> <p>In 2022, we were proud to join ReSource: Plastic as Principal Retail Member to support efforts to establish high standards on plastic sourcing for the retail industry. We also introduced <u>robust packaging goals</u> and report our progress annually in our ESG report.</p>

SASB Index

Activity Data

SASB Activity Data	2022
Number of pharmacy locations	10,022
Number of retail locations	9,868
Number of distribution centers	23
Total area of retail store space	9,489,248 m ²
Total area of retail space	7,325,375 m ²
Total area of distribution centers	989,655 m ²
Number of pharmacists	33,808



Proud of our past. Excited for the future.