DIRECT IMPORT GUIDE
FOR
PRODUCT SUPPLIERS

Version Date: **February 22, 2018**

This Import Guide and additional import information is posted at:
http://www.cvssuppliers.com/import-suppliers

TABLE OF CONTENTS

CVS IMPORT/QA DEPARTMENT CONTACT LIST

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CVS CONSOLIDATION TERMS AND SHIPMENT WINDOW

CONSOLIDATION

Yusen Logistics is CVS' designated Logistics Provider for all origin points and performs the following:

- Receives all cargo according to CVS Purchase Order specifications
- Verify required export and import documents
- Issue all Forwarders Cargo Receipts (FCR)
- Arrange for all Ocean Bills of Lading
- CVS requires that all cargo be delivered at the supplier's expense to the consolidation point as specified in the Open Account Transaction and consolidated by Yusen Logistics. A complete list of Yusen FOB consolidation points and contacts are listed on page 11. Shipment booking should be placed with Yusen Logistics through its e-booking system and must be made at least 14 days prior to Early Ship Date. For the registration form and e-booking procedure, please go to Yusen Logistics e-booking web-site: http://griffin3.hk.yusen-logistics.com/ebooking

FACTORY LOAD

- Factory load requests must be for product with the same destination (e.g., La Habra, Patterson, Port Reading, Port Wentworth, Carson and Honolulu).
- Purchase orders for the following DCs may be combined, as all are destined to Carson, CA: Kansas City, MO, Indianapolis IN, Novi MI, Ennis TX, and Conroe/Houston TX.
- Purchase orders for the following DCs may be combined, as all are destined to Port Wentworth, GA: Orlando FL, Knoxville TN, Bessemer AL, North Augusta/Beech Island SC, and Vero Beach FL
- Purchase orders for the following DCs may be combined, as all are destined to Port Reading, NJ: Woonsocket/North Smithfield RI, Lumberton NJ, Somerset PA, Chemung/Waverly NY, and Fredericksburg VA.
- If a supplier is unable to fulfill the below equipment criteria, then the freight must be delivered to Yusen for consolidation. Exceptions to this policy must be routed through the CVS Import Department.

EQUIPMENT TYPE	MINIMUM CBM	DESIRED CBM	MAXIMUM WEIGHT
45' High Cube Container	76	77	42,500 pounds
40' High Cube Container	67	68	43,000 pounds
40' Standard Container	58	59	43,000 pounds

CVS SHIPMENT WINDOW

The CVS Purchase Order and Open Account Transaction specify the parameters of CVS product shipment window. Adherence to the pre-defined shipment window is critical to our mutual success. Acceptance of a purchase order means acceptance of the shipping. The CVS one-week import shipment window is defined as below:

FIELD	DEFINITION	TIMING	ACTION
ESD	**E**arly **S**hip **D**ate	Day 1 of 7	First day cargo and documentation may be delivered
FDD	**F**actory **D**elivery **D**ate	Day 4 of 7	Preferred date of cargo and documentation delivery
LSD	**L**ast **S**hip **D**ate	Day 7 of 7	Last date cargo and documentation must be delivered to avoid penalty

FCR PENALTY CLAUSE

Shipments with FCR Transaction Dates past the Last Ship Date will be subject to the below penalties:

FCR COMPLETION DATE	PENALTY LEVEL
1-7 Days after Last Ship Date	**1 %** Penalty deduction from the Open Account Transaction
8-14 Days after Last Ship Date	**2 %** Penalty deduction from the Open Account Transaction
15-21 Days after Last Ship Date	**3 %** Penalty deduction from the Open Account Transaction

CUSTOMS & COMMERCIAL DOCUMENT REQUIREMENTS

UNDERSTANDING CUSTOMS & BORDER PROTECTION (CBP) REQUIREMENTS

CVS Pharmacy Inc. has a legal obligation to provide accurate and complete documentation to Customs and Border Protection (CBP), among other partnering government agencies for its imported merchandise.

Customs published an informal compliance publication to assist importers and shippers understand the requirements and responsibilities involved in the importation process. It is titled, "What Every Member of the Trade Community Should Know About: Reasonable Care (A Checklist for Compliance)" and can be found at the below link: (may be necessary to copy and paste link): https://www.cbp.gov/document/publications/reasonable-care

COMMERCIAL DOCUMENT REQUIREMENTS

The accuracy and completeness of information contained on a commercial invoice and packing list are imperative to meet the Reasonable Care guidelines and legal obligations. The supplier is responsible for generating accurate and compliant commercial documents. Below is an adapted summary of the general invoice requirements for CBP purposes, as well as other CVS specific requirements. A copy of the actual Customs Regulation (19 CFR 141.86) can be found at the below link (may be necessary to copy and paste links):
http://edocket.access.gpo.gov/cfr_2004/aprqtr/pdf/19cfr141.86.pdf

Customs Requirements

- Seller name and address
- Actual manufacturer's name and address
- Country of Origin
- Detailed description of the merchandise
- Purchase price in U.S. dollars
- Terms of sale
- Assists or extraneous payments to acquire the merchandise
- Discounts or adjustments to the price after purchase order generation
- Purchasers name and address
- Port of Entry
- Carton marks and numbers
- Itemization of values
- Quantities in weights and measures

CVS Additional Requirements

- One commercial invoice per supplier
- Delineate all items and purchase orders
- Open Account Transaction Number
- General Conformity Certificate (GCC) by item

Notify party of the B/L should be:
Geodis
5024 Campbell Blvd. Suite E
Baltimore, MD 21236

DUTY ASSESSMENT COMPLIANCE

CVS holds the supplier responsible to submit accurate product duty rates and corresponding HTS numbers. Inaccurate duty rates / HTS numbers that result in a higher duty payment may result in a request for a reduction of the FOB or a supplier charge-back for the difference between actual duty **rate paid verses** the supplier quoted duty rate.

QUANTITY OF MERCHANDISE RECEIVED - OVERAGES

If CVS receives a quantity of merchandise greater than the quantity ordered pursuant to 19 U.S.C. § 1499(a)(3) and 19 C.F.R. §141.4 and that merchandise was not specified on the seller's invoice or included on the U.S. Customs entry, CVS has an obligation to declare the additional merchandise, file the appropriate revised entry documents for the overage and pay the additional duties, fees, and taxes thereon to CBP accordingly. CVS will not reimburse any payment to our suppliers for erroneous overages.

PRODUCT & CARTON MARKINGS

COUNTRY OF ORIGIN MARKING

Federal Regulations mandate that every article imported into the United States must be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article will permit in such a manner as to indicate to the ultimate purchaser in the United States the English name of the articles country of origin.

CARTON SIZE

Cartons must comply with the below size/weight requirement unless approved by the Import Department.

MINIMUM CASE DIMENSIONS	MAXIMUM CASE DIMENSIONS
3″ H x 8″ W x 8″ L – (.11 Cubic Feet)	28″ H x 20″ W x 30″ L – (9.7 Cubic Feet)
Minimum Case Weight = 3 pounds	Maximum Case Weight = 50 pounds

OUTER CARTON MARKINGS

Outer carton of **display merchandise** must be marked with the CVS display number found on the purchase order, not the CVS content numbers. All **seasonal merchandise** requires a **color label eight inches long by five inches wide, placed on all four sides of a carton (containing event code, event category and store set up date, as shown in the EDI "PO Comments" field**) or as large as possible for smaller cartons.
Seasonal color requirements are:

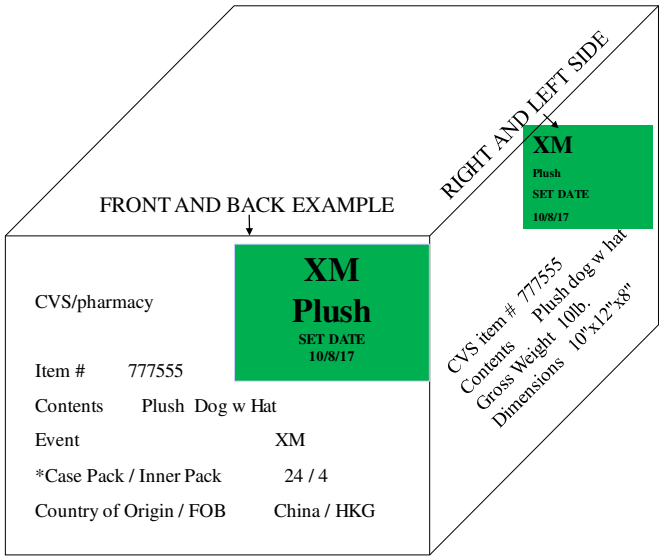
SEASON (EVENT) ****	LETTERING for ODD numbered years	LETTERING for EVEN numbered years	Store Set Up Date	LABEL COLOR - PMS #
Valentine	VA	VA	1/7/18	Pink - PMS #232
Jan PGM	GP	GJ	12/31/17	No Fill
Spring / Lawn & Garden	SP	LG	2/15/18 3/11/18	Yellow - PMS Process Yellow
Easter	EA	EA	2/15/18	Yellow - PMS Process Yellow
Summer	SM	SU	2/15/18 3/25/18 4/2/18	Blue - PMS #2935
Back to School	BS/GB	BT/GT	7/8/18 8/5/18	Orange -PMS #021
Fall Décor / Thanksgiving	TK	FD	9/9/18	Brown - PMS #463
Halloween	HA	HW	9/9/18	Black - PMS Process Black
Fall and Winter	FL	FW	9/9/18 10/8/18 12/3/18	No Fill
Christmas Toys, Plush, Books & Accessories	XM	XC	9/23/18 10/7/18 11/1/18	Green - PMS #7482
PGM	GX	GC	9/9/18 11/1/18	Red - PMS #198
Christmas - Wrap, Boxes, Bows, Ribbon, Bags	XM	XC	11/11/18 12/2/18	Red - PMS #199
Christmas All categories/MSDs not mentioned above	XM	XC	11/1/18	Red - PMS #199

**** All seasonal events are not listed. For seasonal events not listed - label color is "No Fill".

Events shown above may have more set dates than noted, review the EDI "po comment" field for correct seasonal event code, event category and set date per order. **NOTE:** If you currently do not receive the po comment from your EDI provider - you must contact them to fulfill this requirement.

CARTON MARKING EXAMPLES

Sample carton markings for all DCs:



*Note: Displays are to be noted as case pack "1" (no inner pack mark) as reflected on the EDI purchase order.

INNER PACK AND MASTER PACK MARKINGS

Mark the CVS six-digit item number and number of pieces on inner package and include the event marking as shown on the outer carton.

VERIFICATION

Prior to issuance of a Forwarders Cargo Receipt, Yusen will verify the application and accuracy of carton markings in accordance with the published standard and the specific CVS Purchase Order.

CORRUGATE PACKAGING AND PALLET REQUIREMENTS

Minimum standards for corrugate quality for cartons entering the CVS supply chain must be followed. Understanding that cartons are handled many times by numerous parties on their journey to our stores, it is our goal to insure the product inside the carton arrives in pristine, saleable condition.

While we reference specific requirements below, it is important to understand that CVS does not intend to implement QA testing of corrugate at this point in time. We do intend to work closely with our suppliers, global forwarder, distribution centers and stores to insure corrugate quality is consistent with our expectations. Should corrugate quality fail to meet expectations, CVS reserves the right to have the supplier submit future shipments for QA testing, and / or impose a penalty.

PACKAGING AND PALLET REQUIREMENTS

- Must be designed and structured to ensure the following:
  - Overseas shipping
  - Long haul transportation from port to DC
  - Structural integrity of stacked pallet not to be adversely effected by elevated temperature and/or high relative humidity (greater than 75%)
  - If weight loaded it must be able to withstand 60 days without failure
- Stacking pallets require the following (pallets are utilized at transload and distribution centers)
  - Pallets with loads under or at 750lbs must be able to demonstrate structure by withstanding 1500lbs of weight on the bottom product layer without damage
  - Pallets with loads over 750lbs must be able to demonstrate structure by withstanding 2500lbs of weight on the bottom product layer without damage
  - No overhanging of boxes as these can create stress areas and become subject to load failure
  - Pallet layers must stack flat; product cannot bow in the center of the carton after being taped shut
- Master Shipping Containers
  - Moisture Resistant Adhesive(MRA) must be employed on all corrugate subjected to +75%RH during transit

It is the supplier's responsibility for structural quality/integrity while their product is in the CVS supply chain.

INVOICE AND PACKING LIST

Yusen Logistics web applications for invoice and packing list generation is to be utilized for all shipments.

CVS ITEM PRESENTATION

Genesis Global Sourcing is the Asia sourcing representative exclusive to CVS.

All Direct Import suppliers and factories must complete the Genesis Pre Qualification Process before submitting Import quotations to CVS. Compliance is mandatory in order to become an import supplier for CVS.

Information regarding this process including required documentation may be obtained by contacting Genesis at: CVSInformation@genesisglobalhk.com

All Direct Import Suppliers are to submit completed Genesis Quotation Sheets to the Genesis Hong Kong office. The Quote template may also be requested from CVSInformation@genesisglobalhk.com. The Genesis team will submit the New Item Forms to CVS. Import suppliers should not submit New Item Forms directly to CVS.

Any supplier updates or revisions to Import quotes will be routed through the Genesis team in Asia.

Genesis US Contact
Thomas Logan
Vice President - CVS Operations
Thomas.Logan2@cvscaremark.com

Genesis Hong Kong Contact
Eunice Sum
Assistant General Manager - Merchandising
Eunice@genesisglobalhk.com

CVS DIRECT IMPORT PAYMENT PROCESS

All direct import shipments are paid via Open Account Transactions (OATs) managed by The Bank of New York Mellon on behalf of CVS. All pertinent documents stipulated on OATs must be forwarded to BNY Mellon. Invoices should not be submitted to CVS via EDI transmission, nor mailed directly to CVS.

Current terms for Open Accounts are sight + 60 days. (Sight is defined as the day documents are received by BNY Mellon and deemed accurate and complete for payment.)

New suppliers are required to submit an Open Account Vendor Profile to BNY Mellon prior to or within seven days of purchase order release. OAT detail, instructions, and remittance advices will be e-mailed to the contacts listed on this form. The contacts listed in the Vendor Profile are the only parties that will be forwarded this information. Ensure that there are secondary contacts for all of your primary contacts.

Suppliers with general questions about the CVS Open Account program or new suppliers that need to provide a profile for set up on Open Account, please contact:

Carmen Emiliani; Tel: 212-635-8339; email: carmen.emiliani@bnymellon.com
Ryan Welsh; Tel: 212-635-7165; email: ryan.welsh@bnymellon.com

Note: BNY Mellon's pricing for processing open account transactions will be a flat fee plus courier fee for a maximum 20 POs per drawing/presentation, while each additional PO on top of the 20 POs will be charged at a per PO cost. BNY will provide actual costs. A single drawing can comprise any number of document sets (invoices, packing lists, etc.), as long as those sets are accompanied by 1 cover letter indicating 1 OAT Reference No.

i.e. Sets of documents (FCRs, invoices, packing lists) may be presented for 17 purchases orders under one cover letter. Of course, document sets may be presented one or two pos at a time, however full charges apply for each presentation.

MISQUOTATION OF CASE CUBE ON CVS NEW ITEM FORMS

OVERSTATING CARTON DIMENSIONS

- Actual case cube is overstated (New Item Form Height x Width x Length is greater than actual shipped product Height x Width x Length)
- Item actual landed cost is less than estimated by supplier on quote sheet – (actual ocean freight less than ocean freight portion of Import New Item Sheet)
- Actual margin is greater than book margin – excess margin booked to purchase price variance – company numbers reflect accurate margin, margin by CM understated
- Case cube is used by CVS for several reasons: forecasting ocean equipment needs, forecasting space and manpower needs for the DCs, which all have a direct impact on ocean freight costs and shipment lead time

SOLUTION – Suppliers will be charged $500 USD per item shipment where the cube is incorrectly overstated on the new item form submitted to the Category Manager and used to create purchase orders. CVS will allow a range of up to 10% off before the penalty is enforced. Penalties will be per item shipment. CVS reserves the right to take additional steps, for repeat offenders.

For example: Supplier A submits an item with a case cube of 2 cubic feet, but item actually is 1.9 cubic feet - supplier will not be penalized (5% variance). Supplier B submits an item with a case cube of 2 cubic feet, but item is actually 1.5 cubic feet (25% variance) - supplier will be penalized $500 USD.
Penalties assessed must be paid within 30 days.

UNDERSTATING CARTON DIMENSIONS

- Actual case cube is understated (New Item Form Height x Width x Length is less than actual shipped product Height x Width x Length)
- Items actual landed cost is more expensive than estimated by supplier on new item form – (actual ocean freight more expensive than ocean freight portion of Import New Item Form). This may make supplier A's price look like a better deal than supplier B's, until you see at a later date the actual landed cost of supplier A's item was greater than supplier B's, who quoted an accurate case cube for his item.
- Actual margin is less than book margin – margin shortfall booked to purchase price variance – company numbers reflect accurate margin, margin by CM overstated
- Case cube is used by CVS for several reasons: forecasting ocean equipment needs, forecasting space and manpower needs for the DCs, which all have a direct impact on ocean freight costs and shipment lead time

SOLUTION – Suppliers will be charged $500 USD per item where the cube is incorrectly understated on the new item form submitted to the Category Manager and used to create purchase orders. CVS will allow a range of up to 10% before the penalty is enforced. Additionally, the supplier will be charged for any incremental ocean freight charges CVS incurs above what it should have incurred if the carton dimensions were quoted accurately. Penalties will be per item shipment. CVS reserves the right to take additional steps, for repeat offenders.

Penalties assessed must be paid within 30 days.

YUSEN LOGISTICS CONTACT LIST

Duty	Contact	Title	Telephone Number	E-mail
Account Executive - all origins	Samuel Li	Senior Manager	852-3129 0247	samuel.li@hk.yusen-logistics.com
Account Executive - all origins	Debbie Wong	Assistant Manager	852-3129 0282	debbie.wong@hk.yusen-logistics.com
Operation	Siki Chong	Senior Supervisor	852-3129 0284	siki.chong@hk.yusen-logistics.com
Operation	Yee Kong	Supervisor	852-3129 0290	yee.kong@hk.yusen-logistics.com
Operation	Erica Kwok	Supervisor	852-3129 0243	erica.kwok@hk.yusen-logistics.com
Operation - HK	Vizo Wong	Coordinator	852-3129 0277	vizo.wong@hk.yusen-logistics.com
Account Executive - Shenzhen	Samuel Ng	Manager	86-755-32990200	samuel.ng@hk.yusen-logistics.com
Account Executive - Shenzhen	Carol Yang	Senior Supervisor	86-755-32990160	carol.yang@hk.yusen-logistics.com
Account leader - Shenzhen	Gabriela Xie	Senior Coordinator	86-755-32990183	gabriela.xie@hk.yusen-logistics.com
Operation - Shenzhen	Zarina Zheng	Coordinator	86-755-32990150	zarina.zheng@hk.yusen-logistics.com
Operation - Shenzhen	Autumn Lin	Coordinator	86-755-32990166	autumn.lin@hk.yusen-logistics.com
Documentation - Shenzhen	Maggie Liang	Clerk	86-755-32990142	maggie.liang@hk.yusen-logistics.com
Documentation - Shenzhen	Alan Xu	Clerk	86-755-32990182	alan.xu@hk.yusen-logistics.com
Account Executive - Shanghai	Lily Yao	Manager	86-21-22207168	lily.yao@cn.yusen-logistics.com
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Operation - Shanghai	Marie Yao	Coordinator	86-21-22207185	marie.yao@cn.yusen-logistics.com
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Documentation - Shanghai	CVS GROUP			YLCN_CVS_SHA@cn.yusen-logistics.com
Operation - Qingdao	Jessica Zhao	Assistant Manager	86-532-85029715	jessica_zhao@cn.nyklogistics.com
Documentation - Qingdao	Esther Xing	Senior Coordinator	86-532-66759768	esther.xing@cn.yusen-logistics.com
Account Executive - Ningbo	Amber Lin	Supervisor	86-574-87320844	amber.lin@cn.yusen-logistics.com
Operation - Ningbo	Gina Zhang	Coordinator	86-574-87320847	gina.zhang@cn.yusen-logistics.com
Operation - Ningbo	Happy Duan	Coordinator	86-574-87960272	happy.duan@cn.yusen-logistics.com
Documentation - Ningbo	Esther Luo	Clerk	86-574-87880126	ylngb.pt6@cn.yusen-logistics.com
Account Executive - Xiamen	Cynthia Wang	Associate Manager	86-592-8069163	cynthia.wang@cn.yusen-logistics.com
Operation & Documentation - Xiamen	Amy Zhou	Coordinator	86-592-8069171	amy.zhou@cn.yusen-logistics.com

CVS FREIGHT RATES BY CUBIC FOOT

Effective for direct import items presented or purchased in 2018 shipping (FDD) from March 1, 2018 through February 28, 2019

ORIGIN	Full Container Rates (FCL)	California Stores Only
Yantian	**$1.68**	**$1.05**
Shekou	**$1.71**	**$1.08**
Hong Kong	**$1.68**	**$1.05**
Ningbo	**$1.68**	**$1.05**
Shanghai	**$1.68**	**$1.05**
Xiamen	**$1.71**	**$1.08**
Qingdao	**$1.70**	**$1.07**
Fuzhou	**$1.78**	**$1.15**
Dalian	**$1.73**	**$1.10**
Xingang	**$1.73**	**$1.10**
Nanjing	**$1.79**	**$1.16**
India, Nhava Sheva, Kolkata	**$1.83**	**$1.20**
Indonesia, Jakarta - Surabaya	**$1.76**	**$1.13**
Korea, Busan	**$1.70**	**$1.07**
Malaysia, Port Klang	**$1.75**	**$1.12**
Taiwan, Kaohsiung	**$1.72**	**$1.09**
Thailand, Bangkok - Laem Chabang	**$1.78**	**$1.15**
Vietnam, Haiphong - Ho Chi Minh	**$1.74**	**$1.11**

Miscellaneous Rate for 2018 is .014 X FOB

If an origin being considered for quotation is not on this list, please contact Steve Genereux – Sr. Director Inbound Transportation at 401- 770-4263, stephen.genereux@cvshealth.com or Elaine Lamoureux at 401-770-2556, elaine.lamoureux@cvshealth.com to insure the location is covered under CVS shipment contracts.

PRE-TICKETING FORMAT

****EXAMPLE****

	CVS	**< Helvetica Bold**
CVS Retail Price	$14.99	< Helvetica
CVS Item Number	#549550	< Helvetica
Item Description*	12" Teddy Bear	< Helvetica

>WHITE BACKGROUND
>BLACK LETTERING

Please Note: **LABEL SIZE SHOULD BE PROPORTIONATE TO PACKAGING**
* Item Description is not necessary on ticket if description with weight/measure is already on item

Category Manager will provide all pre-pricing information

PRODUCT MARKINGS

The following distribution statement exactly as shown must be printed on **ALL PRIVATE LABEL** merchandise that is shipped to CVS. Each individual item must be marked.

Distributed by: **CVS**
Woonsocket, RI 02895

Distributed by:
CVS
Woonsocket, RI 02895

< Helvetica
< Helvetica Bold
< Helvetica

Distributed by: **CVS** Woonsocket, RI 02895

CVS UPC/EAN REQUIREMENTS

1) CVS UPC/EAN Policy requires our suppliers to mark each item with a **UPC/EAN Bar Code** in compliance with all UCC Standards**.**

2) UPC/EAN should appear on the **BACK or SIDE PANEL**
Utilize front panel as last option

3) Bar code background and foreground must be of contrasting colors**.**

4) UPC/EAN must be scan-able within a maximum of two attempts

IMPORT QUALITY ASSURANCE TESTING

CVS PRODUCT QUALITY ASSURANCE TESTING PROGRAM

Product testing supports the commitment of CVS to offer quality products to its customers. CVS has partnered with Bureau Veritas Consumer Products Services, Inc. (BV), SGS Consumer Testing services (SGS) and Underwriters Laboratories (UL) for categories noted below, to establish a comprehensive testing program to monitor and ensure compliance with all applicable regulations as well as industry and corporate quality standards. As a part of this program, all products, in the form of final production samples, must be tested prior to purchase at BV, SGS or UL **exclusively**. No other laboratory results will be accepted by CVS. (See additional information regarding the transfer of certain testing results on page 22)

Overall CVS program questions should be directed to:

Bureau Veritas Domestic Representative	Bureau Veritas Overseas Representative
Stephen Galbo **Client Relationship Manager** Bureau Veritas Consumer Products Services 100 Northpointe Parkway Buffalo, NY 14228-1884 P: 716.505.3571 stephen.galbo@us.bureauveritas.com	**Kate Chi** **Program Management** Bureau Veritas HK Limited 7/F, Octa Tower, 8 Lam Chak Street Kowloon Bay, Kowloon, Hong Kong Office: +(852) 2494 4660 kate.chi@hk.bureauveritas.com

SGS Domestic Representative	SGS Overseas Representative
Lauralee Donaldson **Consumer and Retail** **Global Key Account ManagerSGS - North America Inc.** 291 Fairfield Avenue Fairfield, NJ 07004 Phone: 1 203 800 5724 lauralee.donaldson@sgs.com	**Pauline Yam** **Consumer and Retail** **Regional Key Account Manager, Retail Solutions** **SGS Hong Kong Limited** 17/F The Octagon 6 Sha Tsui Road Tsuen Wan, N.T. Hong Kong Office: 852 2204 8307 pauline.yam@sgs.com

UL Domestic Representative	These products MUST be tested by UL:
Patricia M. Crosby **Client Service Manager** patricia.crosby@ul.com **UL-Specialized Technology Resources** 85 John Road Canton, MA 02021 Tel: 781 821 2200 x-221	**ALL CVS Store Brand items with "CVS Logo" on packaging** **All Non-CVS Store Brand items should be tested by BV and SGS except for the following FDA Regulated categories:** *Food, human or pet *Over the counter drugs *Cosmetics including bath & fragrance products *Dietary Supplements *Medical Devices requiring a listing number

SAMPLE SUBMISSION - TEST REQUEST FORMS - PROTOCOL ACCESS

All suppliers must complete a "CVS Test Request Form" (TRF) and include it with test samples sent to testing labs. A separate TRF must be filled out for each CVS item number. Testing will not begin without complete TRF information. If items are purchased in a display, the display number should be referenced on the TRF along with all respective content numbers.

Bureau Veritas Test Request Form & CVS Protocol Access	SGS Test Request Form & CVS Protocol Access
TRF – Go to http://trf.bureauveritas.com then to dropdown menu labeled "Client Specific TRFs – highlight "CVS" and click on "GO" **PROTOCOLS** – Can be found at the following link; https://docushare.cps.bureauveritas.com/docushare/dsweb/View/Collection-3732 , user: cvsvend123, password: cvs123v	To request access rights to this site, contact the domestic SGS representative Joe Romeo, listed on the previous page Go to SGSonSite online at http://www.sgs.com/online_services.htm Enter the log in information provided by SGS

The TRF information required includes:

- Sample Description
- Supplier Name and contact name and address
- CVS Item No.
- Sample Quantity
- Purchase Order (PO) Numbers
- Country of Origin
- Corrective Action Taken (For retests)
- Order Quantity (For retests)
- Original Test Report Number (For retests)

Samples submitted to the CVS designated testing lab should be **final packaged product,** representative of merchandise being shipped to CVS. If final packaging is not complete, one of the following alternatives may be submitted: mock up artwork or exact replica (must be actual size). Failure to provide either will result in the item being placed on hold by the respective laboratory.

While samples should be submitted no earlier than **eight (8) weeks prior** to the specified ship date, it is necessary to submit samples at least **four (4) weeks prior to the FDD** listed on purchase orders. During certain (peak) times of the year, samples submitted too close to the FDD for standard testing will have expedited premium testing performed by the lab at the submitter's expense.

The availability of rush testing during peak season is limited. Peak season generally runs from June through August. All test labs will do their best to accommodate all rush submissions, but may not always be able to do so. You are encouraged to submit with as much advanced planning as possible, paying special attention to your FDD.

Suppliers should submit samples to the appropriate laboratory address. Please refer to CVS protocols for the specific sample size required for your product. Protocols can be obtained on-line from test lab website.

SAMPLE COLLECTIONS OF TOYS / JUVENILE PRODUCTS

All items age graded 12 and under by CPSC definition, (including **all** toys), and FDA products can no longer be submitted to testing labs directly by suppliers. Products falling into those categories will require samples to be collected by the respective lab once production reaches at least 25% of the entire CVS order. Exceptions will be judged on a case by case basis if 25% of production is physically too large to store at the factory and/or testing must be completed sooner. Sample collection requests should be made at least one week in advance. Sample collection fees will be built into the cost of product testing paid by the supplier. You may contact the respective lab to ascertain the additional cost of the sample collection. Contact information is located on page 15.

SAMPLE SIZES

Initial Testing –

- 12 samples per style (for items appropriate for children under 3 years of age).
- 12 samples per style (Christmas Stockings)
- 3 samples per style (for items appropriate for children 3 years of age and over).

All samples are to be tested according to either the appropriate age grade as determined by testing lab or the labeled age grade, whichever is more stringent.

Assortments – Toys/Juvenile Products

To keep sample sizes for these items reasonable, the following compositing procedure for assortments has been developed. An assortment is defined as one CVS Item Number that contains more than one color or style. Use the below table for determination of the number of pieces required for testing based on the number of color/styles in an assortment and children's age.

		Total Sample Size	
Number of color/styles in an assortment	Assortments appropriately age labeled for **children less than three years** of age	Assortments appropriately age labeled for **children three years of age and over and are identical in size and shape but vary in color**	Assortments appropriately age labeled for **children three years of age and over which vary in shape and/or size**
1	12 pcs	3 pcs	3 pcs
2	12 (6 pcs per color/style)	3 (1-2 pcs per color)	6 (3 pcs per style)
3	12 (4 pcs per color/style)	3 (1 pc per color)	9 (3 pcs per style)
4	12 (3 pcs per color/style)	4 (1 pc per color)	12 (3 pcs per style)
5	15 (3 pcs per color/style)	5 (1 pc per color)	15 (3 pcs per style)
6	18 (3 pcs per color/style)	6 (1 pc per color)	18 (3 pcs per style)

A minimum of three samples per shape and/or size in the assortment is required for testing.

Our testing labs are authorized to request up to 12 samples or individual components as needed from the manufacturers in order to complete testing, such as lead analyses. The supplier may choose to submit production samples or individual components to satisfy the request. Should 12 samples not be sufficient to conduct the analysis, the technical report will then state "Insufficient surface coating was present on the received sample(s). Consequently, the lead content analysis on surface coatings according to 16 CFR 1303, "Ban of lead-containing paint and certain consumer products bearing lead-containing paint", was not conducted."

Chemical Testing for Heavy Metals:

Products that are subject to chemical analyses for lead and other heavy metals per regulatory requirements, for example 16CFR 1303 for lead in surface paint or coatings, total of up to 12 samples or individual components may be required. For such products, the supplier may choose to submit production samples or individual components used for making the final product. In the event, 12 samples are not sufficient to conduct analysis; the test report will state "Insufficient surface coating was present on the received sample(s). Consequently, the lead content analysis on the surface coatings according to 16 CFR 1303, "Ban of lead-containing paint and certain consumer products bearing lead-containing paint", was not conducted".

TESTING FREQUENCY - All CVS Direct Import Merchandise

All merchandise being shipped to CVS **must be QA tested once every six months**. When the submission passes all testing, a Certificate of Compliance (COC) valid for six months from the date of issuance will be issued.

CVS reserves the right to request additional testing under circumstances such as, but not limited to the following:

--A new manufacturing site
--Introduction of new regulations or standards
--Amendments to existing regulations or standards
--Changes in the country of origin
--Multiple production runs
--Extended production schedules

CONSUMER PROTECTION SAFETY IMPROVEMENT ACT (CPSIA)
GENERAL CONFORMITY CERTIFICATE (GCC)

CPSIA legislation requires every manufacturer to submit a certificate stating their product complies with all applicable safety rules/bans/requirements. This document must:

- be in English and list full product description
- list name, address and phone number of the manufacturer
- list the date and place product was manufactured, and date and place of testing
- provide contact information of individual storing records
- list each applicable rule, standard, and/or ban

Certificates must accompany the product through the distribution chain, and must be available to the CPSC during inspections.
For items not requiring a GCC, CVS requires a Letter of Guarantee.

Under CPSIA, all children's products must also be permanently marked (tracking label) enabling the consumer to ascertain the manufacturer, location, batch and date of production of each item. Hang tags and adhesive labels are not allowed. For children's products as well as non-children's products with an applicable rule, ban or standard enforced by the CPSC, full protocol testing is required for the first set of purchase orders (POs). The "first set" includes CVS purchase orders for California (Patterson and La Habra) which usually are shipped two weeks later than the other POs. **All initial testing certificates will be valid for one month. Subsequent purchase orders placed within a six month period from the date of the initial test are required to undergo CPSIA testing only.**

Our labs will assist you in preparing necessary documents. Unless you have a written exemption from the CPSC, CVS requires full compliance to CPSIA.

RE-TESTS
If any item fails initial testing, a letter will be sent along with the fail test report, informing the supplier and/or manufacturer that they must notify the test lab to arrange for a sample collection for the retest. For a retest, the supplier must submit a Corrective Action Plan to the lab for review and approval. The same number of samples as initially tested from the production lot is required, unless otherwise authorized by CVS.

Manufacturers are responsible for informing the testing lab, via the space provided on the Test Request Form, if the submission is a retest. The previous test lab technical report number, the CAP and the total order quantity should be included on the Test Request Form. A complete evaluation of the mechanical or chemical properties of the sample in which the previous failure occurred will be conducted during a retest.

Testing labs will only conduct the sample collection after **90% completion** of the manufactured or reworked merchandise. Additionally, a statement "Testing Lab Sampling is required for a retest" will be noted on the report.

For labeling only failures, two fully packaged samples will be required for a retest.

FACTORY INSPECTIONS & STORE AUDITS

CVS reserves the right to initiate factory site inspections and sample collections in the event that a supplier's level of quality is falling below CVS standards. Additionally, CVS reserves the right to initiate domestic store audits to verify corrective action taken on failed merchandise. All costs associated with this process will be invoiced to the supplier. (Please see page 24 for more details regarding Factory Inspections/Audits)

TRANSFER OF RESULTS

The supplier may request transfer of certain test results for applicable relevant products from one lab when submitting samples to another test lab. For example, a supplier may request SGS lab to accept transfer of valid results from a previous BVCPS test report as long as those tests fall within **only** the categories below and are accompanied by appropriate documentation. **All transfers from labs other than BV or SGS must be authorized by CVS.**

- LHAMA Review (valid for 5 years)
- TRA Review applicable to cosmetics, health & beauty products (valid for 1 year)
- USP 51 (valid for 5 years)
- USP 61 (valid for 2 years)
- FCC (valid for 3 years)

The submitted documentation required may include a letter of declaration or copy of the test report stating that above tests were done with PASS results. The declaration letter or test report must be accompanied with the copy of the original toxicologist's report providing the name and signature, ID # of the toxicologist, and list of ingredients or sample identification for which the transfer of results is requested (not required for FCC).

If the submitted Pass test report or the supporting documentation is determined to be incomplete based on the CVS Import Testing Program requirements, the test lab receiving the samples will inform the supplier and proceed to conduct the additional testing required to issue a valid COC. If necessary, additional samples will be requested. Once the additional testing is completed, the test lab will issue a new COC to the supplier.

HOLD PROCEDURES

Samples will be placed on "Hold" and testing will not be initiated under certain conditions including, but not limited to the following:

- If test lab does not receive the correct number of samples.
- If the Test Request Form is missing or incomplete
- If the supplier has a delinquent account reflecting outstanding balances with test lab beyond 30 days

When samples are placed on "Hold", the testing lab will notify CVS via its online web portal. The lab will notify the manufacturer within one business day that the samples are placed on "Hold" using a "Hold" memo outlining the reason. If applicable, the manufacturers will then be responsible for supplying the lab with the additional samples or information required to initiate testing.

If an item is placed on hold due to missing EDI information, CVS will provide the testing lab with the information within one business day.

Testing will be initiated the day samples are released from "Hold" status. Test results will be available to CVS and the manufacturer within 24 hours of testing completion.
Testing delays due to 'on hold' conditions caused by suppliers will not warrant an extension of the shipping window.

TURNAROUND TIME

The turnaround time is noted on the last page of the protocol. Suppliers should not contact CVS or the test lab for results unless the due date has passed. Suppliers will be notified of test results by test lab on the report due date.

Test results in the form of a Certificate of Compliance (COC) or the Test Report will be available within six to seven business days after samples are either received at the laboratory or are taken off "Hold" status. The turnaround time may be extended for certain testing such as electrical and microbiological testing.

In the event "Rush Service" is requested, CVS and the manufacturer will receive results at the designated "Rush Service" turnaround time. Rush service levels include Next Two Days, Next Day and Same Day. Should same day service be required, the samples must be received at the laboratory before 10:00a.m. The supplier will be notified if a requested "Rush Service" cannot be honored by test lab. All Packaging/Labeling re-tests require Next 2 Day Rush Services at a minimum.

REPORTS

Test documentation in the form of a COC or a Test Report will be available within 24 hours of notification of the final test results. The COC or Test Report will be distributed as instructed by the supplier on the Test Request Form. **No booking of shipping appointments will be accepted without a valid COC by CVS's freight forwarder Yusen Logistics.**

INVOICING

Suppliers are responsible for all testing charges incurred for samples submitted under the CVS Import Testing Program. New suppliers may be required to prepay for their initial submission.

The testing lab will invoice the supplier at the conclusion of testing for each submission. Based on anticipated volume, CVS suppliers will receive a 15% discount from the testing lab price list that is in effect at the time of testing. Additionally, if a supplier decides to pre-test under the CVS program, a 15% discount will be applied at time of invoicing.

The general payment terms for both test labs are Net 30 days based on each supplier's credit history. Should a supplier's account become past due, samples will be placed on "Hold" status and both the supplier and CVS will be notified. CVS has agreed to assist the test labs in collecting payment from suppliers whose accounts are past due.

CALIFORNIA PROPOSITION 65

Suppliers are responsible for ensuring that their products meet CA Prop 65 requirements. CVS requires all products comply with all applicable Prop 65 settlement chemical content limits and will not accept products with California Prop 65 warning labeling unless labeling is required for all products regardless of formulation or measured chemical content. A complete list of the products and requirements can be obtained from the test lab by requesting the CA Prop 65 Supplemental Protocol. Additional information can be found on the CVS Supplier Portal.

Related site links are listed below:
California Attorney General: http://ag.ca.gov/prop65/?PHPSESSID=ddd40c231f02f7782545aabf8e543c61
California Tableware Safety Information: http://www.dhs.ca.gov/childlead/tableware/twregs.html
California Code of Regulations: http://caselaw.lp.findlaw.com/cacodes/hsc.html (Note: go to chapter 9, look up Title Health and Safety Codes – Division 104, Part 3, Chapter 9, Sections 108850-108915)
California Flammability Requirements: http://www.bhfti.ca.gov/industry/bulletin.shtml
California Proposition 65 Information, OEHHA: http://www.oehha.ca.gov
Consumer Product Safety Commission: http://www.cpsc.gov/businfo/reg1.html
Code of Federal Regulations: http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1
Federal Drug Administration: http://www.fda.gov/ora/compliance_ref/cpg/cpgfod/
Litigation summary: http://www.calprop65.com
Prop 65 Summary documents: http://www.oehha.ca.gov/prop65/background
Prop 65 Chemical listing and legal news: http://www.prop65news.com

CVS FACTORY AUDIT PROGRAM

CVS has teamed up with Underwriters Laboratories (UL) (www.UL.com) to perform factory audits on foreign factories supplying CVS with direct imported items. UL's extensive research capability provides auditors with immediate access to specific laws during the audit process, informs customers with key insights and intelligence to make critical business sourcing decisions, and positions UL as a thought leader in supply chain responsibility. UL's protocols and tools are based on industry best practice, with more than 20 years of experience in executing workplace assessments and a footprint in more than 120 countries.

There are up to five types of audits that may be performed on a factory, based on certain criteria:

1. Responsible Sourcing Workplace Assessment (RSWA) – A UL RSWA social audit will be performed on 100% of international factories producing direct imported items for CVS.
2. UL Facility Security Template (FaST) – UL FaST security audits will be performed on 100% of factories producing direct imported items for CVS. FaST audits are in line with Customs-Trade Partnership Against Terrorism (C-TPAT) requirements.
3. GOOD MANUFACTURING PRACTICES (GMP) – Intertek GMP quality audits will be performed on all factories producing Store Brand FDA regulated items.
4. SUPPLIER QUALIFICATION PROGRAM (SQP) - Intertek SQP quality audits are performed on factories producing non-FDA Store Brand items.
5. SITE EVALUATION REVIEW (SER) – SER audits will be performed on factories manufacturing direct import items that have changed production sites after the PO was issued.

Responsible Sourcing Workplace Assessment (RSWA)

A Responsible Sourcing Workplace Assessment (RSWA) social program applies to all Manufacturing facilities and all their subcontractors providing finished goods to CVS located outside the US and Canada.

Anchored in UL Responsible Sourcing group's extensive social compliance expertise, the Responsible Sourcing Workplace Assessment (RSWA) is a powerful tool for monitoring the welfare of individuals producing CVS products, benchmarking, improving supplier performance, mitigating supply chain risk, and improving streamlines the audit process, increasing efficiencies for all supply chain partners. The Responsible Sourcing Workplace Assessment standard is aligned with the Global Social Compliance Program (GSCP) and ILO conventions and recommendations, which are endorsed by some of the world's largest retailers.

Factory Audit Assessment Criteria: The factory audit is based on the following assessment criteria:

- **Labor**: Abuse, Coercion, Harassment; Disciplinary Action; Benefits; Child Labor, Young Workers, Apprentices/Trainees; Discrimination; Forced, Bonded, Indentured, Slave, Prison Labor; Freedom of Association and Collective Bargaining; Hiring and Termination; Remuneration; Working Hours; Postings; Privacy
- **Health & Safety:** Licensees/Permits/Certifications; Postings; Risk Assessment; Risk Management; Governance; Education; Accidents; Chemicals and Hazardous Materials; Electrical; Emergency; Equipment Safety; First Aid; Personal Protective Equipment (PPE); Noise; Lighting; Ventilation and Temperatures; Potable Water; Sanitation; Food Preparation/Canteen; Child Care; Dormitory; Other Practices
- **Management Systems:** Certifications; Governance; Compliance; Responsibility; Education; Performance; Grievance Mechanism
- **Environment:** Licenses/Permits/Certifications; Postings; Risk Assessment; Risk Management; Education; General Waste; Hazardous Waste; Air Emissions; Noise Pollution; Other Practices
- **Ethics & Business Integrity:** Integrity; Bribery Attempt; Bribery and Facilitation Payments

Supplier/Factory Audit Process/Steps:

- All suppliers are required to register their factory(-ies) with UL Responsible Sourcing via the clientportal.ul.com ***immediately upon receipt of purchase orders or GreenLight Notification.***
- Third party reports (i.e. RSWA, SA8000, WRAP, ICTI,)are accepted under the following conditions
    - Valid WRAP, ICTI, SA8000 certification within last 6 months
    - RSWA audits with results between 81 – 100%
- If a third party audit is not accepted or not available, UL will perform the audit within a designated time period and score them accordingly - type of audit is based on certain criteria such as product risk (i.e. regulated vs. non-regulated product, etc.)
- Pre-payment will be collected within 5 days of receiving the Deposit Invoice and before the assessment occurs
    - **Note: No product will be allowed to ship without a valid and acceptable audit report**
- CVS validates that there are no zero tolerance issues identified during an audit as explained in the Factory Audit Frequency and Re-Audit Timeline
- If a zero tolerance issue is identified CVS reserves the right to review and decide whether to proceed with the business relationship
- An official report will be issued 5 days after the audit is completed. A copy will be shared with CVS for reference
- Acceptable score to ship: 41% and above, with no Zero Tolerance Issues
- A Shipment Letter/Confirmation is issued by UL to the factory /Yusen Logistics to allow the items to ship
- Factory will be required to provide a Corrective and Preventive Action (CAPA). A re-audit will be required for all audits with initial results below 81% to verify closure of findings
- Minor and moderate findings may be closed via desktop CIP process; major findings require on site verification during re-audit
- CVS reserves the right to cancel Item and PO if re-audit results in very low performance (less than 41%).

Document Preparation Checklist for RSWA: Auditor(s) reviews facility documentation to identify findings. The following list of documents is required to be provided as original copies in order to prepare for a RSWA factory audit:

- Licenses
- Written policies
- Personnel files
- Payroll and working hour documentation
- Collective bargaining agreements
- Employee contracts
- Facility layout/floor plan
- Company policies (examples: child labor, health and safety)
- Grievance/complaint procedures
- Employee handbook
- Hazardous chemicals list
- Emergency action procedures
- Fire drill log
- Evacuation Plan
- Permits
- Collective bargaining agreements
- Subcontractor disclosure form

Duration and Sampling Protocol:

The chart below explains the number of man-days required to complete a RSWA Audit. The price of a RSWA audit is determined by auditor man-days and country where the audit is being completed.

Man-days	No. of Employees
1	**1 - 199**
2	**200-1000**
3	**1001 - 6999**
4	**> 7000**

Zero Tolerance:
If there is any non-compliance to a 'Zero Tolerance' question, a red flag will be displayed on the report.
CVS is notified within 24 hrs. Upon review of circumstances surrounding the Zero Tolerance, CVS will decide how to proceed regarding the business relationship with the factory.

Recognized Zero Tolerance findings:
- **Child Labor -** workers employed by the facility below the age requirement of local law (if no law, below 16)
- **Imprisoned/Forced Labor -** employees who are imprisoned (i.e., utilized in a manner not in accordance with International Labor Convention 29), bonded, or indentured either to the facility itself, or a broker
- **Abuse and Harassment -** sexual, psychological, physical, verbal harassment, abuse, intimidation and/or bullying occurring at the facility
- **Life Threatening Conditions –** Blocked or locked emergency exits/doors/stairways
- **Bribery –** There is evidence of the factory bribing the auditing team in any manner
- **Falsified Audit Reports -** evidence the factory submitting falsified audit reports to circumvent the requirements of the social and/or security audit
- **Unauthorized Subcontracting** - Facility or Supplier shall not use subcontractors in the manufacturing of CVS/pharmacy products or product components without first disclosing subcontractors to CVS/pharmacy.

Factory Auditing Frequency and Timeline:
An initial audit is required to be conducted prior to a PO being shipped. Follow-up audits are required to be performed based on the initial audit score. Please contact the QA department for more information regarding the follow-up audit.

Reporting:
The Supplier, factory and CVS will receive a copy of the RSWA.

Invoicing:
Suppliers are responsible for all factory audit charges incurred for the performance and follow-up audits, including travel expenses, under the CVS Audit Program.

UL will invoice the factory once they receive the factory contact information. The factory information must be supplied on the New Item Form. The request for payment and scheduling an audit will be required once the purchase order has been cut. Audit charges are based on the number of man-days needed to perform the audit. Travel cost charged separately except where specified.

GOOD MANUFACTURING PRACTICE (GMP)

Good Manufacturing Practice (GMP) audit involves an evaluation of the systems and processes used by a company to maintain and control product quality. Areas that are evaluated include, but are not limited to, are personnel qualification, equipment control, material procurement and handling, production controls, complaint handling and management responsibilities. If the product is regulated by the FDA, the systems and processes evaluated during an audit can be found in the Code of Federal Regulations Title 21. GMP audits will be performed on factories that manufacture items for CVS such as food, cosmetics, over-the-counter medications, medical devices, other FDA regulated items, store brand items, and will also be performed on randomly selected factories as listed below:

Store Brand Import Items:
- Items carrying a distinct CVS brand (e.g. Gold Emblem, Essence of Beauty, etc)
- Required for all facilities manufacturing Planogram Store Brand and/or FDA items
- Required for all strategic buys for non Planogram /non FDA as determined by the Category Manager (Will accept any qualified 3rd party audit subject to review by CVS)

Non-Store Brand Import Items:
- Required for all facilities manufacturing regulated FDA items (Planogram and non Planogram items)
- Required for all strategic buys for non Planogram /non FDA as determined by the Category Manager (Will accept any qualified 3rd party audit subject to review by CVS)

UL FACILITY SECURITY TEMPLATE (FaST)

Supply chain security audits using UL's Facility Security Template (FaST) address Customs Trade Partnership against Terrorism (C-TPAT) recommendations, security methodologies, and documentation of C-TPAT due diligence. These audits, which cover minimum C-TPAT criteria for Foreign Manufacturers and incorporate Customs and Border Protection's best practices, can help to address potential security breaches and deficiencies that pose risk to products, brands, or consumers. As a voluntary participant in C-TPAT, CVS requires all international suppliers and service providers, to measure their individual security procedures, and further develop them where necessary. It is incumbent upon our product suppliers to assess your company's and business partner's practices / policies surrounding supply chain security. UL's objective during this portion of the factory audit is to verify policies have been put into place, and to the best of their ability, are sufficient deterrents to any third party attempting to compromise the integrity of the international supply chain. In an effort to reduce audit fatigue and costs for our suppliers, we will accept CVS approved 3rd party audit reports that meet our C-TPAT security criteria.

FaST REQUIREMENTS

The FaST Assessment takes one day and covers:

1. Business Partner Requirements
2. Container & Trailer Security
3. Physical Access Controls
4. Personnel Security
5. Procedural Security
6. Physical Security
7. Education & Training Awareness
8. Information Technology

- **Business Partner Requirements –** The policies and procedures in place for screening potential business partners, particularly those that handle cargo, in order to ensure they meet C-TPAT standards.

- **Container/Trailer Security -** Assess the integrity of the container/ conveyance, as well as the handling and application of high security seals. 7 point inspections should be conducted on all containers/conveyances.
    - Maintaining a Factory Outbound Shipment Log designed for security guards to record outbound shipment information is required. Copies of the completed log should be retained at the manufacturing / shipping facility and readily available upon request.

Example of a Factory Outbound Shipment Log

Factory Name:

Factory Address:

Factory Contact Phone Number:

Carrier	Driver Name	Container / Trailer Number	Seal Number (if applicable)	Destination	Purchase Order	Item Number	Manifest Quantity	Date Loaded	Time Loaded	Security Guard Name

- **Physical Access Controls -** Access controls prevent unauthorized entry to facilities, maintain control of employees and visitors, and protect company assets. Access controls must include the positive identification of all employees, visitors, and vendors at all points of entry. Restriction to entry points and hazardous materials are also assessed thoroughly.

- **Personnel Security -** Areas of examination include hiring practices, termination procedures, documentation, and background checks.

- **Procedural Security -** Procedures regarding seals, manifesting procedures, shipping & receiving, loading verification, interaction with law enforcement agencies, etc. are examined.

- **Physical Security –** Facility must have physical barriers that guard against unauthorized access. There should be fencing, gates / gates houses, locking devices on doors & windows, adequate lighting and alarm systems with video surveillance cameras.

- **Education & Training Awareness -** The training of employees regarding security procedures, both proactive and reactive, is examined. Internal auditing practices are also assessed.

- **Information Technology -** Areas of examination include password protection, access, and security policies.

CVS & GOVERNMENT AGENCY REQUIREMENTS

CVS PHARMACY C-TPAT REQUIREMENTS FOR PRODUCT SUPPLIERS

The CVS Import Department sends out a copy of the CVS Pharmacy C-TPAT Requirements For Product Suppliers to all new suppliers. The supplier is to agree to these requirements, sign and send back the last page of the document.

The Agreement is to be signed only once unless:
- There are updates to your supply chain
- There are updates to the C-TPAT program

The agreement states in part that the supplier:

"Agrees to develop and implement, within a framework consistent with the Customs-Trade Partnership Against Terrorism (C-TPAT) security criteria, a verifiable, documented program to enhance security procedures throughout its supply chain process, including, but not limited to, its manufacturing business partners. Where the Product Supplier does not exercise control of a production facility, transportation or distribution entity, or process in the supply chain, the Product Supplier agrees to communicate the C-TPAT security criteria to its manufacturers and transportation/distribution service providers and, where practical, condition its relationships to those entities on the acceptance and implementation of the C-TPAT security criteria.

"The Product Supplier agrees to communicate CVS Pharmacy, Inc.'s supply chain security and C-TPAT procedures, and security criteria to its manufacturers in a documented and verifiable format that can be made available upon request, and it understands that failure to do so may jeopardize its business relationship with CVS Pharmacy, Inc."

The signed agreement is to be returned to the CVS C-TPAT Senior Manager. Contact the C-TPAT Senior Manager for more information on this document.

FOOD AND DRUG ADMINISTRATION

FDA is responsible for protecting the public health by assuring the safety, efficacy and security of human and veterinary drugs, biological products, medical devices, our nation's food supply, cosmetics, and products that emit radiation. CVS will request additional information needed for FDA regulated items.

US DEPARTMENT OF AGRICULTURE AND THE LACEY ACT

The Lacey Act combats trafficking in "illegal" wildlife, fish, and plants. The 2008 Farm Bill (the Food, Conservation, and Energy Act of 2008), effective May 22, 2008, amended the Lacey Act by expanding the law banning commerce in illegally sourced plants and their products.

Requirements: The Lacey Act now, among other things, makes it unlawful to import certain plants and plant products. The Lacey Act requires a Plant and Plant Product Declaration form (PPQ 505) for all wooden/paper products that fall within the scope at the time of importation.

- Suppliers must submit a completed Plant and Plant Product Declaration Form with the commercial documents, or list the information on the commercial invoice by item

The PPQ 505 can be found at: http://www.aphis.usda.gov/library/forms/pdf/ppq505.pdf

The form must contain the following information:

1. The scientific name of the plant
2. Value of the importation
3. Quantity of the plant
4. The name of the country from where the plant was harvested.

For paper and paperboard with recycled content, the declaration must also include the percentage of recycled content. Declaration requirements and more information are located on the cvssuppliers.com website at: http://cvssuppliers.com/requirements/import-information under "Lacey Act Info" and "Lacey Act Letter."

OZONE DEPLETING CHEMICALS

The Internal Revenue Service ("IRS") requires importers such as CVS to obtain specific documentation regarding the use of Ozone Depleting Chemicals (ODC) by its suppliers. CVS requests your cooperation in substantiating whether or not ODC were used to manufacture those certain products referenced within the Harmonized Tariff Schedule ("HTS") numbers.

CVS will identify whether a supplier is providing products within certain HTS numbers. If and when such products are identified, the supplier will be contacted via a form letter. This letter will include the list of items sold to CVS and will address the IRS documentation requirements. The supplier must respond within 30 days from the date of the form letter. To further validate if ODC were or were not used in the manufacturing process, the following information will need to be provided:

- Identify the major cost component of each item and the name and country of the foreign manufacturer(s).
- Describe in detail the policy of the foreign manufacturer's country, in response to the Montreal Protocol on Substances that Deplete the Ozone Layer, to encourage the reduction in production and use of ozone depleting chemicals. If the foreign manufacturer is not aware if their country's policy, have them state that fact.
- Describe, in detail, the new alternative product of the replacement technology used instead of the ODC process. The description should include the type of equipment involved, the month and year the new technology was placed in service, and the name and address of the firm from whom the new technology was purchased.
- Provide documentation, including laboratory methodology, of any laboratory testing performed to verify the assertion that no ozone depleting chemicals are used in the manufacturing process, if applicable.
- English translation required for any response made in a foreign language.

Subsequent purchases of identified products made by CVS from the supplier MUST include all documentation as outlined above. Failure to comply with CVS requests for IRS documentation will result in review of CVS Supplier agreements and monetary consequence of applicable IRS Tax.