

# CVS Pharmacy® Recall Policy

## **Background**

The quality and safety of the products sold in over 8000 CVS Pharmacy® stores and on CVS.com are of the utmost importance to CVS Health. These products, whether national brand or CVS Store Brand, reflect on our long term brand equity.

We understand that during the ordinary course of business certain items may need to be recalled from our stores, distribution centers (DCs), and CVS.com for various reasons, including quality and safety issues.

## **Expectation and Procedure**

Suppliers are required to notify in writing their CVS Merchant (i.e., Category Manager, Product Development Manager) of a defect or issue which results in a product recall. Within 1 business day of recall determination, Suppliers must initiate the recall and provide their CVS merchant with the recall details (e.g., Recall Risk Level, Return Authorization Number and Address, UPC, Lot Numbers), including a completed CVS recall form, required in order for CVS to execute the recall at our Distribution Centers (DCs), Stores, and/or CVS.com. The supplier shall provide documentation of final disposition of Store Brand recalled product (e.g., document of destruction).

Please note that lot specific recalls are allowed at DCs but not allowed at store level. In the event of a store recall, all lots of an impacted product must be removed from shelf and reconciled by the Supplier.

Suppliers must either: (1) have a United States-based location that can accept shipments of returned product and be responsible for the disposition and reconciliation of the product; or (2) contract with a third party recall management company ("Recall Management Contractor") that will accept shipments of returned product and for the disposition and reconciliation of the product on behalf of the Supplier. Supplier retains all responsibility and liability for activities carried out by its Recall Management Contractor. All recalled product from the DCs and stores must be returned to the Supplier or Supplier's Recall Management Contractor for disposition; CVS does not destroy or donate recalled products. It is the responsibility of the Supplier to work directly with their CVS merchant and all CVS designated third party product consolidation companies:

- CVS Pharmacy DCs ship recalled product directly to the return address provided by the Supplier.
- CVS Pharmacy stores ship all non-pseudoephedrine (PSE) recalled product to Inmar. This third party vendor consolidates the store product and ships the consolidated store product to the return address provided by the Supplier.
- CVS Pharmacy stores ship PSE recalled product to GENCO. This third party vendor consolidates the store product and ships the consolidated store product to the return address provided by the Supplier.
- For Direct Store Delivery (DSD) recalls, product removal from stores is managed directly by the Supplier or Supplier's Recall Management Contractor. The Supplier or Supplier's Recall Management Contractor is responsible for visiting 100% of the impacted stores within 5 days of the recall initiation date to remove the recalled product from each store and credit the stores for the removed units. Suppliers must provide their CVS Merchant with a store completion report to close out the DSD recall.

Product reconciliation is the responsibility of the Supplier.

In the event a product is recalled, the Supplier shall bear all of the costs and expenses of such recall, including without limitation, expenses related to the numerous standard activities involved in executing recalls at CVS Pharmacy®, lost sales and margin, the cost of the recalled product, expenses of replacement stock, the cost of notifying customers and costs associated with shipment of recalled product from customers and shipment of an equal amount of replacement product to those same customers, attorney's fees, public relations firm fees, advertising agency fees, and costs of advertising and notifications. All costs associated with the handling of product by Inmar or GENCO are charged directly to the Supplier. In the event of a High Risk (Class I) recall of a DC serviced product, all costs associated to the completion of the required CVS store product removal verification audit will be charged directly to the Supplier by the CVS designated third party company who conducted the store audit.

Please contact the CVS Merchant that manages your product portfolio for the appropriate recall forms and questions.

Suppliers are responsible for meeting all federal, state and local laws and regulations.