CVS Supply Chain Overview

March 2026

CVS Health Landscape

9,000+
Retail Stores

85%
Population within 10 miles

Fortune 5
On Fortune 500 List

90M+
ExtraCare Members

5M+
In-store interactions daily

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CVS Planogram Expectations

Vendors are expected to fulfil orders for the duration of a planogram. CVS planograms run from 6-24 months dependent on category and should be discussed with merchant.

Vendors must hit the DC service date *(4-6 Weeks ahead of in-store date).* Initial orders will be to support initial store push along with DC inventory to support stores after ISD.

During the duration of service, a fill rate of 98% is required and enforced through fines. (*see slides 17&18*)

For SKUs that experience discontinuation or footprint reduction vendors are expected to support the markdown event.

If a SKU experiences an increase in doors or footprint change in demand will be communicated.

CVS policies and onboarding information can be found at https://cvssuppliers.com/

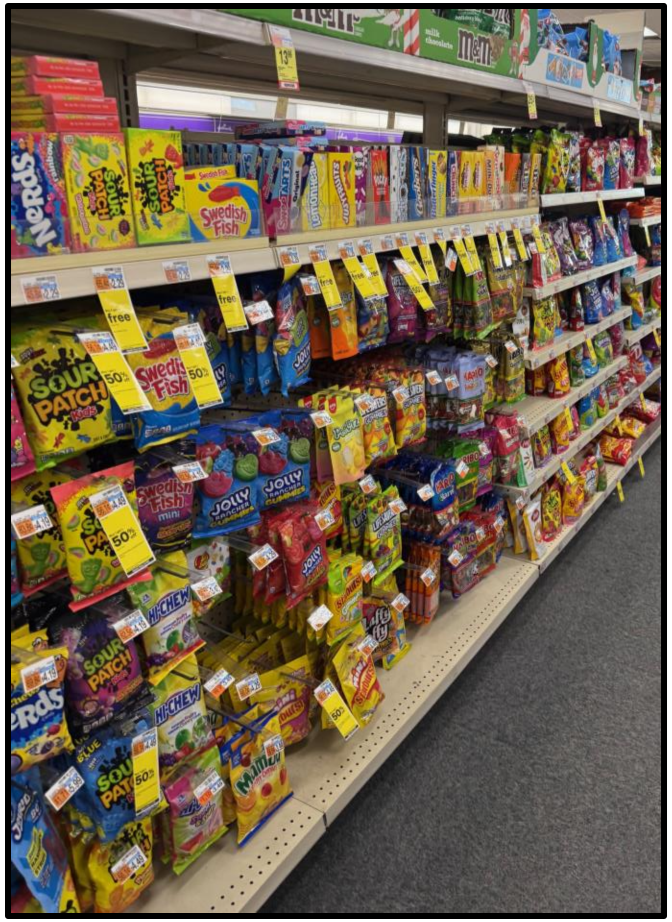
CVS Inventory Expectations

Vendors should work with their inventory planner to establish order days, order cadence, minimum order quantities, expiration dating, and lead times.

Inventory planners serve as primary point of contact for all ordering related questions.

CVS does not accept backorders; POs must be closed, and the backordered items be communicated to the planner to complete a cut report.

All supply disruptions should be clearly communicated with inventory partners to minimize impact.



Reverse Logistics

The Reverse and Redistribution team ensures the proper handling and disposition of non-saleable supply chain returns and aged inventory while minimizing the amount of enterprise profit loss and maximizing sustainability.

Types of Returned Goods

- Unsaleable Merchandise: Products removed due to expiration, damage, end of promotion, or high-risk customer return.
- Product Withdrawal: Removal for reasons other than unsaleable or recall (e.g., discontinuation, overstock, brand protection).
- Product Recall: Removal due to hazard, defect, regulatory non-compliance, or government/agency order.

Costs to Suppliers:

- Product Cost Charged at CVS's current cost on file.
- Handling Fees: Vary by disposition method and product type (e.g., damage, donation, return, pickup). Fees are applied based on vendor unsaleable terms.
- Recall Costs: Supplier bears all recall-related costs: product, handling, lost sales, transportation, replacement, customer notification, legal/PR fees.

Return Methods

- Unsaleable Merchandise will be removed from CVS stores and distribution centers following the vendor damage disposition code and damage payment type (e.g., Return to Vendor, Supplier Pickup, Donate *(when and where legally permissible)*.
- Distribution Center Handling: Standard fees for damaged, outdated, overstocked, or discontinued products held at CVS DCs.
- Organic Waste Management: Certain categories (food, beverages, pet food, etc.) processed via third-party recycler; costs shared.

Resources:

CVS Pharmacy Returned Good Policy

- This document defines unsaleable, product withdrawals, recalls, and the charges associated with each: LINK

Vendor Contact List

- This document provides contacts by department that vendors can use based on the type of invoice they received : LINK

Stibo

- Use the vendor portal to view vendor unsaleable setup. Questions regarding changes to this setup should be directed to the vendor's category manager: LINK

For questions regarding Reverse and Redistribution Invoice Detail (R and MCR Type Invoices) or Vendor Disputes on these invoices, please contact: VendorReconciliationRequest@CVSHealth.com

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Systems

STIBO

Overview:

- STIBO is CVS's Master Data Management (MDM) platform for vendor onboarding and maintenance.
- It provides a self-service portal where suppliers enter and manage their own company and product information.
- The system helps to ensure data accuracy and consistency across CVS's supply chain and business systems.
- STIBO supports vendor setup, updates, and approvals for key details like payment terms, shipping terms, and contact information.
- STIBO integrates with other CVS systems (e.g., EDI, procurement) to streamline onboarding and compliance processes.
- Access is invitation-based and requires secure login with multi-factor authentication
- Suppliers are responsible for ensuring all information entered into STIBO is accurate and for updating accordingly in the event of any changes.

Resources:

STIBO - Training Document for Supplier Onboarding

- Self service training documents: LINK

STIBO - Supplier Worksheet

- *Excel worksheet with required fields that can be referenced or completed to help successfully set up a vendor in STIBO –* LINK

STIBO EDI Worksheet

- Worksheet your EDI team can provide prior to entering information into STIBO – LINK

STIBO New User-Vendor # Requests

- Form used to request new user access – LINK

STIBO Additional Vendor # Requests

- Form used to request additional vendor numbers to your ID – LINK

STIBO - Vendor Set Up FAQ

- Frequently Asked Questions –LINK

EDI

CVS requires that all retail suppliers utilize electronic data interchange (EDI) to conduct business-to-business electronic commerce.

Vendors must complete STIBO EDI configuration form; missing and incomplete information will result in delays to onboarding.

Requesting access

- Successful completion of the EDI configuration form results in an auto email notification to EDI to begin onboarding.
- Email EDI_ASN_ONBOARDING@CVSHealth.com with following details
  - Vendor Name and Number
  - Email address

SFTP communications are preferred, AS2 and VAN are available on exception basis.

EDI team will contact STIBO technical contact regarding communications onboarding.

Resources:

For additional details on EDI please see the CVS Supplier Site: EDI Overview

- CVS technical specifications

STIBO EDI Worksheet

- Worksheet your EDI team can provide prior to entering information into STIBO – LINK

Invoice and AP Related Documents:

- EDIAPMailbox@cvshealth.com

Purchase Order Related Documents:

- EDImail@cvshealth.com

Sourcing & Transportation

Import Overview

Import vendors please refer to the Direct Import Guide for Product Suppliers

Shipping & Timelines

- Shipments are booked with Yusen Logistics 30+ days before ship date.
- Cargo must be delivered to a designated consolidation point.
- Shipment windows must be met (Late deliveries incur penalties).
- *For the registration form and e-booking procedure, please go to Yusen Logistics e-booking website: https://ebookprod001.yvp.yusen-logistics.com/us*

Documentation & Compliance

- Accurate commercial invoices, packing lists, and duty rates required.
- All products and cartons must be marked with country of origin, CVS item number, and event codes.
- *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*

Product Testing & Audits

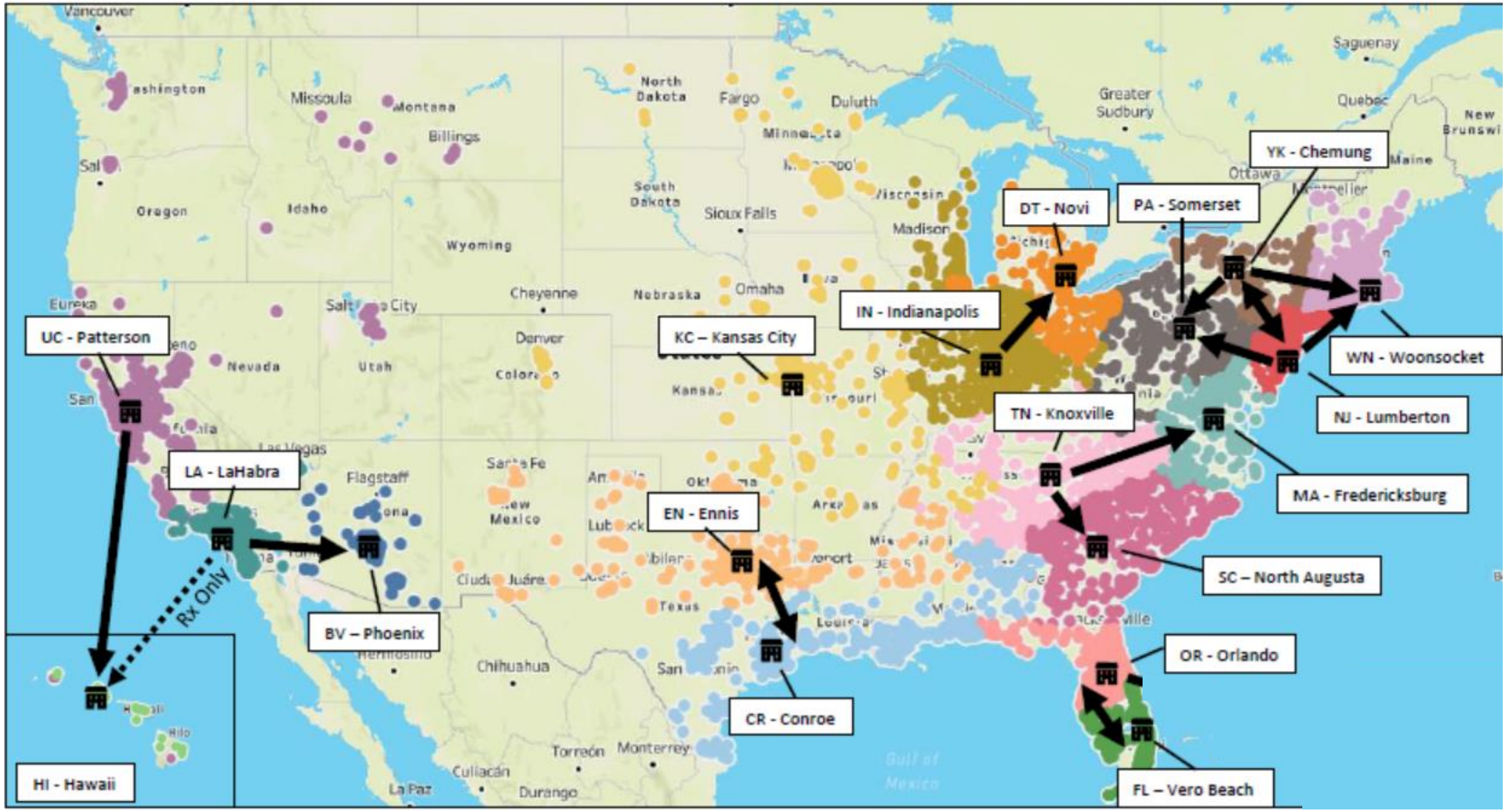
- Products must pass all social compliance and security audits (CTPAT).
  - The objective of our Ethical Sourcing and CTPAT Compliance Program is to ensure our supplier partners share our commitment and values to upholding the highest level of ethical standards and integrity wherever our products are manufactured globally.
- All products must be QA tested at approved labs; Certificates of Compliance required for shipping.

Payment Process

- Automatic payment of commercial invoices is facilitated through Kanexa on behalf of BNY Mellon.

CVS Store Map

CVS Pharmacy has stores and DCs across the entire country. Vendors should work with their inventory and transportation partners to ensure accurate lead times for all DCs.



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Sourcing Strategies - Domestic

Import vendors please refer to the Direct Import Guide for Product Suppliers

Prepaid vs Collect

All vendors are required to provide pre-paid and collect pricing to the CVS Transportation Team to assess optimal freight terms.

Collect (CVS-managed) Freight: CVS arranges and pays for transportation.

- Shipments **≥350 lbs or >15 cartons** must be routed via **MercuryGate portal**.
- Unauthorized collect shipments will not be paid.

Prepaid Freight: The supplier arranges and pays for transportation to the CVS Distribution Center (DC). The supplier is responsible for ensuring timely and accurate delivery.

- Preferred Carriers: CVS provides a Preferred LTL/TL Carrier Program for better service and compliance benefits.
- Penalties: Non-compliance (e.g., missed appointments, incorrect paperwork) can result in financial deductions.
- CVS does not allow small parcel (UPS, FedEx, Ground) for >15 cases

Delivery Expectations

Pallet Requirements

- Pallets should be Grade A, and properly shrink-wrapped or banded
- Height limits vary by DC from 48”-96”

Documentation

- Every shipment must include a Bill of Lading (BOL) and Packing List

Hazardous Materials

- Must be declared in MercuryGate and on the BOL. With proper documentation

Condition of Goods

- Damaged or defective goods will be refused or deduced

For additional detail please see the CVS Routing Guide

MercuryGate Process – Collect Vendors

1. **Onboarding & Setup:** CVS systems team provides Mercury Gate login credentials and portal instructions.
2. **PO Visibility:** After a new Purchase Order (PO) is created, it appears in the Mercury Gate portal for vendor to submit for routing 24 hours later. Vendors must use all provided resources and instructions to ensure compliant entry.
3. **Compliance:** Use the routing compliance calculator (included in instructions) to submit compliant dates.
4. **Carrier Selection:** CVS always chooses the carrier for routing.
5. **Monitor Load Status:** After routing, vendors should monitor the status of submitted loads in the portal.
6. **Pickup Coordination:** Once a load reaches "booked" status, vendors may reach out for pickup if instructions specify. For LTL-sized loads, vendors will most likely need to arrange pickup per instructions.

For additional details please see MercuryGate playbook provided by systems team or accessible in portal.

Operations Team Organization & Freight Management

CVSHealth

Inbound Transportation Team

Chris Kusek

Lead Director, Inbound/Backhaul

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Maddy Kelley

Manager, Inbound/Backhaul

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Iris Neubecker

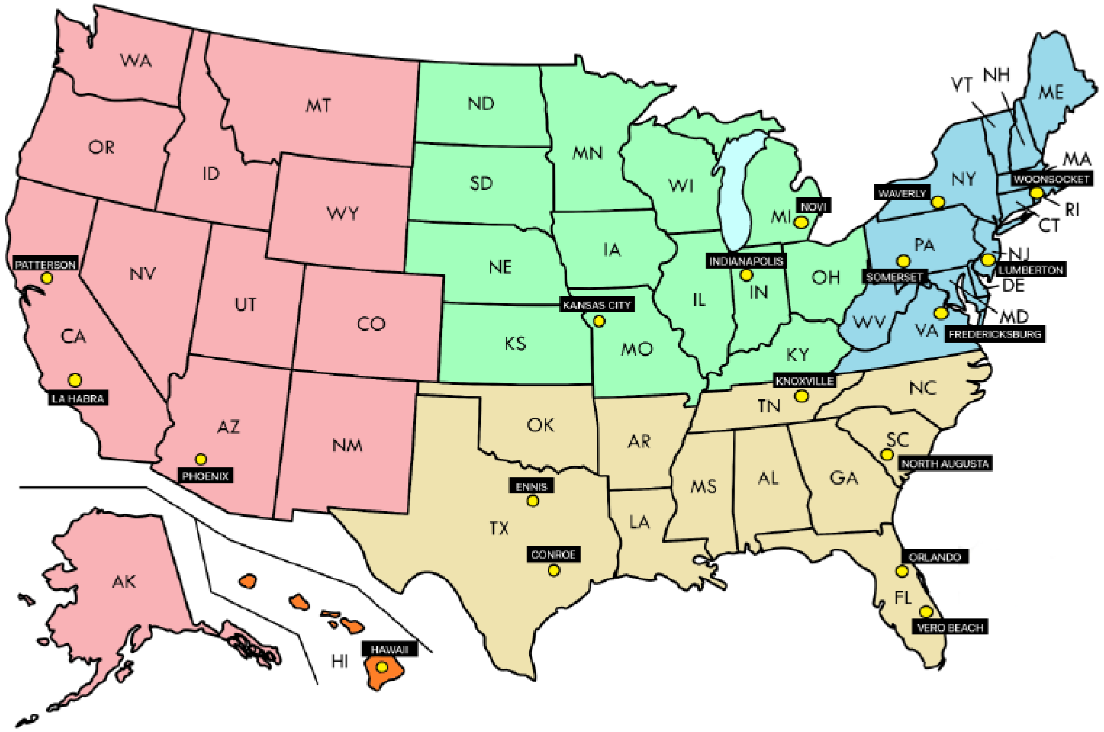
Senior Inbound/Backhaul Coordinator

Tim Gardner

Senior Inbound/Backhaul Coordinator

Jarrod Fucile

Senior Inbound/Backhaul Coordinator



*Please email the region that your shipment is delivering into.

Destination State	Region	Contact
CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV	cvsEast	cvsEast@cvshealth.com
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI	cvsMidwest	cvsMidwest@cvshealth.com
AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX	cvsSouth	cvsSouth@cvshealth.com
AK, AZ, CA, CO, ID, MT, NM, NV, OR, UT, WA, TX	cvsWest	cvsWest@cvshealth.com
HI	Hawaii	cvsHawaii@cvshealth.com

The Inbound operations team manages ***collect*** business, broken out into 5 regions, by *destination*.

Packaging Requirements - Domestic

Import vendors please refer to the [Direct Import Guide for Product Suppliers]

Carton

- One label per carton
- Size / Placement: No size requirement. Placement on any one side (not top of carton)
- Formatting: No specific format required. The information can be provided on a label and/or imprinted on the carton
- Content:
  - Supplier Name
  - CVS Item Number
  - Product Description
  - Case Pack
  - Weight (required for 10 lbs & over)
  - UPC Numbers and Barcodes:
    - Each carton must contain the ITEM (12-13 digits) or CASE (14 digits) UPC numbers and scannable barcode
    - If you presently have a CASE UPC/Barcode on the cartons, ensure the CASE UPC numbers were provided on the New Item Form. Questions can be directed to the Item Coordinator Data Management Team IC_DSDTeam@CVSHealth.com
  - 7. Expiration Date - as applicable o Expiration Dates must be in a readable date format (i.e.. MM/DD/YYYY)

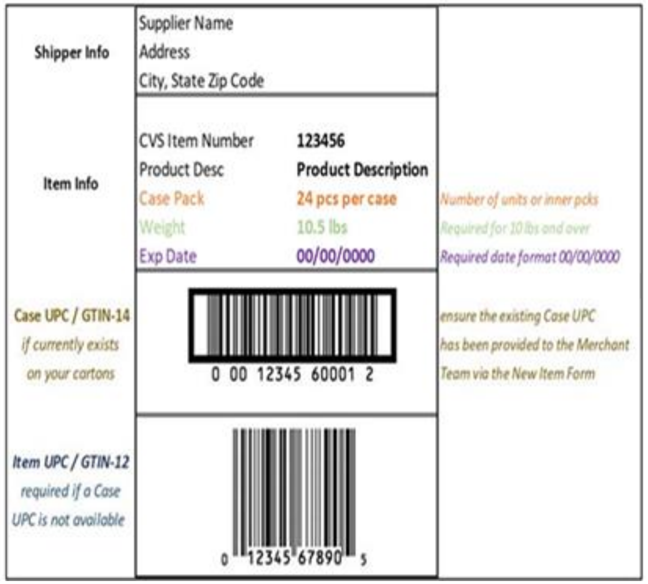
Pallet

- Suppliers are required to provide an SSCC pallet label (see sample) in addition to the carton labels. Label must comply with GS1 SSCC standards.
- The SSCC bar bode (GS1) placed on the pallet should directly correlate to the ASN: Tare Level

For additional details please see the *[Transportation Carrier Documentation]*

Carton Sample:

This is a generic label and is not intended to be used as a template



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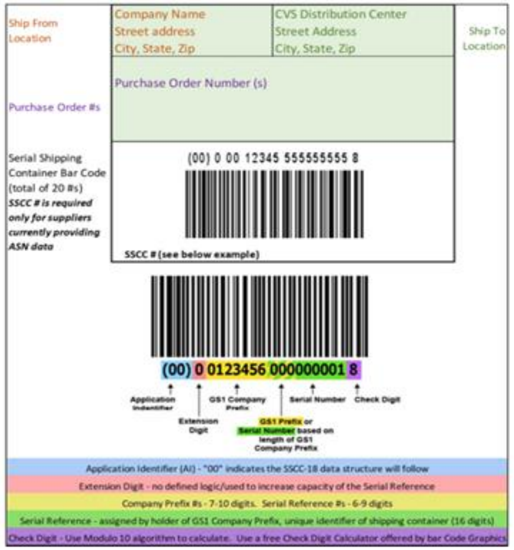

Programs & Policies

Overview of Expectations & Penalties

Our Supply Chain Performance (SCP) Program is a critical component to achieving our customer service objectives and remaining competitive in the industry. The following is a snapshot of the SCP programs; program details are available in the Supply Chain Performance Programs Instructions https://cvssuppliers.com/document-library/supply-chain-performance

Performance Metric	Definition	Penalty
On Time	PO delivery in accordance with the original STA date	Percent of noncompliant PO cost based on monthly performance (0%, 5.0%)
In Full	PO delivery in accordance with the original PO item/quantities	Percent of noncompliant PO cost based on monthly performance (0%, 5.0%)
Appointment Integrity	Prepaid shipments -carrier's ability to honor DC delivery appointment(s). Failure triggered by one of the following events (do not include weekends or holidays) 1. Arrival beyond 30 minutes of scheduled appointment, 2. Cancellation or Reschedule request with less than 24 hours prior to delivery, or 3. Failure to arrive for scheduled appointment (No Show)	Carrier beyond 30 Min Late = $100 Rescheduled less than 24 hr.= $275 Failure to arrive (no show) = $500
Packing List and Bill of Lading	Adherence to shipping document requirements. Failure triggered by one of the following PL or BL was missing or inaccurate	$100 per load / per document
Small Parcel	Adherence with case limits for small parcel/ground deliveries into the CVS DC network: 1. Prepaid Delivery: 15 Cases 2. Collect Delivery: 15 Cases	$5 per case over the limit, up to $150
ASN (Advance Ship Notice)	Missing ASNs (includes either of the following scenarios) 1. Failure to send an ASN with warehouse shipment/delivery by one calendar day prior to the receipt of inventory 2. Failure to send an ASN in a readable format (997 Rejection), or 3. The ASN contains one or more 'Business Critical Error' defined by 824 Application Advice	Missing/Failed ASN-$100 per PO
	Late ASNs 1. Failure to send an ASN by one calendar day prior to the scheduled appointment associate with receipt of a DC shipment/delivery.	Late ASN-$75 per PO
	Inaccurate ASNs 1. Vendor sent an ASN in a readable format however all of CVS technical specifications were not met.	Inaccurate ASN-$50 per PO
Shelf Life	SKUs must have at least 75% (National Brand) or 50% (Store Brand) of their total shelf life remaining upon inbound receipt at the distribution center (DC).	Based on percent of shelf life

On Time and In Full (OTIF)

Definition & Compliance:

- On Time (prepaid): A purchase order (PO) is compliant if it arrives on or before the scheduled "Ship to Arrive" (STA) date, or if the carrier's requested delivery date falls on the STA date or up to 4 business days before.
- On Time (collect): POs are routed according to CVS guidelines outlined in the CVS Routing and/or Supply Chain Performance Guide.
- In Full: All originally ordered items/quantities must be received within a 5-day window (the first on-time receipt date plus 4 business days).

On Time Fine Calculation:

- ≥90% In Full compliance: No charge.
- <90% compliance: 5% of the noncompliant PO cost.

In Full Fine Calculation:

- ≥98% In Full compliance: No charge.
- <98% compliance: 5% of the noncompliant PO cost.

For additional details please see the Supply Chain Performance Guide

Shelf Life

Definition & Compliance:

- National Brand: SKUs must have at least 75% of their total shelf life remaining upon inbound receipt at the distribution center (DC).
- Store Brand: SKUs must have at least 50% shelf life remaining (CVS asks these vendors to hold goods for 90 days).

Fine Calculation:

- National Brand:
  - 75%–50% shelf life: 10% of total SKU receipt order cost.
  - 50%–25% shelf life: 25% of total SKU receipt order cost.
  - 25%–0% shelf life: 50% of total SKU receipt order cost (if received and not DC rejected).
- Store Brand:
  - 50%–25% shelf life: 10% of total SKU receipt order cost.
  - 25%–0% shelf life: 50% of total SKU receipt order cost (if received and not DC rejected).

