January 11, 2021

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: CVS Health Corporation  
Stockholder Proposal from Trillium Asset Management, LLC  
Securities Exchange Act of 1934 – Rule 14a-8

Ladies and Gentlemen:

CVS Health Corporation, a Delaware corporation (the “Company”), pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), submits this letter to inform the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) of the Company’s intention to omit, the stockholder proposal (the “Proposal”) and the statement in support thereof submitted by Trillium Asset Management, LLC on behalf of Persephone LLC and Trillium ESG Global Equity Fund (collectively, the “Proponent”) in a letter dated November 23, 2020. Copies of the Proposal and related correspondence from the Proponent are attached to this letter as Exhibit A. The Company respectfully requests that the Staff concur with the Company’s view that the Proposal may properly be excluded from the Company’s 2021 Proxy Materials pursuant to Rule 14a-8.

1 The Company subsequently received the same proposal from a number of additional stockholders, each of whom indicated that they were filing the proposal in conjunction with Trillium, the “lead filer” of the proposal. The additional filers include: Portico Benefit Services; Sisters of St. Francis of Philadelphia; Benedictine Sisters, Boerne, Texas; Benedictine Sisters of Mount St. Scholastica; Missionary Oblates of Mary Immaculate; and Vancity Investment Management, on behalf of IA Clarity Clarington Enhance Canadian Equity SRI Class Fund.
Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission no later than eighty (80) calendar days before
  the Company intends to file its definitive 2021 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the representative on behalf of
  the Proponent.

Pursuant to Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), we are submitting this request for no-action relief under Rule 14a-8 through the Commission's email address, shareholderproposals@sec.gov (in lieu of providing six additional copies of this letter pursuant to Rule 14a-8(j)), and the undersigned has included his name, telephone number and e-mail address both in this letter and the cover email accompanying this letter.

Rule 14a-8(k) under the Exchange Act and SLB 14D provide that shareholder proponents are required to send the company a copy of any correspondence that the proponents elect to submit to the Commission or Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent or the representative on the Proponent's behalf elect to submit additional correspondence to the Commission or Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

**THE PROPOSAL**

The Proposal requests that the Company's stockholders approve the following resolution, and includes the following statement in support thereof:

RESOLVED, that shareholders of CVS Health ask the board to analyze and report on the feasibility of including the paid sick leave policy\(^1\) adopted in response to COVID-19 and made effective on March 22, 2020 as a standard employee benefit not limited to the duration of the pandemic.

**SUPPORTING STATEMENT**

The COVID-19 pandemic and the economic crisis it precipitated have drawn the attention of the public and policy makers to the importance of paid sick leave (PSL) for workers and public health. Substantial media attention has focused on U.S. workers' lack of access to PSL, especially in sectors with significant public contact such as retail.\(^2\) Workers without PSL risk being fired if they do not come into work despite illness, and some workers cannot afford to miss work and forego wages. PSL allows sick workers to stay home, preventing them from infecting co-workers and those with whom they would come into contact on the job. Studies show that PSL mandates adopted in the U.S. since 2007 have reduced the rate at which...
employees report to work ill in low-wage industries where employers don't tend to provide PSL and have lowered disease and overall absence rates.

PSL also contributes to public health by allowing workers who have been exposed to the virus that causes COVID-19 to quarantine, preventing further exposure. According to public health experts, PSL is cost-effective compared to the costs associated with disease spread. Some policy makers argue that PSL helps to counter the negative economic impact of the pandemic, especially for women and non-white workers, who are bearing the brunt of job loss, and that a sustainable economy depends on prioritizing safety. Finally, PSL benefits companies as well as workers, the public and the economy. Companies report that bolstering PSL improves morale and boosts productivity.

Policy makers are debating PSL at the federal, state and local levels. In response to the pandemic, the Families First Coronavirus Response Act (FFCRA) required that certain employers provide paid time off for workers ill with COVID-19 or quarantined due to exposure to the virus. That law was set to expire at the end of 2020, and the House-passed HEROES Act would fill some of the FFCRA's significant gaps and extend its PSL requirement through 2021. State and local governments, including California, San Francisco, and Philadelphia have also acted to mandate PSL for workers not covered by the FFCRA. Even before the pandemic, bills had been introduced in Congress to require employers to provide PSL, and eight states plus the District of Columbia had established PSL social insurance systems.

In March more than 1,700 CVS employees signed a petition demanding paid sick leave, masks and basic protective equipment. CVS has adopted a temporary benefit that provides employees with a meager 24 hours of paid sick leave during the COVID-19 pandemic.

1 https://cvshealth.com/covid-19/cvs-health-actions

**BASIS FOR EXCLUSION**

The Company believes that the Proposal may be properly excluded from the 2021 Proxy Materials under Rule 14a-8(i)(7) because it deals with a matter relating to the Company's ordinary business operations.
ANALYSIS

I. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company’s Ordinary Business Operations.

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company’s “ordinary business operations.” The Commission stated that the underlying policy rationale for the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” See Exchange Act Release No. 34-40018 (May 21, 1998) (the “1998 Release”). In the 1998 Release, the Commission further stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first consideration recognizes that certain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct stockholder oversight. The second consideration relates to the degree to which the proposal seeks to “micro-manage” the company by probing too deeply into matters of a complex nature upon which stockholders, as a group, would not be in a position to make an informed judgment. Examples of the tasks cited by the Commission include “management of the workforce.” Id.

The Commission has stated that a proposal requesting the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the proposal involves a matter of ordinary business of the company. See Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the “1983 Release”) (“[T]he staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under Rule 14a-8(c)(7).”). See also, e.g., *Walmart Inc.* (Apr. 4, 2019) (concurring in the exclusion of a proposal requesting a report evaluating the risk of discrimination that may result from the company’s employee leaves of absence policies under Rule 14a-8(i)(7) for relating generally to the company’s management of its workforce, an ordinary business matter); *Merck & Co., Inc.* (Feb. 16, 2016) (concurring in the exclusion of a proposal requesting that the company adopt certain procedures for hiring and promoting employees and stating that “proposals concerning a company’s management of its workforce are generally excludable under Rule 14a-8(i)(7)”); and *Pilgrim’s Pride Corp.* (Feb. 25, 2016) (concurring in the exclusion of a proposal requesting a report describing the company’s policies, practices, performance and improvement targets related to occupational health and safety under Rule 14a-8(i)(7) for relating to workplace safety, an ordinary business matter).
A. The Proposal Is Excludable Because It Relates to the Management of the Company's Workforce.

The Proposal is excludable as relating to the Company’s ordinary business operations because it relates to the Company’s management of its workplace practices, including general employee compensation and benefit matters, which is fundamental to management’s ability to run the Company on a day-to-day basis. The Staff has long recognized that proposals that attempt to govern business conduct involving internal and employment-related policies and practices and the terms thereof (ranging from benefit plans to ethics, conflict of interest and other policies concerning employees) may be excluded pursuant to Rule 14a-8(i)(7) because they infringe on management’s core functions. For example, a proposal to Walmart, Inc. (Apr. 4, 2019) requested that the board evaluate the risk of discrimination that may result from the company’s policies and practices of hourly workers taking absences from work for personal or family illness. The Staff concurred that the proposal could be excluded under Rule 14a-8(i)(7) because it dealt with “management of [the company’s workforce].” See also FedEx Corp. (Jul. 7, 2016) (concurring in the exclusion of a proposal relating to the terms of the company’s employee retirement plans); Costco Wholesale Corp. (Sept. 26, 2014) (concurring in the exclusion of a proposal relating to the company’s policies concerning its employees, specifically, a revised Code of Conduct that includes an anti-discrimination policy); and Willis Group Holdings Public Limited Co. (Jan. 18, 2011) (concurring in the exclusion of a proposal relating to the terms of the company’s ethics policy under Rule 14a-8(i)(7)).

In addition, as noted in the 1998 Release, “the management of the workforce, such as the hiring, promotion, and termination of employees” is a matter that is “so fundamental to management’s ability to run a company on a day-to-day basis that [it] could not, as a practical matter, be subject to direct shareholder oversight.” The Staff has consistently concurred with the exclusion of proposals relating to workforce management, including those related to employee welfare, compensation and benefits and conditions and terms of employment. See, e.g., Apple, Inc. (Nov. 16, 2015) (allowing the exclusion of a proposal asking Apple’s compensation committee to adopt new compensation principles responsive to the U.S.’s “general economy, such as unemployment, working hour[s] and wage inequality”); Merck & Co. Inc. (Mar. 6, 2015) (proposal to fill entry level positions only with outside candidates excludable under Rule 14a-8(i)(7) where the Staff noted that “the proposal relates to procedures for hiring and promoting employees. Proposals concerning a company’s management of its workforce are generally excludable under rule 14a-8(i)(7)”; Starwood Hotels & Resorts Worldwide, Inc. (Feb. 14, 2012) (proposal that, by a certain date, management verify United States citizenship for certain workers excludable under Rule 14a-8(i)(7)), noting that “[p]roposals concerning a company’s management of its workforce are generally excludable under rule 14a-8(i)(7)”; National Instruments Corp. (Mar. 5, 2009) (proposal to adopt detailed succession planning policy is excludable); Consolidated Edison,
Inc. (Feb. 24, 2005) (concurring that a proposal requesting the termination of certain supervisors could be excluded as it related to “the termination, hiring, or promotion of employees”); ConocoPhillips (Feb. 2, 2005) (concurring with the exclusion of a proposal to eliminate pension plan offsets as ordinary business operations relating to employee benefits); and International Business Machines Corp. (Jan. 2, 2001) (concurring with the exclusion of a proposal requesting cost of living allowances to the company’s retiree pensions as ordinary business operations relating to employee benefits).

In United Technologies (Feb. 19, 1993), the Staff stated the following:

As a general rule the staff views proposals directed at a company’s employment policies and practices with respect to its non-executive workforce to be uniquely matters relating to the conduct of the company’s ordinary business operations. Examples of the categories of proposals that have been deemed to be excludable on this basis are: employee health benefits, general compensation issues not focused on senior executives, management of the workplace, employee supervision, labor-management relations, employee hiring and firing, conditions of the employment and employee training and motivation.

Similar to the proposals described above in which the Staff concurred that the proposals could be excluded from proxy materials, the Proposal, which requests the board of directors (the “Board”) of the Company to analyze and produce a report on the feasibility of adopting, as a standard policy, the paid sick leave policy adopted by the Company for part-time workers as a result of the COVID-19 pandemic, unequivocally focuses on the Company’s policies relating to employee benefits and, more generally, the way the Company manages its workforce. Accordingly, the Proposal asks stockholders to vote on a matter relating to ordinary business matters—an outcome that the Staff has consistently not supported as within the scope of a matter proper for stockholder consideration. In accordance with the 1983 Release, because the Proposal requests a report, the relevant inquiry is whether the subject matter of the report involves a matter of the Company’s ordinary business. See 1983 Release. As discussed above, employee compensation and benefit matters, including paid sick leave policies, are inextricably linked and fundamental to the way the Company manages its workforce and therefore involve a matter of the Company’s ordinary business.

For the reasons set forth above, we respectfully request that the Staff concur in our view that the Proposal may be excluded under Rule 14a-8(i)(7) as it implicates the Company’s ordinary business operations.

The Commission indicated in the 1998 Release that proposals that relate to ordinary business matters, but that focus on "sufficiently significant social policy issues . . . generally would not be considered to be excludable [under Rule 14a-8(i)(7)] because the proposals would transcend the day-to-day business matters." In the supporting statement to the Proposal, the Proponent seems to suggest that the Proposal relates to a "significant social policy issue"—it states that "[s]ubstantial media attention has focused on U.S. workers' lack of access to [paid sick leave], especially in sectors with significant public contact such as retail." However, the Staff has not previously recognized paid sick leave as a significant policy issue and in a number of employment-related proposals, which are substantially similar to this Proposal, the Staff has consistently found that such proposals are excludable as relating to ordinary business matters, and therefore not "transcend[ing] the day-to-day business matters" of the company. See CVS Health Corp. (Mar. 1, 2017) (concurring in the exclusion of a proposal to adopt and publish principles for minimum wage reform, "noting that the proposal relates to general compensation matters, and does not otherwise transcend day-to-day business matters); ConocoPhillips, supra (concurring with the exclusion of a proposal to eliminate pension plan offsets as ordinary business operations relating to employee benefits); and International Business Machines Corp., supra (concurring with the exclusion of a proposal requesting cost of living allowances to the company's retiree pensions as ordinary business operations relating to employee benefits). In each of these proposals, the Staff determined that a proposal seeking a change in the companies' employee compensation and benefit practices that did not transcend the company's ordinary business operations was excludable under Rule 14a-8(i)(7) because the relationship between the employee and the company was part of the day-to-day operations of the company.

The Company considers the training, development, compensation and overall treatment of all of its employees, who the Company refers to as colleagues, as key obligations of management and focuses of Board oversight. More specifically, the Company believes that supporting its colleagues during times of illness or medical uncertainty is an important part of management's obligation. The Company believes that management has considered the needs of colleagues and best practices in determining its paid sick leave policy. The extension of the paid sick leave policy in March 2020 to part-time colleagues was an important response to the COVID-19 pandemic crisis that management announced as part of a number of new and expanded benefits implemented to support its colleagues as served the Company's customers. The Company believes the decisions related to benefit programs and the modifications to those programs fall squarely within the responsibility of management, led by its Chief Human Resources Officer and her team. These are considerations that are wholly within that scope of the day-to-day business of the Company. The past year, with the intensifying impact of the COVID-19 pandemic, reinforced for the Company how decisions related to health, safety and benefits provided to employees are part of the day-to-day, if not
minute-to-minute, managing of an organization. This Proposal clearly relates to the Company's ordinary business operations and covers matters that are within the scope of management responsibility, specifically the Company's management of its workforce, and does not “transcend the day-to-day business matters” of the Company. Therefore, we respectfully request that the Staff concur in our view that the Proposal is excludable under Rule 14a-8(i)(7).

C. The Proposal Is Excludable Because It Attempts to Micromanage the Company's Business.

The Proposal is excludable as relating to the Company’s ordinary business operations because it attempts to micromanage the Company’s business. The Proposal's intrusion into the Company's employment compensation and benefits policies is an inappropriate attempt to micro-manage the Company because decisions involving employment policies implicate a wide variety of different types of considerations and involve “matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” See 1998 Release. The Company is the nation's premier health innovation company, employing approximately 300,000 individuals (including approximately 87,000 part-time workers) and operating in all 50 states. The relationship between the Company and its employees in multiple and varied jurisdictions constitutes a critical component of its day-to-day management. Decisions concerning employee relations and compensation and benefits matters are multi-faceted, complex and based on a range of factors, and all the subject of different state laws. These are fundamental business matters for the Company's management and require an understanding of the business implications that could result from changes made to workforce policies, specifically as relevant here compensation and benefit policies. The Commission identified that a proposal could “probe too deeply” where “the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” See 1998 Release. The Staff recently reiterated its view and application of this standard of assessing whether a proposal micro-manages in Staff Legal Bulletin No. 14.J (Oct. 23, 2018) ("SLB No. 14.J"). The complexity of the type of assessment the Proposal request is simply beyond the knowledge and expertise of the stockholders of the Company and therefore seeks to micro-manage the Company. Moreover, although the Proposal is framed as a request for a report, the Proposal could be viewed as a request of the Board to adopt the Company's previously announced paid sick policy for part-time workers, which determination clearly involves “matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”

Accordingly, it is clear that the Proposal involves the Company's day-to-day business operations and we respectfully request that the Staff concur in our view that it is therefore excludable under Rule 14a-8(i)(7).
CONCLUSION

For the reasons discussed above, the Company respectfully requests the Staff's concurrence with its decision to omit the Proposal from the 2021 Proxy Materials and further requests the confirmation that the Staff will not recommend any enforcement action in connection with such omission.

In the event the Staff disagrees with any conclusion expressed herein, or should any information in support or explanation of the Company's position be required, we would appreciate an opportunity to confer with the Staff before issuance of its response. If the Staff has any questions regarding this request or requires additional information, please contact the undersigned at (401) 770-5409 or Thomas.Moffatt@CVSHealth.com.

We appreciate your attention to this request.

Respectfully yours,

Thomas S. Moffatt
Vice President, Assistant Secretary and Assistant General Counsel

cc: Jonas Kron, Chief Advocacy Officer, Trillium Asset Management, LLC
    Colleen M. McIntosh, Senior Vice President, Chief Governance Officer, Corporate Secretary and Assistant General Counsel, CVS Health Corporation
    Doreen E. Lilienfeld, Shearman & Sterling LLP
    Lona Nallengara, Shearman & Sterling LLP
November 23, 2020

CVS Health Corporation
Attention: Secretary
One CVS Drive
Woonsocket, RI
02895

Dear Corporate Secretary:

Trillium Asset Management LLC ("Trillium") is an investment firm based in Boston specializing in socially responsible asset management. We currently manage approximately $3.5 billion for institutional and individual clients.

As requested and authorized by Persephone LLC and the Trillium ESG Global Equity Fund, Trillium Asset Management, as our clients' investment advisor, hereby submits the enclosed shareholder proposal with CVS Health Corporation, for inclusion in the 2021 proxy statement and in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). Per Rule 14a-8, Persephone LLC and the Trillium ESG Global Equity Fund each hold more than $2,000 of the company's common stock, acquired more than one year prior to today's date and held continuously for that time. As evidenced in the attached letters, Persephone LLC and the Trillium ESG Global Equity Fund will remain invested in this position continuously through the date of the 2021 annual meeting. We will forward verification on Persephone LLC's and the Trillium ESG Global Equity Fund's behalf of the positions separately. Persephone LLC and the Trillium ESG Global Equity Fund will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

Please direct any communications to me at (503) 894-7551, or via email at jkron@trilliuminvest.com.

We would appreciate receiving a confirmation of receipt of this letter via email.

Sincerely,

Jonas Kron
Chief Advocacy Officer
Trillium Asset Management, LLC

Enclosures
Dear Mr. Kron:

I hereby request Trillium Asset Management, LLC to file a shareholder proposal on behalf Persephone LLC at CVS Health Corporation on the subject of paid sick leave. Persephone LLC is the beneficial owner of more than $2,000 of Company common stock that Persephone LLC has continuously held for more than one year. Persephone LLC intends to hold the aforementioned shares of stock continuously through the date of the Company's annual meeting in 2021.

Persephone LLC specifically gives Trillium Asset Management, LLC authority to deal, on our behalf, with any and all aspects of this specific shareholder proposal. This authorization will terminate upon the conclusion of the Company’s 2021 annual meeting. Persephone LLC intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. Persephone LLC understands that its name may appear on the Company’s proxy statement as the filer of the aforementioned shareholder proposal.

Sincerely,

[Signature]
Wendy van den Heuvel
Manager, Persephone LLC

11/11/2020
Date
Dear Mr. Kron:

I hereby request Trillium Asset Management, LLC file a shareholder proposal on behalf of the Trillium ESG Global Equity Fund at CVS Health Corporation on the subject of paid sick leave.

The Trillium ESG Global Equity Fund is the beneficial owner of more than $2,000 of CVS Health Corporation common stock that it has held continuously for more than one year. The Trillium ESG Global Equity Fund intends to hold the aforementioned shares of stock continuously through the date of the company's 2021 Annual Meeting.

The Trillium ESG Global Equity Fund specifically gives Trillium Asset Management, LLC full authority to deal on its behalf, with any and all aspects of the aforementioned shareholder proposal. This authorization will terminate upon the conclusion of the company's 2021 Annual Meeting. The Trillium ESG Global Equity Fund intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. The Trillium ESG Global Equity Fund understands that its name may appear on the corporation's proxy statement as the filer of the aforementioned proposal.

Sincerely,

Michelle McDonough
Chief Operating Officer
Trillium Asset Management, LLC, Investment Advisor to the Trillium ESG Global Equity Fund

November 20, 2020
Date
RESOLVED, that shareholders of CVS Health ask the board to analyze and report on the feasibility of including the paid sick leave policy adopted in response to COVID-19 and made effective on March 22, 2020 as a standard employee benefit not limited to the duration of the pandemic.

SUPPORTING STATEMENT

The COVID-19 pandemic and the economic crisis it precipitated have drawn the attention of the public and policy makers to the importance of paid sick leave (PSL) for workers and public health. Substantial media attention has focused on U.S. workers’ lack of access to PSL, especially in sectors with significant public contact such as retail. Workers without PSL risk being fired if they do not come into work despite illness, and some workers cannot afford to miss work and forego wages. PSL allows sick workers to stay home, preventing them from infecting co-workers and those with whom they would come into contact on the job. Studies show that PSL mandates adopted in the U.S. since 2007 have reduced the rate at which employees report to work ill in low-wage industries where employers don’t tend to provide PSL and have lowered disease and overall absence rates.

PSL also contributes to public health by allowing workers who have been exposed to the virus that causes COVID-19 to quarantine, preventing further exposure. According to public health experts, PSL is cost-effective compared to the costs associated with disease spread. Some policy makers argue that PSL helps to counter the negative economic impact of the pandemic, especially for women and non-white workers, who are bearing the brunt of job loss, and that a sustainable economy depends on prioritizing safety. Finally, PSL benefits companies as well as workers, the public and the economy. Companies report that bolstering PSL improves morale and boosts productivity.

Policy makers are debating PSL at the federal, state and local levels. In response to the pandemic, the Families First Coronavirus Response Act (FFCRA) required that certain employers provide paid time off for workers ill with COVID-19 or quarantined due to exposure to the virus. That law was set to expire at the end of 2020, and the House-passed HEROES Act would fill some of the FFCRA’s significant gaps and extend its PSL requirement through 2021. State and local governments, including California, San Francisco, and Philadelphia have also acted to mandate PSL for workers not covered by the FFCRA. Even before the pandemic, bills had been introduced in Congress to require employers to provide PSL, and eight states plus the District of Columbia had established PSL social insurance systems.

In March more than 1,700 CVS employees signed a petition demanding paid sick leave, masks and basic protective equipment. CVS has adopted a temporary benefit that provides employees with a meager 24 hours of paid sick leave during the COVID-19 pandemic.

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