



A photograph of two women in green Quest Diagnostics t-shirts cheering at a race. The woman on the left is wearing sunglasses and has her fist raised. Both are holding water bottles. The background shows a crowd of people at a race.

# Health In Your Hands

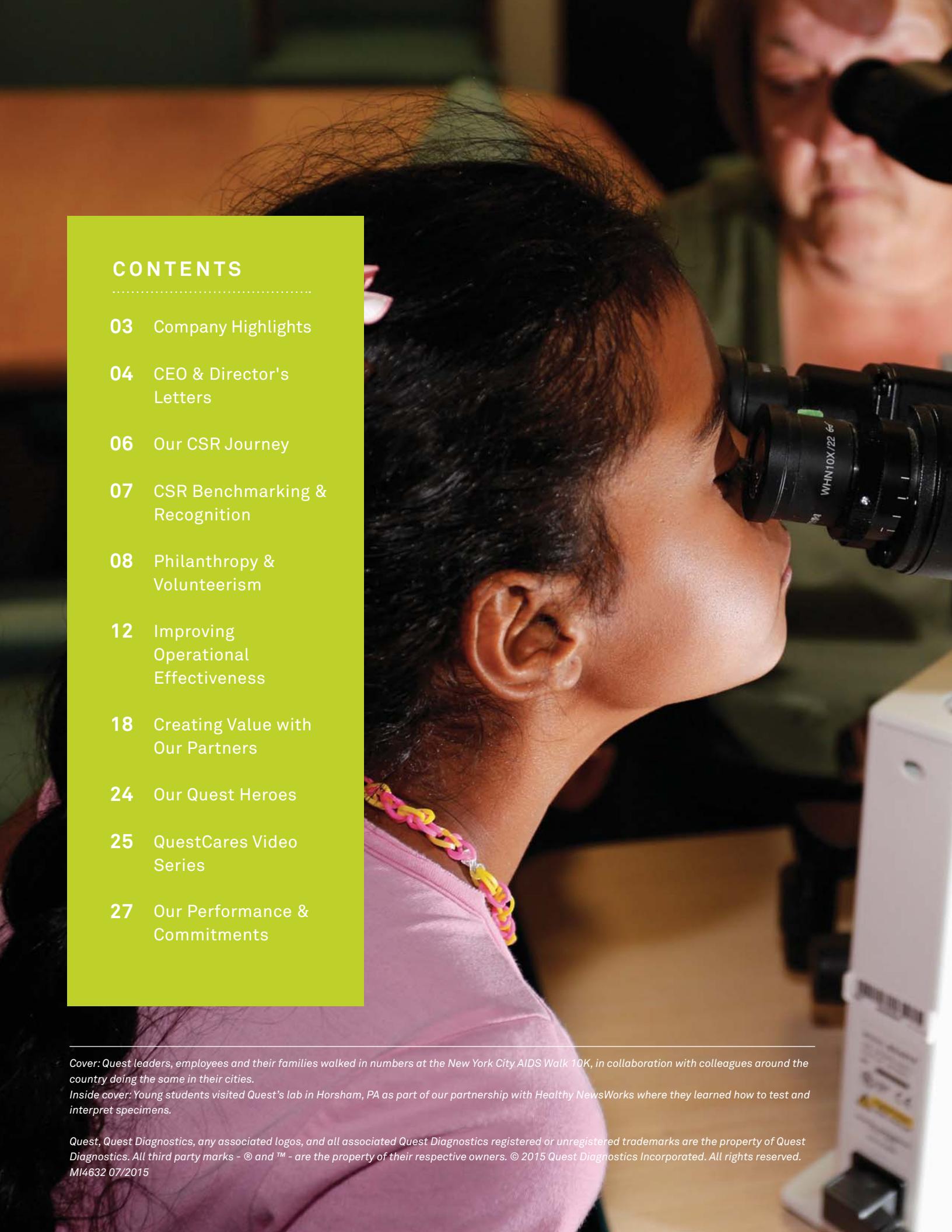
CORPORATE RESPONSIBILITY REPORT 2014



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*Cover: Quest leaders, employees and their families walked in numbers at the New York City AIDS Walk 10K, in collaboration with colleagues around the country doing the same in their cities.*

*Inside cover: Young students visited Quest's lab in Horsham, PA as part of our partnership with Healthy NewsWorks where they learned how to test and interpret specimens.*

# Company Highlights

## REVENUES

Quest Diagnostics is the world's leading provider of diagnostic information services and is the leader in:



Cancer Diagnostics



Gene-Based and  
Esoteric Testing



Drugs of Abuse Testing

↑ 4% to \$7.4 billion  
in 2014 revenues

**\$2.5 billion**  
Gene-based, esoteric  
and anatomic pathology  
testing revenues

## PATIENT CARE



**156 M**  
Patient Encounters

**530,000**  
patient specimens  
tested each day

**90%**  
of results submitted  
electronically

## PEOPLE



**45,000**  
Employees

**31,000**  
participated in  
Wellness Screenings

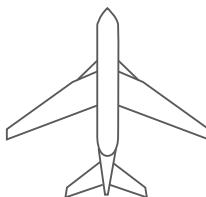
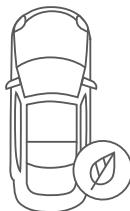
**30,000**  
lab and patient service  
professionals

## OPERATIONS

**300,000**  
miles driven daily



**80,000**  
stops each day



**57 cities**  
served by Quest Air

**3,000**  
couriers

**657**  
hybrid vehicles

**26**  
Quest Air aircraft

**\$4.3 million**  
cash

**\$76.6 million**  
in-kind

**28,000**  
volunteers



## "We work to inspire action, illuminate answers, and advocate better health."

STEVE RUSCKOWSKI  
President and CEO

Over the last several years, our company has embarked on an exciting journey. We launched our new vision—Empowering Better Health with Diagnostic Insights—to help people understand the impact that we make, and how Quest contributes to propelling health forward.

Since then, we've made tremendous progress bringing our vision to life while strengthening our business. In 2014, we increased total shareholder return by 28 percent. We reported organic revenue growth for the first time in several years. We once again were named a "Most Admired Company" by *Fortune*.

We opened our 'lab of the future' in Marlborough, MA, and collaborated with partners like the Centers for Disease Control and Prevention (CDC) and Memorial Sloan Kettering (MSK) to solve major health problems. We also launched the multi-national BRCA Share breast cancer data initiative, and published our Health Trends and Drug Testing Index reports as a public service.

Most recently, we proudly launched a refreshed corporate brand based on our core idea of *Action from Insight*: From data comes insight, and from insight comes action—action that transforms lives. As we serve doctors, hospitals and millions of patients each year who rely on us for our care and expertise, we work to inspire action, illuminate answers, and advocate better health.

I joined Quest in 2012 because I knew this was a high-quality company that makes a real difference in the communities we serve. Holding ourselves accountable to do the right thing and to make a positive difference in the world is an integral part of what high-quality companies do. Our senior management team and 45,000 colleagues agree, and what you can see in these pages is not only our progress report as we take this journey, but also our passionate commitment to put *Health in Your Hands*.

When it comes to health—for our business, our people, our communities and our planet—we know our actions can have tremendous impact. I look forward to joining you in making those actions count.



**“In CSR, like our company overall, we’ve come a long way in a few short years.”**

**BARB SHORT**

Director, Global Inclusion and Corporate Social Responsibility

President, Quest Diagnostics Foundation

Leading social responsibility at any healthcare company is a humbling role. It's even more humbling when you have colleagues like mine—a leadership team with an unwavering belief that we're here to make a difference in the world while we strive for business excellence, and 45,000 peers who wake up every morning, or head to work each night, truly honoring each life that counts on them.

Add to this the fact that more than 60 percent of my colleagues at Quest volunteer in our communities (for those keeping track, that's actually *double* various established best-practice benchmarks for volunteer engagement). While Steve says that responsible citizenship is simply what high-quality companies *do*, this report shows us that it happens because of who we *are*.

Yes, there are numbers. In 2014, 31,000 of our employees participated in wellness screenings and 28,000 volunteered their time. Women, who comprise 71 percent of our workforce and 58 percent of our exempt workforce, represent over 41 percent of our leadership. And we're continuously improving our operational effectiveness and aspiring to be a healthy, green, inclusive and high-performing culture.

In 2013, we set our CSR priorities in alignment with our new business vision. In 2014, we sought input and tested pilots internally and externally. We set the health literacy purpose of our CSR platform in alignment with our new brand, and defined three core strategies for activation. You'll see the details of our CSR strategy as an extension of our business vision outlined on page six. We also put a strong focus on performance improvement and reporting. You'll see our progress on page seven. The three core sections of this report reflect how we're activating, through: 1) Philanthropy and Volunteerism, 2) Operational Effectiveness, and 3) Creating Value with Our Partners.

In CSR, like our company overall, we've been through a lot of change and we've come a long way in a few short years. And we now have a solid foundation to build on. Looking ahead, we'll honor and invest in what's special about our people and team with key partners in community health-literacy initiatives. We'll continue to focus and strengthen and use tools like the GRI Sustainability Reporting Guidelines and the Dow Jones Sustainability Index to understand where we are and set targets for improvement.

And we'll continue this journey with the humble recognition that it's this unique blend—the compassionate hearts and action-driven spirit of our people at all levels, combined with our growing business capabilities—that will allow us, in better and better ways, to do more good, and to put *Health in Your Hands*.

We thank all of our stakeholders for their leadership, inspiration and partnership as we aspire to do just that.

A handwritten signature in black ink, appearing to read "Barb Short".

# Our CSR Journey

## OUR PURPOSE ALIGNMENT



*Vision*  
Empowering  
Better Health with  
Diagnostic Insights



*Brand*  
Action from Insight



*CSR Platform*  
**Health in Your Hands**

## Health in Your Hands

*Health in Your Hands* builds on what we do best at Quest Diagnostics—transforming knowledge from diagnostic insights—to empower our employees, patients and communities to join us in a shared vision for a healthier and smarter future.



## OUR CSR PRIORITIES

### Address

public health challenges,  
closing disparities where  
we can

### Empower

communities and  
families to be strong  
and well

### Build

inclusive cultures and  
educated leaders for  
innovation and growth

### Protect

our earth and its  
resources

## OUR CSR APPROACH



### Philanthropy & Volunteerism

- Corporate Giving
- Community Health Outreach
- Matching Gifts



### Improving Operational Effectiveness

- Environment
- Social
- Governance



### Creating Value with Our Partners

- Assets / Expertise
- Advocacy
- Health Informatics

# CSR Benchmarking & Recognition

As we work to continuously improve performance, and as standards become more rigorous and relevant, we use key benchmarking tools to guide us on our path. In some cases, that earns us recognition and top rankings.



**ROBECOSAM**  
Sustainability Award  
Bronze Class 2015

RobecoSAM's Corporate Sustainability Assessment looks at factors that impact a company's core business value drivers—like the ability to innovate, attract and retain talent, or increase resource efficiency—because they impact a company's competitive position and long-term financial performance. We're proud to have earned Bronze Class distinction in 2014, scoring within 5% to 10% of the Industry Leader score.



**BC  
CCC**

**CATALYST**

We participate annually in CECP's Giving in Numbers, and benchmark against its Fortune 500 coalition findings. The thought leadership, trends analysis and expertise afforded by CECP, Boston College Center for Corporate Citizenship, and Catalyst are instrumental as we set CSR strategy, framework and improvement targets.

**FORTUNE**  
WORLD'S MOST  
ADMIRE COMPANY  
2014

When it comes to our reputation as a business, we're ranked fifth in Healthcare: Pharmacy and Other Services on Fortune's Most Admired, including fourth in social responsibility, one of the nine core measures of strength for this distinction.

**HUMAN  
RIGHTS  
CAMPAIGN**

As we launched our new Employee Business Network initiative, including reinvigorating our Pride Network, we noted that our score on the HRC CEI—the national benchmark on corporate policies and practices pertinent to lesbian, gay, bisexual and transgender employees—had weakened over the years. We used this tool to assess our work, make important changes, and raise our score from a failing grade to an A-.



**Dow Jones  
Sustainability Indexes**  
Member 2012/13



We've earned 10 years on the North America Dow Jones Sustainability Index (DJSI) and 11 on the World DJSI, which rank companies for corporate sustainability according to economic, environmental and social criteria. We're also included in the FTSE4Good Index Series which has, since 2001, measured the performance of companies demonstrating strong environmental, social and governance practices.

**CDP**  
DRIVING SUSTAINABLE ECONOMIES



We use the Carbon Disclosure Project (CDP) to assess our performance and to set targets for improvement. Since 2000, CDP has provided an evaluation tool for institutional investors and other stakeholders tracking efforts to mitigate climate change and respond to changing market demands. We've earned our place on the annual Newsweek Green Rankings for four consecutive years, placing 112th on the 2014 U.S. list. This overall Green Score measures performance in environmental impact, green policies, and reputation.

**"How we behave in the world is as important as what we deliver to it. A demonstrated commitment to positive social impact is not only the right thing to do; it's the right thing to do in our commitment to business excellence."**

**MARK GUINAN**, Senior Vice President and Chief Financial Officer





SECTION 1

# Philanthropy & Volunteerism

We've learned what a big difference we can make by putting health knowledge in the hands of the people we serve. We seek out ways to connect with our communities, and to do our part to put health in their hands.

## Talking Testing in the Fight Against AIDS

When you're living with HIV, knowledge and action can mean the difference between a long and healthy life and a life cut tragically short. So we're committed to making sure that those in the US who have the virus know it and are empowered to do something about it.

In 2014, we elevated that commitment and became, for the first time, a sponsor and partner of AIDS Walks in New York, San Francisco, Los Angeles, Boston and Miami, as well as of

Pride Marches in New York, St. Louis, Denver and Kansas City. Our employees and their families and friends—including more than 200 at AIDS Walk San Francisco—raised awareness about risks and prevention and raised funds for our partners. Our ambassadors manned tents, handed out information and discussed Quest's role as a healthcare partner, and our executives shared the podium with public health and community leaders in our collective commitment to an AIDS-free generation. We continue this commitment in 2015, as our people work to educate and advocate, and as our business works on testing solutions that transform outcomes.



“We show up in our communities, building health literacy and joining in the fight against cancer, hepatitis and AIDS. When we focus on the social problems our business can uniquely help solve, find the right partners, and support employee community leadership, our potential for impact expands.”



MIKE PREVOZNIK  
SVP and General Counsel

Our Pride Employee Business Network was a key partner in our community activation. In recognition of our commitments and leadership in 2014, we were named a “Top Corporate Ally for Diversity” by *Difference Matters Magazine* and received the Community Spirit Award from the Imperial Court of New York, for our dedication to fostering inclusive communities.



Visit [QuestDiagnostics.com/CSRvideos](http://QuestDiagnostics.com/CSRvideos) to view  
“QuestCares in Action: AIDS Walks & Pride March”

## Fighting Cancer with National and Local Partners

Diagnostic insights, and the timing of them, can change our outcomes when we’re facing cancer. But there’s still so much we need to learn about cancer, and there are still too many people who remain unaware of their ability to detect their risks early. Over the years, we’ve supported research and patient advocacy in the fight against cancer, with millions of dollars of corporate and employee giving and fundraising.

Each year, around the country, we rally in support of the American Cancer Society through Relay for Life and Making Strides Against Breast Cancer awareness and fundraising events. We’re also proud of our work with the American Cancer Society as its laboratory partner enrolling 300,000 Americans

over a six-year period in their ambitious and unprecedented Cancer Prevention Study–3 (CPS–3). ACS is now following participants for 20 years to more precisely study lifestyle, environmental and genetic factors that influence cancer risk to inform the fight against cancer for future generations.

Recently, in Tampa and Miami, we also joined the more than 3,800 riders and runners of the Miami Dolphins' Cycling Challenge (DCC), a two-day, tri-county cycling and running event that donates 100% of rider-raised funds to ground-breaking cancer research at the University of Miami Sylvester Comprehensive Cancer Center. Since its inaugural event in 2010, DCC riders have raised nearly \$7 million, all dedicated to raising the recovery rates of all cancers and improving the lives of cancer patients and their families.

Visit [QuestDiagnostics.com/CSRvideos](http://QuestDiagnostics.com/CSRvideos) to view "Making Strides Against Breast Cancer with ACS and FORCE" and "Quest Supports Dolphins Cycling Challenge 2015"

## Getting an Early Start on Health Literacy

Today's students trust their peers. So we partnered with the Philadelphia area's Healthy NewsWorks, an organization founded more than a decade ago by a second grade teacher and former *Philadelphia Inquirer* health reporter Marian Uhlman.

"The vehicles that bring specimens to the Quest lab in Horsham go a lot of places. In fact, as a team, they drive about 12,000 miles a day. That's like five round trips to Disney World."

**HEALTHY NEWSWORKS STUDENT REPORTER,**  
Gotwals Elementary School

After putting on goggles, gloves and lab coats, third and fourth graders met medical and other professionals, and learned firsthand how

Healthy NewsWorks partners with elementary and middle schools to teach children health literacy while also developing their leadership, critical thinking and communications skills through journalism.

As part of our partnership with Healthy NewsWorks, our lab experts visited local schools to participate in 'media interviews' and 'press conferences' with the young health reporters, and we hosted student journalists at our lab in Horsham.

specimens are collected, transported, tested and interpreted. They also learned how the results they yield give your doctor insights to help you stay well, or, if you're sick, get better.

Fifteen schools in Philadelphia, Norristown, and Upper Darby participated in the program. Some 300 students served as health reporters, producing 43 health-focused newspapers for their schools, distributed to 6,500 students as well as two additional community papers. Program evaluations since 2007 have consistently found that students who participate in the program become more health-conscious, develop writing and research skills, and gain confidence and pride. In addition to Quest, Healthy NewsWorks is also supported by Philadelphia Eagles Youth Partnership, Einstein Healthcare Network, Children's Hospital of Philadelphia, Roxborough Memorial Hospital, Independence Blue Cross, University of Pennsylvania, and Drexel University School of Public Health, among others. We've further strengthened our partnership with Healthy NewsWorks in 2015 through the local leadership of our QuestCares volunteer network.

We're also piloting with Junior Achievement of New Jersey in support of JA Biztown, a virtual city students "visit" to experience real-world application of financial literacy skills learned in the classroom. Because health and healthcare literacy are integral to financial literacy, students at JA Biztown will learn about health and how healthcare works, and have the opportunity to role play careers like CEO, medical director, and lab technician. JA currently reaches 4.5 million students across the country, and JANJ BizTown expects to reach 3,000 children in 2015, 6,000 in 2016, and is targeting 10,000 students reached for 2017.

Visit [QuestDiagnostics.com/CSRvideos](http://QuestDiagnostics.com/CSRvideos) to view "QuestCares Philadelphia: Getting an Early Start on Health Literacy"



"Quest Diagnostics has been a critical partner for Junior Achievement in introducing young people to the opportunities available in business and health sciences. Quest's dedicated support through financial resources and volunteer mentors is having a profound impact on the thousands of students our two organizations are reaching together."

**JACK KOSAKOWSKI,**  
President and CEO,  
Junior Achievement  
USA



“When we take our knowledge into our communities, we’re helping others become leaders—of their health and of their lives. In the process, though, we learn too. We become healthier individuals and better leaders ourselves.”



EVERETT  
CUNNINGHAM  
SVP, Commercial

A close-up photograph of a surgeon's face. The surgeon is wearing a blue surgical cap, a white surgical mask, and black-rimmed glasses. They are holding a long, thin surgical instrument, likely a scalpel, in their right hand, which is gloved in a light-colored glove. The background is blurred, showing other medical equipment and a sterile environment.

SECTION 2

Improving  
**Operational**  
Effectiveness

Our job is to get diagnostic insights into the hands of the people we serve—in the fastest, most efficient and most sustainable ways possible. This job keeps us on a continuous journey of learning and improvement. It starts with a keen focus on how we govern ourselves, ensure compliance, manage risk, and handle our customer and supply chain relationships, and extends to how we create an inclusive and high-performance workplace, invest in our people's optimal wellbeing and performance, and create a green culture.

## Improving Process and Empowering Performance

We are a global company, building a global base of best practices. So while we learn about and respond to every community at the local level, we also must identify, share and operate everywhere with the efficiencies and insights that reflect business discipline. How do we build our capabilities to do so? Our new Quest Management System (QMS), divided into seven practices.

- **QMS Management Approach and Governance**—the framework for the entire Quest Management System including strategic priorities, multi-year initiatives and critical feedback loops that enable corrective action.
- **Hoshin Planning and Breakthrough Management**—a disciplined process that keeps us focused on the breakthrough objectives—and the actions to achieve them—that will give us a competitive advantage.
- **Developing Customer Insights and Solutions**—this is how we listen to our current and potential customers and develop solutions to the specific community challenges and needs that our deep listening uncovers.
- **Process Management**—the host of activities and checkpoints that ensure our processes are stable and deliver the high performance we expect.
- **Continuous Improvement**—everything from the day-to-day grassroots advances in our own work in each department to large-scale, multi-regional projects that reduce waste and improve overall operational efficiency.

- **Project Management**—our own systematic approach entailing five well-defined steps: initiation, planning, execution, monitoring, and closure of the project.
- **Change Management**—using the Kotter model to support change excellence by creating a climate for change, involving all employees in the process and supporting the implementation and sustainment of change initiatives.

To support our leaders through this change, we've implemented:

- **LeadingQuest**—defined leadership capabilities and an investment in our team to develop and measure living up to them.



**"The QMS approach will allow us to make better decisions, use our resources more effectively and evolve quickly, as a company and as leaders, to serve customers better."**

**REBECCA WANG,**  
Executive Director,  
Business Process  
Excellence, Total  
Quality Management



“Our ‘lab of the future’ will set a new standard in diagnostic information services—not just for our company, but for our industry. It reflects a unique model for delivering innovative health services of the highest possible quality and value in order to create a healthier world.”



JANET PISCITELLI  
MD, VP and Chief  
Laboratory Officer

## Redefining Diagnostic Excellence with New England ‘Lab of the Future’

As we create new kinds of partnerships across healthcare, it makes sense to reimagine traditional lab spaces in ways that foster more collaboration and connections. That’s why we’re redefining diagnostics excellence with our new, gleaming 200,000-square-foot high-tech laboratory in Marlborough, Massachusetts, supporting over 200 patient service centers. This “lab of the future” offers an expanded, advanced testing menu for thousands of tests and end-to-end automation to improve specimen tracking, speed and quality of testing.

The new LEED-certified lab employs 1,350 top healthcare professionals and provides access to medical and scientific laboratory expertise for test selection, utilization, and results interpretation. Deepening our relationship with UMass Memorial Health Care, the lab brings together Quest experts and renowned physicians and medical faculty from UMass Memorial Medical Group and the University of Massachusetts Medical School to provide scientific leadership for several facets of laboratory testing, such as counseling the region’s physicians in the selection and interpretation

of clinical laboratory tests, and assisting with residency programs onsite for the University’s medical students.

The benefits of the lab will extend far beyond New England. Advanced research and development facilities allow us to extend our Esoteric capabilities in areas such as next-generation gene sequencing and reproductive genetics. Additional capabilities will include bioinformatics and population-health analytics to mine the company’s national testing data to uncover insights into gaps in medical care that could save lives around the world.

## Continuing our Safety Risk Reduction Trend

Workplace safety is a critical business objective. That’s why we train for safety, constantly assess and refine our safety procedures and select the best-rated equipment.

Safety training starts upon hire and is conducted annually thereafter. Employees are taught to listen to their bodies, ensuring that we engage in early intervention and prevent discomfort or pain from becoming an injury. We teach proper lifting

*Our new, high-tech laboratory in Marlborough, Massachusetts, where we uncover insights better than ever before.*

techniques and encourage employees to connect with a supervisor if they feel their workstation is in need of adjustment. We also train employees to be aware of their immediate surroundings to reduce the risk of falls.

What's more, each employee is required to adopt practices that enhance their own health and safety and that of their colleagues—and that help safeguard the environment. This is just one more reason our culture is all about connecting to each other and to our greater surroundings.

Finally, vehicles chosen by the Insurance Institute for Highway Safety (IIHS) as Top Safety Picks keep our employees safe on the road.

Our safety approaches have helped us reduce our serious (OSHA Recordable) injury rate by 38 percent since 2003. In 2014, we had 706 occupational injuries translating to 1.84 per 100 full-time employees with lost workday cases of 0.41 per full-time employee. Actual lost workdays were 14.55 per 100 full-time employees (this includes days of restricted work activity).

## Managing our Supply Chain for Better Diagnostic Solutions

Quest Diagnostics is committed to diversity among our suppliers and to finding the best possible products and services for our patients. Working with small, diverse suppliers supports our business objectives, and our competitive bid process enables all suppliers from the small, minority, and woman-owned suppliers to majority suppliers to compete for our business.

**"What's most important to us is that our suppliers are as passionate and quality-conscious about their products as we are about ours."**

**TOM PLUNGIS,**  
Executive Director,  
Supply Chain  
Management

We've implemented business processes for assessing supplier performance, manage our suppliers by portfolio with dedicated resources, and initiate lean and other initiatives to build capacity and performance. We choose suppliers who live for great customer service and offer products and services that are industry leading, high quality and competitively priced.

Last year our Procurement team started a Supplier Business Engagement Model, a systematic approach to selecting, managing and recognizing best-in-class suppliers. It includes Supplier Awards; a Supplier Performance and Information Module, with the opportunity to share corporate responsibility details; and a Supplier Summit series that invites potential strategic or collaborative partners to meet with a cross section of Quest stakeholders and showcase their technology for particular disease states, testing methodologies and future products. With our industry dependent on continuous advances in technology, these interactive forums help us to stay ahead of the curve while remaining focused on innovation and on improving our patients' health and quality of life.

**"I was pleasantly surprised to learn of several new technologies pursued by our suppliers. That knowledge has actually informed the way we are approaching some highly important projects."**

**NIGEL CLARKE, Ph.D.,**  
Senior Science Director  
for Mass Spectrometry  
and Automation,  
Nichols Institute

## Celebrating Green Performance

On the corporate level, we continue to track our environmental performance and progress using industry benchmarks like the Carbon Disclosure Project and the Dow Jones Sustainability Index. Creating a GreenQuest culture across our company has proven to yield new innovations and measurable improvements time and time again.

The story of how one packaging change saved us \$1.9 million last year—and translated into a big jump in the amount a material we recycle—typifies our "Green Projects" approach to conserving resources and reducing our carbon footprint. Until late in 2013, we typically used Styrofoam coolers to transport specimens on our planes. But last year we began using a Quest Specimen Transport System, essentially a cardboard box with a specialty liner that allows us to ship specimens and reuse the liner or ship the liner back to the vendor so they can recycle it and provide us a refund. All told, last year we returned 63,000 liners and reused another 18,750 internally, resulting in a cost savings just shy of \$2 million.

Green Teams brainstorm projects that will better the environment and our business. At one site, we donated 75 fully functional medical specimen-processing centrifuges that we were no longer using to Project C.U.R.E., which delivers medical equipment and supplies to developing countries.

Internally, our IT team recently completed phase one of a Managed Print Services (MPS) program, upgrading and optimizing printing equipment in 40 of our largest locations and in more than 100 patient service centers and logistics hubs. The program reduced the number of printing devices by 45 percent, energy usage by 42,000 kilowatt hours of electricity, copy paper usage by 61 tons (the equivalent of 1,464 trees) and CO<sub>2</sub> emissions by 26 metric tons.

Our employees in San Juan Capistrano, California, established a vanpool, which not only helps the environment, it also provides a noticeable savings on fuel costs for every employee participant.

In addition, our Philadelphia team noticed water usage increasing and, after investigating conservation options, replaced restroom fixtures with low-flow toilets, waterless urinals, and motion-activated sink faucets, saving nearly 1.5 million gallons of water in 2014. This translates into a

savings of \$15,000. Since 2007, our facilities have reduced electricity consumption by 6 percent, water consumption by 14 percent, garbage generation by 45 percent and biohazardous waste generation by 15 percent.

Our enduring commitment to the environment is also reflected in our continued commitment to fuel-efficient vehicles. In 2014, we added 336 Ford C-Max hybrid vehicles to the fleet. Our hybrid vehicles, combined with our efforts to improve route efficiency, resulted in a ground fleet fuel reduction of 366,000 gallons in 2014, a 5.5 percent reduction. Since 2007, we have reduced our fleet fuel consumption by 27.8 percent. It's not surprising that Quest Diagnostics has earned the prestigious 4-Star Evergreen Fleet Award for four consecutive years.

## Building a Healthy and Inclusive Workforce, 156 Million Steps and Counting

Our business is about empowering the people we serve by putting health insights into their hands, so it makes sense to start with ourselves. We want to help each employee and dependent know their health, improve their health, prevent illness and injury, access care appropriately and manage their



"On a daily basis—in big ways and small—our people seek new ways to make our processes more efficient and environmentally responsible. In doing so, we often eliminate costs while also creating a greener culture and helping to protect our planet."

CLETE LEWIS  
Director, Environment,  
Health and Safety





“Good health is good business. When we are able to perform at our best, we are able to better serve our patients, build value for Quest and contribute to an inspiring workplace.”



JEFF SHUMAN  
SVP and Chief Human Resources Officer

health conditions. These are the five core areas of our award-winning HealthyQuest program, which, for the past decade, has been raising our collective health literacy and inspiring our colleagues and their families to make appropriate, healthy and lasting lifestyle choices and changes. We also know that fostering a culture of inclusion and high performance, building diverse teams and leveraging the unique talents in each of us, are key to our growth and sustainability.

More than 35,000 employees and their dependents participated in our Blueprint for Wellness® lab-based health risk assessment service, and in a new “Healthy Starts with Me” initiative for 2014, more than 1,000 Quest colleagues and their spouses completed our 10-week interactive FitQuest Vitality Challenge that makes it fun and easy to live a healthy lifestyle. Employees were rewarded with Vitality Bucks (redeemed for brand-name merchandise, products and travel) for completing exercise, preventive screenings and educational activities. Participants logged over 156 million total steps—the equivalent of walking around the earth three times—with each step being a step in the right direction for them and their families.

In addition, HealthyQuest Care Managers work with those in our workforce and families needing to better manage chronic conditions such as high blood pressure, diabetes and asthma. All of these programs encourage and assist our employees and their families confidentially and voluntarily to improve their health and quality of life.

We’re continuing our “High Performance and Work Life Wellbeing” initiative with internationally recognized work-life fit expert and *Tweak It* author Cali Yost, with additional training events and modules. We continue to build our cultural competencies and impact, with unconscious bias training and by focusing on strengthening the infrastructure and impact of our Employee Business Networks which, to date, support women, young professionals, veterans, LGBT, Hispanic, African-descent, and caregivers.

*We walked in numbers and with compassion at Making Strides Against Breast Cancer and AIDS Walks around the country. Pictured here are colleagues at the Parsippany, NJ Making Strides Walk (left) and the San Francisco AIDS Walk (above).*



**SECTION 3**

Creating Value with  
**Our Partners**

We've made our business more efficient and more sustainable, but our customers and communities are facing new challenges today, and will face more tomorrow. We're seeking the right partners and best ways of connecting our experts, data and insights to create meaningful value.

## Expanding our Partnership with the CDC to Protect Pregnant Women and Newborns from Hepatitis

Last year, our Research and Development team was called on by the U.S. Centers for Disease Control and Prevention (CDC) to develop a more effective screen for hepatitis C, a chronic blood-borne infection that was going undetected in large

numbers of "baby boomers." Swift action led to a one-time test now covered by Medicare and Medicaid that will help protect 3.2 million Americans against outcomes like liver damage, cirrhosis, liver cancer and even death.

**"The right screening and medical interventions can prevent the tragedy of lifelong hepatitis-related liver disease in children born to infected mothers. We're proud to work with the CDC to assess trends in hepatitis B screening in pregnant women in order to identify gaps in screening and treatment, because it will yield insights that will help health professionals take actions to save people's lives."**

**RICK PESANO**  
MD, PhD, VP, Research and Development and Medical Director, Infectious Diseases

Led by Rick Pesano, MD, PhD, Vice President, Research and Development and Medical Director, Infectious Diseases, the Quest team is analyzing our national testing database and identifying ways to characterize these de-identified patients by demographics and type of physician. The agreement—the first fee-based contract for hepatitis-related research awarded by the CDC to a diagnostic information services provider—will promote better outcomes for 4.4 million Americans.

## Illuminating the Best Cancer Treatment Options

The best cancer treatment options vary because individual cancers vary. This is especially true when it comes to advanced, hard-to-treat solid tumors in areas such as the colon, lungs and breasts. That's why Quest is partnering with Memorial Sloan Kettering Cancer Center (MSK), the largest and most renowned private cancer center in the world, to give hope to patients nationwide who have come to the end of standard treatment options for rare or recurring tumors.

Our new OncoVantage™ diagnostic test combines our patented technology for analyzing tumors on a molecular level with insights from the top cancer clinicians and researchers at MSK, expanding the most leading-edge of cancer treatment far beyond one hospital to millions across the nation. Our laboratory breakdown gives a comprehensive understanding of the genetic underpinnings of tumors. Experts at Memorial Sloan Kettering Cancer Center then provide a complete clinical annotation to the results. The curated insights are delivered to physicians and patients in one easy-to-understand report that gives clear guidance to clinicians and assurance to patients that they are exploring every possible avenue of care. By leveraging MSK's unique expertise, patients and doctors are able to access options that otherwise may not have been considered,

including US FDA-cleared treatment, targeted therapies associated with tumor genotype and potential clinical trials based on mutation status.

**"This relationship will empower clinicians to improve their patients' health by identifying the best therapies for patients today and by identifying specific patients who may benefit from participation in clinical trials. The needs of tomorrow's patients will be addressed by the deeper knowledge base we are building and its potential to drive the basic science needed to discover new therapies."**

**CRAIG B. THOMPSON,**  
MD, President and CEO, Memorial Sloan Kettering



"In the era of precision medicine, the one-size-fits-all approach is no longer valid. By giving physicians choice in testing, BRCAvantage Plus™ will enable physicians to personalize testing."



JON R. COHEN  
MD, Senior Vice President, Chief Medical Officer, and Group Executive—Diagnostic Solutions

For women who have hereditary gene mutations that include BRCA1 and BRCA2, their lifetime risk of developing breast and/or ovarian cancer increases exponentially. Knowing that risk gives them the power to choose surgical and treatment intervention to decrease the chances of the cancer ever occurring, while increasing the chances of early and effective treatment. This year we introduced BRCAvantage Plus™, which is the most advanced, fine-tuned testing for these hereditary cancers found anywhere. It follows on the heels of our 2013 introduction of BRCAvantage®, a suite of lab-developed tests for assessing BRCA1 and BRCA2 gene mutations, which account for 5 to 20 percent of inherited breast cancers. BRCAvantage Plus™ is the first extension of that service; it adds five new non-BRCA genes that account for a smaller but significant number of additional inherited breast cancers.

BRCAvantage Plus™ enables doctors to do highly personalized testing. Physicians can

order single gene tests as well as a comprehensive panel, depending on the specific clinical and family history, thus promoting individualized care. This specificity reduces the chance that patients get unnecessary tests or inconclusive results—and the consequent painful uncertainty. With our introduction of BRCA Share™ in 2015, in partnership with Inserm, the insights gained from this testing can now be pooled to study, better understand and improve cancer care. We're also a member of the National Colorectal Cancer Roundtable, which is committed to eliminating colorectal cancer as a public health problem, and we embrace the shared goal of an 80 percent colon cancer screening rate by 2018.



**"We seek out partners with whom we can make a difference in patients' lives with our data insights and our medical and research expertise. We know that's how we're going to find the best solutions for the toughest healthcare problems."**

**SUKU NAGENDRAN,  
M.D., Vice President,  
Medical Affairs**

Visit [QuestDiagnostics.com/CSRvideos](http://QuestDiagnostics.com/CSRvideos) to view "Joining Global Partners to Fight Breast Cancer with BRCA Share"

## An Advocate and App For Patients' Direct Access to Lab Test Results

We believe patient empowerment is key to better health, and our new app for mobile devices, MyQuest™ by Care360, makes it easier than ever for Americans nationwide to electronically access and manage their personal laboratory data.

So far, well over a million patients have used the app—and the potential is far greater, given that Quest Diagnostics provides diagnostic information services to about 30 percent of American adults each year. With MyQuest™, individuals can view copies of their lab results and receive access to other health data in real time, without waiting for a doctor. Quest Diagnostics is believed to be the first national commercial laboratory to facilitate such direct patient access through a range of free channels, which include the new patient portal and mobile health app as well as traditional modes.

To give patients direct access to their health data, we advocated for patient access to lab data and we created new technology. We advocated a change

in Federal L.C., which went into effect in 2014, that entitles patients in all 50 states and the District of Columbia to view test results from diagnostic information service providers without first being authorized by a physician.

MyQuest™ has enhanced collaboration with doctors. The portal enables patients to view provider contact lists and medication reminders, and facilitates online appointment scheduling at any of Quest's 2,200 patient service centers in the United States, all making it easier to partner with our doctors and take care of ourselves. It also allows users to share information with physicians, emergency responders and other healthcare providers. MyQuest™ is designed to help physicians using the Care360 Electronic Health Record to qualify for the Centers for Medicare and Medicaid (CMS) EHR Incentive Program, which focuses on increasing doctors' electronic engagement with patients.



**“Because most healthcare decisions are based on diagnostic insights, patients with access to lab results have a more informed dialogue with their physicians and can make better healthcare decisions. In other words, empowered patients tend to be better patients.”**

**LIDIA FONSECA**  
SVP, Chief Information Officer





## Helping America's Employers Empower Better Health with Blueprint for Wellness

We're proud to be leading the way in customizing and personalizing health data in the workplace. Our award-winning and industry-leading Blueprint for Wellness health risk-assessment tool—offered annually to our own employees and commercially to other employers—has been enhanced to allow for greater customization and population health management by employers.

Depending on risk factors particular to their industry or employee demographics, employers can now choose specialized diagnostics tests they want to add to their company's wellness screening panel such as Hemoglobin A1c to help with pre-diabetes and diabetes management, or InSure®FIT colorectal cancer screening. Also, companies can have their aggregate data sorted and analyzed by job family and geography (in addition to age, gender and location) to help them better understand trends and tailor their wellness programs to address problem areas. Employers can decide whether to have their employees go to one of our 2,200 conveniently located patient service centers or have Quest mobile examiners come directly to them.

Meanwhile, each employee receives a personalized picture of their health in an online "My Guide to Health" report that interprets their personal data to spell out risk factors, flag concerning results, give year-over-year changes and offer actionable steps to improve health in an easy-to-understand way. To illustrate the power of healthy lifestyle changes, the online report allows users to move an interactive dial to "see" the physical effects of improving or worsening their test levels as depicted by changes to an animated anatomy illustration.



"Our research shows that one in three first-time participants in workplace lab-based health risk assessments learned for the first time of their high risk for chronic disease. With heart disease, diabetes or kidney disease, knowing you're at risk is half the battle, because you have the ability to take action."

**HARVEY KAUFMAN, MD,**  
Senior Medical Director

Blueprint for Wellness is a dynamic program that changes and saves lives, and can save individuals and companies money. In a 2012 case study of Domino's employees, Blueprint for Wellness participants had lower total medical costs than nonparticipants, with an overall two-year savings of \$884 per participant.



Visit [QuestDiagnostics.com/CSRvideos](http://QuestDiagnostics.com/CSRvideos) to view a video of one employer's story of creating a culture of health and dramatically changing employees' lives.



“For a business, a healthy workforce is both a demonstrated commitment to employees and their families and a competitive advantage. We help employers reduce healthcare costs by identifying at-risk populations in their workforce and helping them create a culture of health.”



CATHY DOHERTY,  
SVP, Group Executive,  
Clinical Franchise  
Solutions

# Our Quest Heroes

At Quest, our employees are at the heart of everything we do. Our Quest Heroes are chosen for going above and beyond, both at work and in their communities. These stories show true leadership and commitment to the values we hold dear.



**Cameron**

**CREATING LASTING IMPACT**

This year, to honor the struggles faced by her daughter and a dear friend's nephew, Cameron, a Communications Specialist in North Carolina, co-founded Hands for Hearts, a research-focused charity creating positive change for children and families affected by congenital heart defects (CHDs). Her work is creating lasting change in her community and for the 40,000 U.S. children born with CHDs each year.



**Michele & William**

**ACTING SWIFTLY IN CRISIS**

Michele, a MyQuest Helpdesk Analyst in Missouri, was on a call with a patient in Houston, when she heard the woman being verbally and physically attacked. Michele sent a message to William Bennett, MyQuest Helpdesk Senior Analyst in New Jersey, who contacted the closest police department. Within minutes, police were on the scene, preventing the situation from escalating any further.



**Stephen**

**RECOVERING PATIENT SPECIMENS**

Steve, a Logistics Manager in Ohio, heard that a Quest vehicle carrying 103 patient specimens was swept away down a river. Once Steve knew the driver was receiving the appropriate medical care, Steve drove from Ohio to Kentucky and, with the help of the State Patrol, located the vehicle and safely recovered 97 of the 103 specimens.



**Ilene**

**IMPROVING STUDENT HEALTH LITERACY**

Ilene, a Black Belt of Operations in Pennsylvania, hosted a team of 14 student reporters from Cole Manor Elementary School in partnership with Healthy NewsWorks. As a result of her work, Ilene and more than a dozen QuestCares employee volunteers set up a simulated laboratory to show the third and fourth graders how blood and tissue tests help doctors make health decisions.



**William**

**SHOWING COMPASSION WHEN IT MATTERED**

Grant, a courier in Pennsylvania, was en route to a delivery when he noticed a family driving away from an ATM with a wallet sliding off the roof. Grant grabbed the wallet and followed the car to a restaurant. It turned out the family had lost their mother the night before. Grant delivered the wallet, quietly paid for dinner and left a note with the waitress with condolences for the family's loss. In a letter to Quest, Grant's beneficiary wrote, "This single act is the nicest thing anyone has ever done for me, and it was from a complete stranger."



**Benjamin**

**BRAVING WEATHER FOR ON-TIME DELIVERY**

Ben, a courier in Connecticut, upholds Quest's values every day. During a particularly bad New England storm this past winter, Ben volunteered to ensure timely delivery of patient specimens to the Quest lab for a customer who had remained open to serve patient needs despite severe weather conditions.

“Our employees are our ambassadors to the world. Through both everyday and extraordinary acts of service, they improve the lives of others and ensure our patients and their specimens get the best care possible.”

JAMES E. DAVIS, SVP, Operations



# QuestCares Video Series

The videos below show our leaders, employees and partners in action. We are proud of our people and will continue our efforts to put *Health in Your Hands* each and every day.

View these videos at [QuestDiagnostics.com/CSRVideos](http://QuestDiagnostics.com/CSRVideos)



► QuestCares Philadelphia: Getting an Early Start on Health Literacy



► QuestCares in Action: AIDS Walks & Pride March



► Making Strides Against Breast Cancer with ACS and FORCE



► Quest Supports Dolphin Cycling Challenge 2015



► Quest and JDRF: Insights for a Better Life



► Rallying Boston on World Hepatitis Day



► Leadership Panel: National Volunteer Week

# Our Performance & Commitments

Financial Performance	2014	2013
Revenues (Millions)	\$ 7,435	\$ 7,146
Operating Income (Millions)	\$ 983	\$ 1,475
Operating Income As a Percentage of Revenue	13.2%	20.6%
Income from Continuing Operations Attributable to Quest Diagnostics (Millions)	\$ 551	\$ 814
Diluted Earnings per Share	\$ 3.78	\$ 5.31
Operating Cash Flow (Millions)	\$ 938	\$ 652
Dividends per Share	\$ 1.32	\$ 1.2
Total Shareholder Return (Quest Diagnostics—December 31st)	28.06%	-6.24%
Total Shareholder Return (S&P for Comparison—December 31st)	13.69%	32.39%

CSR Performance Highlights	Results	Targets
Employee Inclusion	66%	67%
Employee Engagement	68%	69%
Employee Volunteerism	60%	58%
Medical and Service Quality*	116.4%	100%

## We're local best places to work, too.

Throughout each year and around the country, Quest sites earn local or statewide distinction as best places to work, including Atlanta, Auburn Hills MI, Cleveland, Oklahoma, Florida, Louisiana, and Texas. And some led as healthy employers, in geographies like Baltimore, Chantilly, Houston, North Texas, Philadelphia, Pittsburgh, San Antonio, Tampa and North Florida.

## Awards and Rankings

Fortune World's Most Admired Companies in Industry Group	
Barron's 500 Ranking	411
Forbes: The Global 2000 Ranking	1089
Fortune 500 Ranking	364
Difference Matters 2014: Top Corporate Allies for Diversity Award	
Imperial Court of New York 2014 Community Spirit Award	
CEO Cancer Gold Standard Accreditation	

<b>Our Communities</b>	<b>2014</b>	<b>2013</b>
Charitable Giving (Millions)	\$4.3	\$ 3.5
In-kind Giving (Patient Assistance Programs) (Millions)	\$76.6	\$ 58
<b>The Environment</b>	<b>2014</b>	<b>2013</b>
Square Footage of Facilities**	6,549,049	6,146,220
Indirect Energy Consumption (TJ)^	1,109	1,036
Direct Energy Consumption (TJ)	1,276	1,292
Scope 1 CO2 Emissions (Metric Tons)	82,554	83,828
Scope 2 CO2 Emissions (Metric Tons)***	187,770	175,501
Scope 3 CO2 Emissions (Metric Tons)	43,329	44,394
Water Consumption (Cubic Meters)	796,572	809,039
Chemical Waste (Metric Tons)	2,270	2,137
General Waste (Metric Tons)	9,839	8,094
Recyclable Waste (Metric Tons)	8,422	10,816
Bio-Hazardous Waste (Metric Tons)	8,178	7,985
<b>Our Employees</b>	<b>2014</b>	<b>2013</b>
Number of Employees	44,509	41,000
Turnover Rate***	20.1%	19.9%
Women in Workforce	71%	69%
Women in Leadership Positions****	41%	40%
Minorities in Work Force	52%	51%
Minorities in Leadership Positions****	20%	18%
Educational Reimbursements (Millions)	2.1	2.3
Participating in Wellness Screenings	65%	68.5%
Injuries per 100 FTE	1.84	1.66
Lost Days per 100 FTE	14.55	11.26
Cases of Lost Days per 100 FTE	0.41	0.36
Human Rights Campaign Corporate Equality Index	90	65

\* Medical quality (50%) and customer experience (50%) goals were developed to drive operational excellence and to position the Company for the future. Medical quality goals included measures such as lost specimens and revised reports; the service quality goals included measures such as patient waiting time, first call resolution and turn-around times.

\*\* Environmental impact metrics are based on the square footage of our larger facilities and the outcomes we can measure directly. The Scope 2 CO2 emissions include an estimate of the impact of an additional 3.5 million square feet of patient service centers.

\*\*\* In 2014, we revised our methodology for calculating turnover to align with best practice.

\*\*\*\* Leadership number reflects Director level and above.



"Holding ourselves accountable to do the right thing and making a positive difference in the world is, in my view, an integral part of what high-quality companies do."

STEVE RUSCKOWSKI, President and CEO