



We are setting goals to ensure that our efforts are action-oriented, produce measurable results, and make a positive difference in the global community.

One might say that challenging the status quo is inherent to our business. To support our commitment to improving quality of life, we continually push ourselves to do things better, smarter, and differently to identify new solutions and opportunities.

This commitment extends beyond ensuring that the food we test is safe and nutritious and that the medicines we help develop are safe and effective. As a health services company, we believe in doing our part to leave the world in which we live and work greener, stronger, safer, and healthier.

Last year, we took our first steps toward tracking our progress in corporate social responsibility. Today, we are setting goals to ensure that our efforts are action-oriented, produce measurable results, and make a positive difference in the global community.

Covance and our employees around the world are proud to have contributed to improvements in the environment, the health and safety of colleagues, the economic and health standards of countries and communities, diversity and inclusion within our own ranks, and standards in scientific research. Most important, we abide by a strong ethical code that encompasses integrity, transparency, and accountability. This code drives our business, earning the confidence of our stakeholders, and inspiring all of us to do our best to make the right decisions every day.

We invite you to follow our developments as we continue to innovate for the greater good—both as a service provider to our clients and as a citizen in our communities.



**JOE HERRING**

Chairman and Chief Executive Officer

OUR VALUES INTEGRITY CLIENT FOCUS OPERATIONAL  
AND SERVICE EXCELLENCE MAGNETIC CULTURE RETURN  
TO INVESTORS CORPORATE STEWARDSHIP





# ENVIRONMENTAL

**REDUCE. RECYCLE. RETHINK. THAT'S BECOME OUR MANTRA AS WE SEEK WAYS TO BE MORE GREEN.**

From San Diego, California, to Shanghai, China, and all points in between, Covance is steadily introducing new programs and processes to conserve energy, drive environmental sustainability, and embed eco-consciousness into our core business operations.

**HAZARDOUS WASTE REDUCTION AND DISPOSAL** The Nutritional Chemistry and Food Safety lab in Greenfield, Indiana, analyzes more than 5,400 samples a year. At one point, the lab generated nearly 7,400 pounds of hazardous waste. By separating hazardous from non-hazardous waste, the site realized a 25 percent reduction in hazardous waste in just one year.

**ENERGY CONSERVATION** Covance's United Kingdom Energy Monitoring and Communication System is leading the charge in our green efforts. With the switch off/turn off reminders, our Energy Champions at the sites, reporting and management systems, and our local carbon reduction strategy and policy, our four UK sites (Alnwick, Harrogate, Leeds, and Maidenhead) had an average 13 percent energy reduction in 2011 compared to 2010.

The rigorous energy management program was so successful that the four sites earned the prestigious Carbon Trust Standard Accreditation. Covance is one of only 600 companies in Europe recognized for dedication to reducing carbon emissions.



11,659

pounds of hazardous waste Covance Greenfield collected from local residents for disposal during the Covance-hosted 2011 Hancock County Community Household Hazardous Waste collection event

2012+

## WHAT'S NEXT?

- 1 Achieve an additional 10 percent energy savings, equivalent to 7.6 MKw, at all UK sites
- 2 Adopt a common system to measure energy savings across all Early Development sites
- 3 Complete an environmental impact project by 2015 at all operations sites

### GARDENING IN GREENFIELD

With more than 63,000 farms in the state, agriculture is big business in Indiana, and the Covance employees in Greenfield are members of that farming community. Working with 4,000 square feet of land and in four teams, 32

Covance Greenfield employees produced more than 1,500 pounds of fruits and vegetables, including cantaloupes, watermelons, squash, green beans, peppers, and cucumbers, which they donated to the Hancock County Food Pantry and the Kenneth Butler Memorial Soup Kitchen.



# EMPLOYEE HEALTH & SAFETY

**EMPLOYEE HEALTH AND SAFETY IS AS MUCH A PRIORITY TO COVANCE AS PATIENT HEALTH AND SAFETY.**

With work sites as varied as laboratories, clinics, and corporate offices, potential risks are as varied as chemical exposures and slips and falls. Our EH&S team has created evaluation tools, controls and safeguards, and training modules to help protect employees and achieve our goal of zero incidents at all Covance sites.



63%  
reduction in reportable  
injuries between  
2005 and 2011

**TOP 2 TYPES AT OUR TOP 3 SITES** In

reviewing injury rates and types, the Employee Health & Safety team identified the two types that generated the most serious injuries: animal related and acute strains/sprains. Further review showed that those injuries were clustered in three sites: Madison, Wisconsin; Münster, Germany; and Harrogate, United Kingdom. The team created the *Top 2 Types at Our Top 3 Sites* project to focus on identifying the root causes of the injury risks and implementing measures to eliminate them. Quick fixes such as ergonomic enhancements for animal cage handling as well as other improvements—including revised guidelines and training and proficiency checks, and employee communications to raise the awareness of potential hazards and demonstrate the safe way to work—led to immediate and ongoing improvements, reducing injuries by 17 percent.



2012+  
**WHAT'S NEXT?**

**1** Apply for the CEO Cancer Gold Standard Accreditation in 2012

**2** Reduce reportable injuries by 10 percent by 2015

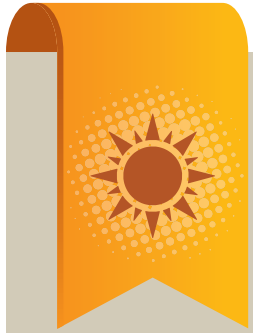
23,190

hours of safety training taken  
by employees in 2011

**LOST-DAY INJURY RATE**

Our vigorous commitment to continuous improvement in safety and productivity led to a 28 percent decline in the lost-day injury rate in 2011 over 2010.





# PHILANTHROPY

**IMPROVING THE QUALITY OF LIFE IS AT THE CORE OF BOTH OUR BUSINESS AND OUR HEARTS.**

Through drug development services we provide to our clients and worldwide volunteerism and charitable giving, Covance employees are committed to improving quality of life. The company-wide CARE Rwanda program, site-hosted food drives, and individuals' community involvement are just a few ways Covance employees help drive social change.







**COVANCE CHARITABLE FOUNDATION** The Foundation's recently completed four-year partnership with CARE Rwanda changed the lives of thousands of Rwanda's most vulnerable children and their families through food, education, housing, and economic growth programs. With the information, support, and guidance provided by CARE staff, the Covance-CARE Rwanda Early Childhood Development program is now self-sustaining and will continue to help children and their families survive and thrive in this recovering country. We are continuing to support efforts that empower poor communities to live, learn, and earn through a new three-year partnership with CARE Nepal's Saving Mothers' and Infants' Lives (SMILE) program.

**VOLUNTEERISM**

Around the globe, there are Covance employees who give their time, attention, and expertise to organizations and individuals in need. Employees based in Madison, Wisconsin, support United Way's Day of Caring by participating



in volunteer opportunities that range from escorting elderly patients to the local arboretum and zoo to landscaping a community center's grounds.

For several seniors living at the Clos Regina nursing home in Brussels, Belgium, their weekly visit from Covance employee Aad Ouwehand provides much-appreciated company and conversation. Aad's been volunteering at the home for three years, assisting with their community gatherings, shopping for residents, and developing friendships with several "regulars."

**WHAT'S NEXT?**

- 1 Launch Covance-CARE Nepal Saving Mothers' and Infants' Lives program
- 2 Sponsor National Association of Free Clinics CARE Clinic, support with employee volunteers
- 3 Establish Covance Cares Committee at 80 percent of Covance sites by 2014

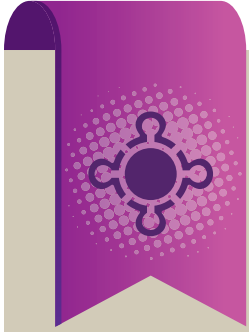
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Covance employees participated in an annual charity run, benefiting the Shanghai Charity Foundation

**FUNDRAISING**

Thousands of people in the United Kingdom and beyond responded to the appeal to help raise funds for life-saving, 8H9 antibody treatment for two-year-old Sadie Rose Clifford. Over the course of two Wear Purple Days (purple being Sadie Rose's favorite color), the Covance team in Harrogate, UK, raised more than £6,500.





# DIVERSITY & INCLUSION

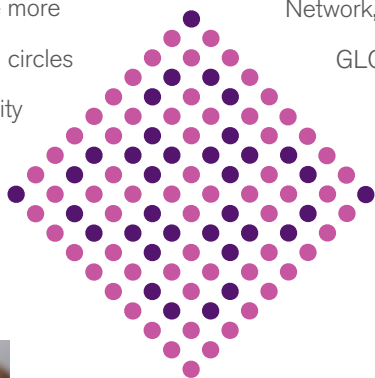
**AT COVANCE, THE DIVERSITY OF OUR PEOPLE  
FUELS THE INNOVATION OF OUR WORK.**

In a global company with employees in 60 countries and clients and vendors in dozens more, diversity is not only a given, it's a commitment. The diversity of our employees and suppliers is an asset that we rely on every day to help our colleagues thrive and our clients succeed in a fast-paced, ever-changing industry.



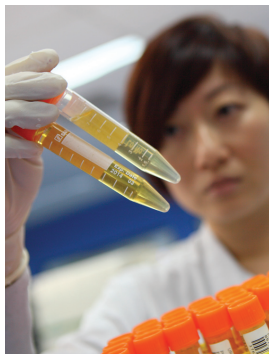
**OUR PEOPLE** Diversity is not only about affirmative action or our demographic differences. It is also about developing a deeper understanding of all our differences and recognizing the need to incorporate more of them into our work environments and circles of influence. Inspiring a culture of diversity and inclusion is a bottom-line effort that benefits our employees as well as

our business with a high-performing talent organization. Through our Global Diversity Council and employee resource groups, such as the Women's Leadership Network, the Employee Action Committee, and GLO (Gay, Lesbian, Others), employees have outlets in which to connect, engage, and support workplace diversity and inclusion.



65%

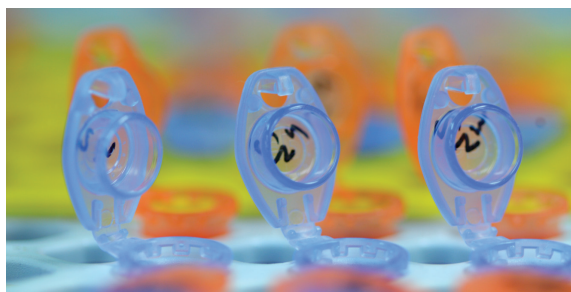
global female external hires in 2011



\$3.9M

global kit production spend through Goodwill Commercial Services

**SUPPLIERS** Covance Global Strategic Sourcing contracts with a pool of more than 1,500 diversity suppliers, providing goods and services in eight of our nine overall supplier categories. At \$55 million, our 2011 diversity spend is 115 times more than our 2007 diversity spend. Our diversity suppliers range from small family businesses providing lab consumables and custom chemical solutions to a woman-owned



## WHAT'S NEXT?

- 1 Cast a wider net in hiring practices
- 2 Improve representation in our senior management ranks
- 3 Require at least one diversity supplier for each request for information (RFI), where available, by 2013
- 4 Launch online registration for suppliers to self-identify as a diversity supplier in 2013

translation services company. Working with diversity suppliers not only provides them with an additional avenue to growth and development, it also contributes to Covance's financial performance and allows us to gain business partners who reflect our client and employee bases.



# ANIMAL WELFARE

**COVANCE IS COMMITTED TO ACHIEVING THE HIGHEST STANDARDS IN ANIMAL CARE AND SCIENTIFIC RESEARCH.**

Biomedical research is essential to developing new, life-saving medicines. To ensure the humane care and use of research animals in facilities, our employees undergo rigorous and continuing training and education, and we adhere to stringent standards in animal sourcing and health maintenance.



2012+

## WHAT'S NEXT?

- 1 Maintain AAALAC accreditation for 100% of our pre-clinical facilities
- 2 Continue to develop and implement technologies that advance our commitment to the 3Rs: replace, reduce, and refine the use of animals, as appropriate

**AAALAC-ACCREDITED** The Association for Assessment and Accreditation of Laboratory Animal Care International is a private, nonprofit organization that promotes the humane treatment of animals in science through voluntary accreditation and assessment programs. Organizations seeking AAALAC accreditation must demonstrate that their research programs meet minimum standards required by law, and also take the extra step to achieve excellence in animal care and use. Each of Covance's pre-clinical facilities has earned AAALAC accreditation.

**3Rs** Covance continually looks for sound methods to replace, reduce, and refine the use of animals in scientific research. We received a 3Rs award from a major pharmaceutical company client for a surgical model that significantly reduced the number of animals required to conduct a common laboratory procedure.

**CODE OF RESPECT** To honor the contribution that animals in our care make to advances in life-saving medicines, Covance employees subscribe to our Code of Respect:

- 1. WE WILL TREAT ANIMALS IN OUR CARE WITH RESPECT.
- 2. WE WILL STRICTLY FOLLOW ALL APPLICABLE LAWS AND REGULATIONS FOR ANIMAL TREATMENT.
- 3. WE WILL EMPLOY ALTERNATIVE SCIENTIFIC METHODS TO ANIMAL USE WHERE APPROPRIATE UNDER APPLICABLE REGULATION AND SCIENTIFIC VALIDITY.
- 4. WE WILL MINIMIZE ANIMAL DISCOMFORT.
- 5. WE WILL TAKE STEPS TO ENSURE THAT OUR EMPLOYEES AND PROCESSES MEET THESE STANDARDS.
- 6. IF WE LEARN THAT WE OR ANY OF OUR EMPLOYEES HAVE FAILED TO FOLLOW THIS CODE OF RESPECT, WE WILL TAKE APPROPRIATE REMEDIAL AND DISCIPLINARY ACTION.





# BUSINESS INTEGRITY

**WE EARN THE CONFIDENCE OF OUR STAKEHOLDERS THROUGH THE QUALITY AND INTEGRITY OF OUR PEOPLE AND OUR WORK.**

The rigorous corporate governance practices and internal controls that guide our business are based on three principles: integrity, transparency, and accountability. Our mission of helping to develop new life-saving medicines and our responsibilities to our stakeholders inspire us to do our best and to make the right decisions every day.



**ALERTLINE** Covance encourages a culture in which people are comfortable sharing their concerns openly and honestly with their manager, HR, or the legal department. Any employee who prefers to use an indirect channel or to report a concern anonymously may do so through AlertLine, either by telephone or online. Regardless of the channel through which it is received, every concern is promptly and thoroughly investigated.

### **COVANCE BUSINESS INTEGRITY PROGRAM**

Everyone at Covance is committed to conducting business with honesty and integrity and in compliance with all applicable laws and regulations. The Covance Business Integrity Program defines the standards for this commitment and applies to Covance employees, officers, and directors.

## **EXPECTATIONS FOR LEGAL AND ETHICAL BEHAVIOR**

### **WE ACT WITH FINANCIAL INTEGRITY**

- + WE COMPLY WITH ALL FINANCIAL INFORMATION LAWS AND STANDARDS
- + WE AVOID CONFLICTS OF INTEREST
- + WE COMPLY WITH INSIDER TRADING AND SECURITIES LAWS
- + WE MAINTAIN STRINGENT STANDARDS ON THE USE OF COMPANY RESOURCES
- + WE MAINTAIN STRINGENT STANDARDS AROUND ACCEPTING GIFTS AND ENTERTAINMENT
- + WE DO NOT TOLERATE THE ACCEPTANCE OF BRIBES

### **WE TREAT OUR EMPLOYEES WITH INTEGRITY**

- + WE DO NOT DISCRIMINATE
- + WE DO NOT HARASS

### **WE COMPLY WITH LAWS AND REGULATIONS FOR DRUG AND DEVICE DEVELOPMENT**

### **WE COMPLY WITH OTHER APPLICABLE LAWS AND REGULATIONS**

- + WE COMPLY WITH ANTITRUST LAWS
- + WE RESPECT PRIVACY RIGHTS
- + RECORD RETENTION AND PROTECTION

### **WE MAINTAIN THE CONFIDENTIALITY OF OUR CLIENTS AND OUR PROPRIETARY ASSETS**





# AWARDS & RECOGNITION

**ANY RECOGNITION WE EARN REFLECTS THE COMMITMENT OF OUR EMPLOYEES TO HELPING OUR CLIENTS SUCCEED.**

We always strive to do our best—as an employer to our employees, as a drug development partner to our clients, as an investment for our shareholders, as a clinic to our study volunteers, as a corporate citizen in our communities.

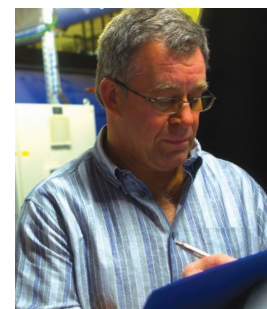




**FORTUNE MOST ADMIRED COMPANIES** COVANCE RANKED FOURTH IN THE HEALTH CARE PHARMACY AND OTHER SERVICES INDUSTRY



**ERNST & YOUNG ENTREPRENEUR OF THE YEAR** JOE HERRING, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, WAS RECOGNIZED FOR MAINTAINING MANAGEMENT EXCELLENCE OVER A SUSTAINED PERIOD OF TIME



**CERTIFICATE OF APPRECIATION FOR HOSTING HOUSEHOLD HAZARDOUS WASTE DAY**  
HANCOCK COUNTY, INDIANA

**COVANCE WAS THE PROUD RECIPIENT OF SEVERAL AWARDS AND RECOGNITIONS IN 2011:**

**DIVERSITY EMPLOYERS MAGAZINE**  
COVANCE RANKED EIGHTH ON THE 2011 LIST

**GOVERNOR'S OCCUPATIONAL SAFETY & HEALTH AWARD** STATE OF NEW JERSEY, CITATION OF MERIT

**CARBON TRUST STANDARD** COVANCE RECEIVED THE ACCREDITATION IN THE UK FOR OUR COMMITMENT TO MEASURING, MANAGING, AND REDUCING ENERGY CONSUMPTION AND CARBON EMISSIONS



**SCRIP AWARD OUTSOURCING DEAL OF THE YEAR** SANOFI AND COVANCE'S LANDMARK, 10-YEAR STRATEGIC R&D ALLIANCE WAS HERALDED FOR BLENDING SCIENTIFIC INNOVATION, FINANCIAL FLEXIBILITY, AND OPERATIONAL EFFICIENCIES



We believe in doing our part  
to leave the world in which  
we live and work greener,  
stronger, safer, and healthier.

Covance, with headquarters in Princeton, New Jersey, is one of the world's largest and most comprehensive drug development services companies, with annual revenues greater than \$2 billion, global operations in more than 30 countries, and more than 11,000 employees worldwide. Information on Covance's products and services, recent press releases, and SEC filings can be obtained through its website at [www.covance.com](http://www.covance.com).



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