



**zoetis**

# BUILDING A HEALTHIER FUTURE

2019 CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS



# A LETTER FROM OUR CEO

At Zoetis, our business purpose is also a social purpose. The medicines, vaccines, products and services we develop, manufacture and deliver play a key role in supporting veterinarians, pet owners and food producers in keeping the animals in their care healthy. This support contributes to lifelong companionship between owners and their pets and helps to ensure a safe and sustainable food supply for the world.

## DELIVERING ON OUR MISSION IN TIMES OF CRISIS

Given this role, our industry and company were deemed an essential business by governments around the world as the COVID-19 crisis spread. In the face of significant challenges, our colleagues continued to deliver on our mission to support our customers and the animals in their care. I am incredibly proud of all our colleagues for this work and their commitment to making a meaningful contribution to animal and human health in the face of this crisis.

## CHAMPIONING A HEALTHIER AND MORE SUSTAINABLE FUTURE

When I became CEO at the beginning of 2020, I set out five priorities to guide the company. One of these five priorities is championing a healthier and more sustainable future. This is a business imperative for the success of our company,

our customers and our communities. We are working hard to develop a comprehensive strategy and set of metrics that we look forward to releasing by the end of the year. We are building on the work that we do, seeing where we have the responsibility to do more and identifying sustainability commitments and goals that will guide our work and future decisions.

It begins with reviewing how we minimize our own environmental footprint and ensure a diverse and inclusive environment for our colleagues. Our responsibility also extends to empowering our customers—veterinarians, livestock producers and pet owners—to be sustainability champions. This includes innovating in veterinary medicine to ensure healthy, productive and sustainable livestock; increasing access to veterinary care and supporting the veterinary profession; taking care of animals and veterinary care in emergencies such as natural disasters; and supporting the communities in which we operate around the world. With our focus on science and innovation, we will expand on how we contribute to a healthier world for animals and people with our research on significant diseases, fast detection of infectious and zoonotic diseases, using data and technology to inform care and protecting human health through appropriate use of antibiotics. I look forward to sharing an update on this work later this year.

## SOME 2019 HIGHLIGHTS

In the meantime, I am proud to share Zoetis' highlights of our sustainability work from 2019 and continue the tradition of company updates we began in 2016.

## DRIVING INNOVATION

We continued our commitment to deliver innovation with the EU and Canadian approval of Simparica™Trio, a once-monthly chewable tablet for dogs that protects against mixed external and internal parasitic infestations; prevents heartworm disease and lungworm disease; and provides immediate efficacy against fleas and ticks.

## REDUCING OUR ENVIRONMENTAL IMPACT

We made new strides in energy savings and reducing our carbon footprint at our manufacturing and research and development sites.

## FOSTERING AN INCLUSIVE CULTURE

We continued to foster diversity and inclusion through our healthy workplace culture and the development and success of our colleagues.

## HELPING THOSE IN NEED

We shared our resources and expertise with those who needed it most, from supporting veterinarians affected by the Australian wildfires, to supporting young veterinarians in their careers.

And I am particularly proud of the work we have done with the Bill and Melinda Gates Foundation through our African Livestock Productivity and Health Advancement (A.L.P.H.A.) initiative where we have expanded access to veterinary medicines and care. Last year we began working in Tanzania, in addition to Ethiopia, Nigeria and Uganda. In these countries we helped build sustainable diagnostic services,



Kristin Peck with her dogs, Poppy and Sky.

register new veterinary medicines, and provide training and education to livestock veterinarians and farmers.

I invite you to learn more in the pages that follow, and I look forward to updating you about our commitments to building a healthier and more sustainable future.

Sincerely,

*Kristin Peck*

**Kristin Peck**  
Chief Executive Officer

# SOCIAL IMPACT

We are proud to contribute to the important role healthy animals play in our society—deepening bonds with pets, and nurturing a safe, sustainable food supply. Our products and services support our customers in their essential work to predict, prevent, detect and treat illness in animals and address unmet medical needs.

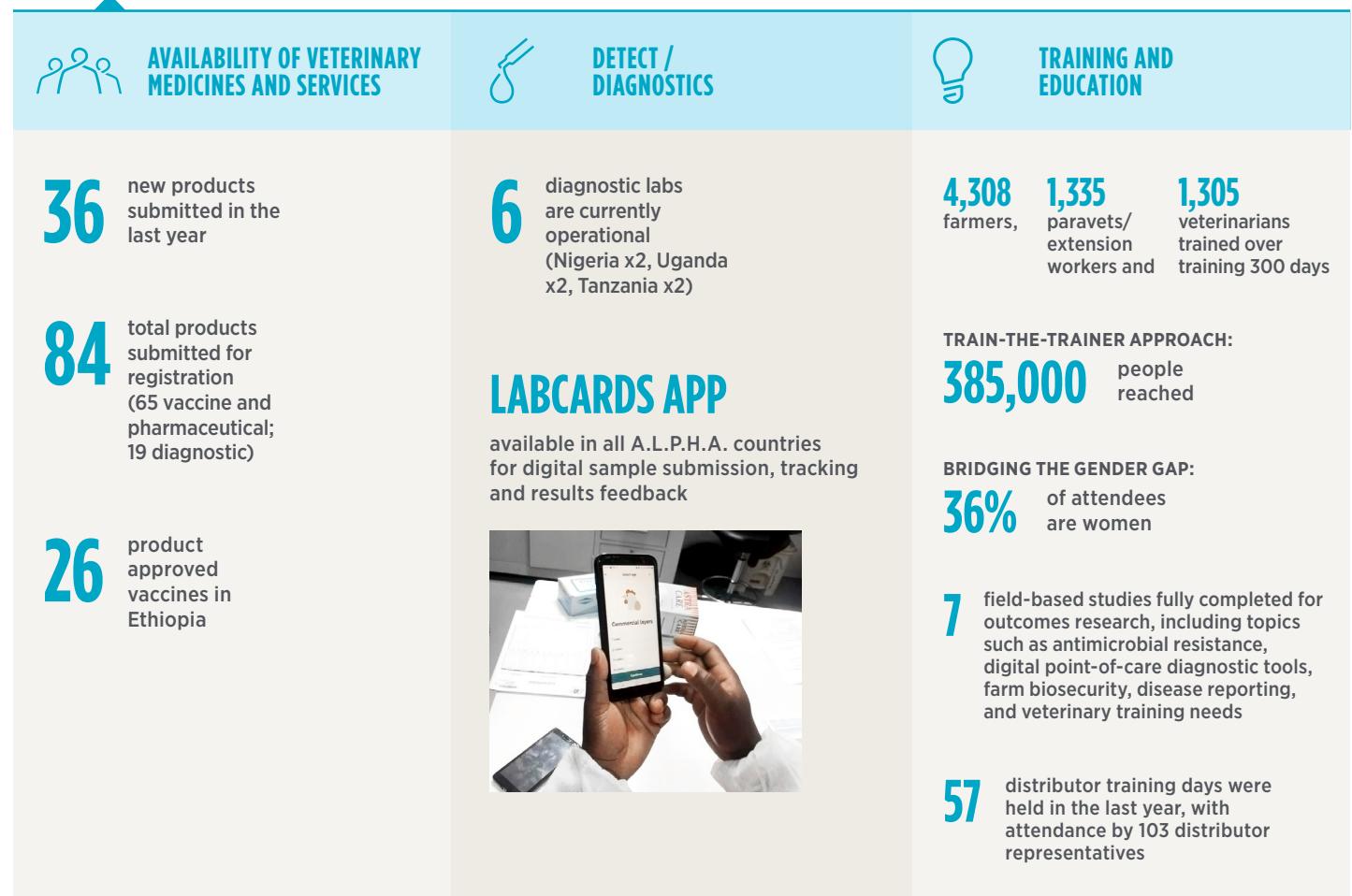


## INCREASING ACCESS TO VETERINARY SERVICES IN SUB-SAHARAN AFRICA

Through the African Livestock Productivity and Health Advancement (A.L.P.H.A.) initiative, begun in 2017 and co-funded by a \$14 million grant from the Bill and Melinda Gates Foundation, we've increased access to veterinary care and training in Uganda, Nigeria, Ethiopia, and most recently expanded into Tanzania. The initiative places special emphasis on providing animal health training to women.



### 2019 A.L.P.H.A. HIGHLIGHTS



### SUPPORTING SMALL-SCALE FARMERS IN BRAZIL

Capping off a two-year program in southeast Brazil, training and technical support to small-scale dairy farmers resulted in:



Improved milk quality and animal well-being

**19%** increase in milk production

**20%** increase in farm profits

**\$77,200** USD investment over 2 years.

### SUPPORTING PORK PRODUCERS AGAINST AFRICAN SWINE FEVER

As African Swine Fever (ASF) has decimated over half of China's domestic pig herd and significantly impacted the global pork supply, we are working across the globe to support pig farmers.



In China, thousands of producers benefited from Zoetis' support of the "Joined Hands with Farmers to Fight Against ASF," a social media campaign which shared thousands of photos and videos coupled with relevant pig health products. The campaign is now in its third season.

**\$100,000** was donated.



Zoetis donated **\$6,000 USD** to support the Thai Swine Producers Association Disease Protection Fund. We continue to donate 50 Baht for every purchase of Biocid-30 and GCP 8.



Through our Center for Transboundary and Emerging Diseases, our scientists are collaborating with governments, health organizations, and veterinary and livestock communities to develop solutions, including a vaccine.

**ZOETIS CENTER FOR TRANSBOUNDARY AND EMERGING DISEASES**  
*First to know... Fast to market*



In September 2019, Zoetis reached a non-exclusive license agreement with the United States Department of Agriculture Agricultural Research Service for the development and commercial production of African Swine Fever vaccines.

In addition to ASF, our Center for Transboundary and Emerging Diseases engages in active biosurveillance for other emerging pathogens that could threaten animals.

# INNOVATION & ANTIBIOTIC STEWARDSHIP

Our greatest contribution to society is advancing animal health through our focus on continuous innovation. Around the world, our scientists are working to understand how we can meet our customers' challenges in raising and caring for healthy animals. Our innovation efforts span the continuum of animal care to help reduce the need for antibiotics in animals, so these precious medicines are effective in people and animals for decades to come.



**300** product lines across

**8** core species;  
Including

**1,100+** products  
and lifecycle innovation in past

**5** years

## SIGNIFICANT INNOVATIONS

### **Simparica TRIO™** sarolaner/moxidectin/pyrantel

**Simparica TRIO™**(sarolaner/moxidectin/pyrantel) chewable tablets, a triple combination antiparasitic medication indicated for dogs with, or at risk from, mixed external and internal parasitic infections, received approval in Europe and Canada.

### **VERSICAN® plus Bb Oral**

**Versican Plus Bb Oral** was launched as the first oral vaccine for dogs in Europe to provide long-lasting protection against *Bordetella bronchiseptica*, a primary component of the canine infectious respiratory disease complex.

### **ProHeart® 12 (moxidectin)**

**ProHeart® 12** was approved in the U.S. as a once-yearly injection to prevent heartworm disease in dogs 12 months of age and older.

### **瑞圆安 Fostera PCV**

For use in pigs, **Fostera® Gold PCV MH** vaccine received approval in Brazil and **Fostera SLCD PCV** in China.

### **Poulvac® Procerta™ HVT-ND**

**Poulvac® Procerta™ HVT-ND**, our first vector vaccine for poultry, was approved in the U.S.

### **CLARIFIDE® plus**

**Clarifide® Plus**, a genomic test for Jersey cattle, was introduced in the U.S.

### **BOVI-SHIELD GOLD ONE SHOT™**

**Bovi-Shield Gold One Shot™** vaccine was approved for cattle in Brazil.

### **Core EQ Innovator™**

**Core EQ Innovator™** was approved in Canada as a vaccine that helps protect horses against five potentially fatal diseases in one injection.

### ANTIBIOTIC STEWARDSHIP

We want to protect the health of animals and humans, so we have focused on promoting the responsible use of antibiotics in animals. We collaborate with stakeholders around the world to foster responsible use and veterinary involvement when antibiotics are used to preserve their effectiveness for decades to come.

#### REMOVING GROWTH PROMOTION

As part of our commitment to responsibly using antibiotics in animals and people, we are no longer selling medically important antibiotics<sup>1</sup> for growth promotion in animals. Effective June 2020, this change comes after we carefully considered animal health—and human health—needs in the remaining markets of India, Indonesia and Vietnam. We are providing our customers with knowledge and tools to help them make these changes. This action is part of our commitment to join veterinarian and livestock producers to help combat antimicrobial resistance, and it makes good on our resolve for our medically important antibiotics products to be used only for therapeutic purposes.

<sup>1</sup> Medically important antibiotic as classified by the U.S. Food & Drug Administration.

#### ANTIMICROBIAL RESISTANCE SURVEILLANCE PROGRAM

To help combat antimicrobial resistance and to preserve the efficacy of antibiotics, we conduct surveillance for antimicrobial resistance in pathogens that threaten the health of animals. Approximately 40 veterinary labs in the U.S. and Canada participate in our surveillance program which began in 1998.

#### UNITED STATES

In collaboration with Colorado State University, we established the [Zoetis Incubator Research Lab](#) to explore the livestock immune system and target new immunotherapies—paving the way for [new alternatives to antibiotics](#) in food-producing animals. The initial focus is biotherapeutics for cattle, which could yield broader implications for pigs and poultry.



Our commitment to the [CDC Antimicrobial Resistance Challenge](#) includes:

- promoting the involvement of veterinary professionals in antibiotic stewardship
- expanding access to veterinary care
- supporting broader use of vaccines and modern animal husbandry and biosecurity practices to help prevent disease
- working to develop veterinary-only antibiotics and antibiotic alternatives; novel vaccine technologies; and, diagnostic tests.



#### UNITED KINGDOM

Developed educational resources for veterinarians through the UK's National Office of Animal Health (NOAH) and shortlisted for the fourth International Antibiotic Guardian Awards for Animal Medicines Best Practice Training Program.



#### CANADA

Zoetis is one of the sponsors for the Canadian Global Food Animal Residue Avoidance Databank (CgFARAD) to ensure a safe food supply. CgFARAD helps veterinarians provide livestock and poultry producers with accurate withdrawal information on the disposition of drugs including antimicrobials in animals and their milk, meat and egg products.



#### Continuum of Care

Building on our commitment to preserving antibiotics, we also commit to innovating across the continuum of care to predict, prevent, detect, and treat disease in animals. This includes vaccines, new classes of antibiotics for veterinary use only, novel, non-antibiotic anti-infective solutions, diagnostics, genetic tests, and digital innovation for precision farming.



# CHARITABLE GIVING

We give expertise and resources to natural disaster relief efforts, young veterinarians starting their careers, pet adoption organizations, and in support of the communities where we operate and recognizing the importance of the human-animal bond.



## 1. UNITED STATES

Ongoing partnership with Association of American Veterinary Medical Colleges (AAVMC) Veterinary Scholarships

**315** Veterinary Students Awarded  
**\$630,000** in Scholarships

**\$7.3** Million in funds over **11** years for more than **3,600** veterinary students

**Zoetis for Shelters:** **3,231** shelters and rescues joined in 2019; average shelter/rescue savings per year: **\$1,882**; Funds shelters have saved since launch in 2011: **\$33M**

**K-9 Courage:** This year we provided healthcare support to **667** pet owners with **\$300** for each of their retired working dogs. The program also supports training for therapy dogs that help veterans with PTSD. Total support: **+\$200,000**

## The Human-Animal Bond Research Institute

**Institute:** We provide **+\$100,000** in funding each year towards research promoting the human-animal bond.

**Nebraska Cattlemen Relief Fund:** Donated **\$150,000** in product and cash to help disaster relief efforts.

## Award for Veterinary Research Excellence

**Excellence:** Zoetis awards **32** College of Veterinary Medicine schools **\$1,000** each for Veterinary Research Excellence and the same **32** schools **\$1,000** each for Distinguished Teaching. One **\$2500** award is given to the National Distinguished Teacher winner.

**National FFA Foundation:** We contributed over **\$1,000,000** to agriculture education in 2019 through the Zoetis Industry Support program.

## 2. CANADA

We sponsor scholarships for DVM students, professors, and graduate student research from five veterinary colleagues **~\$34,000**

**\$60,000** innovation research funding

**BC and Alberta Guide Dogs:** **~\$25,000** in preventative health product donations to guide dogs in training.

## 3. BRAZIL

**\$11,200** was dedicated to supporting initiatives promoting the human-animal bond.

Provided vaccines and Simparica to over **60** dogs enrolled in "Patas Therapeuticas" (Therapeutic Paws), a Brazilian NGO that coordinates volunteers and their specially trained dogs visiting hospitals and clinics to comfort children and the elderly.

Through the Magnus Institute, we facilitated training and provided vaccines and Simparica for **12** dogs to be guides for people with visual and movement disabilities.

## 4. UNITED KINGDOM

Sponsored the British Veterinary Association Young Vet Awards and extensive Continual Professional Development training courses – **\$80,000**

Supporting Medical Detection Dogs – **\$3,600**

## 5. FINLAND

Stipend for an outstanding veterinary researcher: **\$3,000**

## 6. EGYPT

Supported a collaboration between the University of Surrey and University of Cairo to establish an internationally accredited Master's Degree in Veterinary health product development and regulatory affairs for the control of animal infectious diseases at the University of Cairo. **Ten** to **15** students will enroll for the academic year 2020-2021.

## 7. SOUTH AFRICA

Donated **\$4,100** to benefit over 60 dogs at PAWS4U, which provides animal-assisted therapy programs, bite prevention workshops and other activities to nurture the human-animal bond.

## 8. CHINA

Donated **~\$100,000** in Revolution to guide dogs in training over the last **10** years.

## 9. AUSTRALIA

As Australia battled wildfires in 2019, we partnered with veterinarians to provide life-saving resources to the animals in their care.

**\$400,000** in product donations made available to veterinarians

Farmers and veterinarians are especially vulnerable to mental health challenges as a result of rural isolation and the damaging bushfires. To help the Beyond Blue organization mitigate these challenges, we raised: **\$300,000** over the last 3 years.



# ENVIRONMENTAL RESPONSIBILITY

## ENERGY SAVING THROUGH ENGINEERING

### LINCOLN, NEBRASKA

Our biggest manufacturing site used High Efficiency 85% prefilters in large Air Handling Units (AHU) with Variable Speed Fans (VFDs). The increased filter surface area of these units reduces the energy needed to pull air through the filters, saving **around 13,140 kilowatt hours per year, which equates to a reduction of 20,000 lbs of CO<sub>2</sub> (~9 tons)**.

Additionally, the site installed Belimo Smart Valves on two large AHUs, which saves an additional **835,000 kilowatt hours per year, or about 1,268,000 lbs of CO<sub>2</sub> per year (~575 tons)**.



### CATANIA, ITALY

Compressed air is one of the main utilities in the industrial sector, as well as one of the major sources of energy consumption. The installation of an inverted air compressor at our Catania, Italy site has led to approximately **5% energy savings per week**.

We work to implement sustainable practices directly into the development, manufacture and appropriate use of our products. Zoetis manufacturing sites worldwide strive to reduce waste and water intake and improve energy efficiency. Here are some examples of the work we are doing to reduce our environmental impact.

## ENERGY SAVING THROUGH OPERATIONAL EXCELLENCE

### CATANIA, ITALY

Most energy consumption at our Catania, Italy site belongs to the Fermentation plant, which includes air compressors, dryers, chillers and agitators. In our commitment to continuous improvement, colleagues initiated a project which resulted in energy saving through the fermentation process air demand optimization. This led to an **8.5% reduction in airflow demand, leading to a reduction of 600 tons per year in CO<sub>2</sub> emissions**.

## A BRIGHT WAY TO SAVE ENERGY

### SAN DIEGO, CALIFORNIA

Colleagues at our San Diego, California plant noticed there was an opportunity to save energy by replacing all fluorescent lights in their facility with LED lighting and insulating unnecessary windows to reduce solar build-up. These simple changes resulted in a **savings of 31,835 kWh of electric usage and reduction in our carbon footprint**.

## A COOL APPROACH TO PACKAGING IN THE US AND CANADA

Zoetis introduced important packaging improvements in Canada and the U.S. to reduce our environmental impact.



## WASTE

In 2019, we reduced non-hazardous waste and increased recycling of hazardous and non-hazardous waste through the implementation of projects that have spanned several years. We have achieved these numbers while continuing to grow through buying facilities and increasing production volume.

Increased hazardous waste by

↑ 1%

Reduced non-hazardous waste by

↓ 3%

Increased recycling of hazardous waste

↑ 74%

Increased recycling of non-hazardous waste

↑ 43%,

including **13,680 LBS** of metals that otherwise would have gone to landfill.

# INCLUSIVE & SAFE WORKPLACE

Colleagues reach their full potential when they are able to balance their work and personal goals. It starts with creating a flexible work environment where health, safety, and well-being are prioritized, alongside professional growth and development. This philosophy has helped Zoetis build an award-winning workplace and culture.



## DIVERSITY AND INCLUSION

At Zoetis, diversity and inclusion (D&I) has always been an important part of who we are as a company and a critical element of our success. Respecting the diversity of our people and collaborating across markets and cultures is how we have kept Zoetis strong.

Our D&I focus begins with a leadership team of diverse backgrounds, experiences and ethnicities (50% of the executive team are women), and it is demonstrated in our support for industry initiatives, internal resource groups and programs.

Building on our past efforts, we recently established a Diversity and Inclusion Council, representing a diverse group of colleagues across locations, functions and communities, and this group will be informing and guiding our future D&I priorities and goals. The Council, supported by the Zoetis Executive Team

and Board of Directors, will enhance the programs, policies and practices that ensure every colleague feels valued and supported.

Our comprehensive benefits programs support our colleagues' well-being and enable them to achieve their best at work and at home. These include development and mentorship programs, flexible work arrangements, educational assistance, mental health support, and family-friendly benefits like parental leave, adoption and infertility benefits.

**6/12 ZET members are women**



Kristin  
Peck

Heidi  
Chen

Cathy  
Knupp

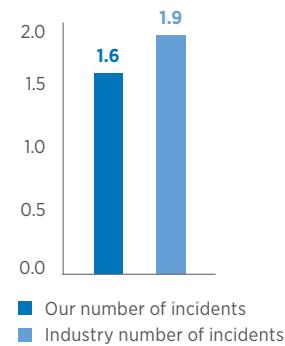
Roxanne  
Lagano

Wafaa  
Mamilli

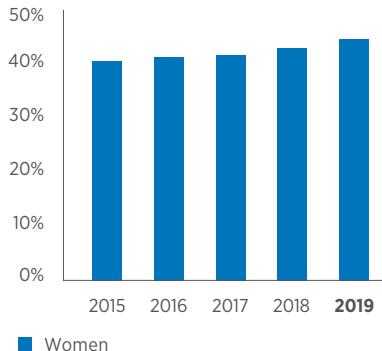
Sherry  
Pudloski

## OCCUPATIONAL HEALTH AND SAFETY

Total recordable injury/illness rate per 100 workers.



## GLOBAL GENDER DISTRIBUTION



Recognized for our  
Inclusive and Collaborative  
Workplace Culture



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# GOVERNANCE

At Zoetis, we are committed to Always Do the Right Thing. It's one of our Core Beliefs. In line with these values, we ensure good corporate governance through our diverse Board of Directors, positive workplace culture, and a commitment to operating ethically. This corporate governance is guided by transparent and timely reporting about our performance.



## BOARD OF DIRECTORS

Our board of directors is comprised of twelve directors, each of whom brings unique experience and skills that are valuable to the Company.

MICHAEL MCCALLISTER

JUAN RAMÓN ALAIX

PAUL M. BISARO

FRANK D'AMELIO

SANJAY KHOSLA

GREGORY NORDEN

LOUISE M. PARENT

KRISTIN PECK

DR. WILLIE M. REED

DR. LINDA RHODES

ROBERT SCULLY

WILLIAM STEERE, JR.

## COMPLIANCE

Our comprehensive corporate compliance program is meant to ensure all colleagues not only meet legal requirements in the markets in which we operate, but also act responsibly and with integrity in everything they do. Our colleagues engage in education and complete training on these important compliance topics:

### CODE OF CONDUCT

Applying our Core Beliefs in the way we do business every day. It informs us about the standards and expectations we have for Zoetis colleagues. It guides each of us in how we work with our customers, colleagues and other stakeholders in a responsible and ethical manner.

### WORKPLACE HARASSMENT AND DISCRIMINATION

Ensuring workplace environments free of harassment, discrimination and other improper conduct

### PHARMACOVIGILANCE

Product adverse event reporting requirements and process

### DATA PRIVACY

Protection of confidential and personal information

### ANTI-BRIBERY AND ANTI-CORRUPTION

Policies and procedures associated with anti-bribery and anti-corruption laws

## SEC FILINGS

We regularly and transparently report our financial performance to demonstrate how we are delivering on our strategy, creating shareholder value, and building a healthier more sustainable future for the communities we operate in.

[Read more](#)

## Our Core Beliefs

OUR COLLEAGUES  
MAKE THE DIFFERENCE

ALWAYS DO THE  
RIGHT THING

CUSTOMER OBSESSED

RUN IT LIKE YOU OWN IT

WE ARE ONE ZOETIS



# zoetis

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