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.

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, 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
Chief Executive Officer
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

<table>
<thead>
<tr>
<th><strong>Availability of Veterinary Medicines and Services</strong></th>
<th><strong>Detect / Diagnostics</strong></th>
<th><strong>Training and Education</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>36 new products submitted in the last year</td>
<td>6 diagnostic labs are currently operational (Nigeria x2, Uganda x2, Tanzania x2)</td>
<td>4,308 farmers, 1,335 paravets/extension workers and 1,305 veterinarians trained over training 300 days</td>
</tr>
<tr>
<td>84 total products submitted for registration (65 vaccine and pharmaceutical; 19 diagnostic)</td>
<td></td>
<td>385,000 people reached</td>
</tr>
<tr>
<td>26 product approved vaccines in Ethiopia</td>
<td>LABCARDS APP available in all A.L.P.H.A. countries for digital sample submission, tracking and results feedback</td>
<td>36% of attendees are women</td>
</tr>
<tr>
<td></td>
<td>7 field-based studies fully completed for outcomes research, including topics such as antimicrobial resistance, digital point-of-care diagnostic tools, farm biosecurity, disease reporting, and veterinary training needs</td>
<td>57 distributor training days were held in the last year, with attendance by 103 distributor representatives</td>
</tr>
</tbody>
</table>

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.

### 2019 Corporate Social Responsibility Highlights

- **Train-the-Trainer Approach:** 36% of attendees are women
- **Bridging the Gender Gap:** 7 field-based studies fully completed for outcomes research, including topics such as antimicrobial resistance, digital point-of-care diagnostic tools, farm biosecurity, disease reporting, and veterinary training needs
- **Labcards App:** 26 product approved vaccines in Ethiopia
- **Detect / Diagnostics:** 6 diagnostic labs are currently operational (Nigeria x2, Uganda x2, Tanzania x2)
- **Training and Education:** 4,308 farmers, 1,335 paravets/extension workers and 1,305 veterinarians trained over training 300 days

**Availability of Veterinary Medicines and Services**

- **New Products Submitted in the Last Year:** 36
- **Total Products Submitted for Registration:** 84
- **Approved Vaccines in Ethiopia:** 26

**Detect / Diagnostics**

- **Diagnostic Labs Operational:** 6
- **Field-Based Studies Completed:** 7

**Train-the-Trainer Approach:** 36% of attendees are women

**Bridging the Gender Gap:** 7 field-based studies fully completed for outcomes research, including topics such as antimicrobial resistance, digital point-of-care diagnostic tools, farm biosecurity, disease reporting, and veterinary training needs

**Labcards App**

- Available in all A.L.P.H.A. countries for digital sample submission, tracking and results feedback

**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.
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.

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.

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.

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.
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.

**SIGNIFICANT INNOVATIONS**

**SimparicaTRIO®**(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** 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.

**SimparicaTRIO**

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

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

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

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

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

**Fostera PCV**

For use in pigs, **Fostera® Gold PCV MH** vaccine received approval in Brazil and **Fostera SLCD PCV** in China.
**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 antibiotics1 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.

**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.

**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.

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1 Medically important antibiotic as classified by the U.S. Food & Drug Administration.
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: 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: 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.
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 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 CO₂ (~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 CO₂ 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 saves an additional 835,000 kilowatt hours per year, or about 1,268,000 lbs of CO₂ per year (~575 tons).

**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 savings 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 CO₂ 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. In the U.S., our colleagues transitioned the Styrofoam coolers used for transporting vaccines (which require stable temperatures to maintain potency) to fully recyclable shipping coolers. Upon receiving their shipment, customers can easily reuse or recycle the materials. The program was initially piloted in Canada. This implementation will save 800 tons of CO₂ emissions.

**PROJECTED SAVINGS FROM PACKAGING INITIATIVE**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased hazardous waste by</td>
<td>↑ 1%</td>
</tr>
<tr>
<td>Reduced non-hazardous waste by</td>
<td>↓ 3%</td>
</tr>
<tr>
<td>Increased recycling of hazardous waste</td>
<td>↑ 74%</td>
</tr>
<tr>
<td>Increased recycling of non-hazardous waste</td>
<td>↑ 43%, including 13,680 LBS of metals that otherwise would have gone to landfill</td>
</tr>
</tbody>
</table>

**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.
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 |

**GLOBAL GENDER DISTRIBUTION**

**OCCUPATIONAL HEALTH AND SAFETY**

Total recordable injury/illness rate per 100 workers.

- Our number of incidents: 1.6
- Industry number of incidents: 1.9
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