

# Advancing Sustainability in Animal Health for a Better Future

2023 Sustainability Report



zoetis



# Our journey toward a better world for animals, people and the planet.



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## A LETTER FROM OUR CEO

# Healthy Animals, a Healthy World – Our Sustainability Journey Continues



Since the start of our journey to drive a healthier, more sustainable future, Zoetis has made meaningful and measurable strides that bolster our purpose to nurture the world and humankind by advancing care for animals. As the world's leading animal health company, we are stewards of the planet we call home and take this responsibility to heart. Our colleagues make the difference in improving the sustainability of our operations and business practices by supporting our customers and the communities in which we operate, all while driving innovations that advance the health and well-being of animals.

I'm pleased to share our progress on how we're building a healthier future for communities, animals and the planet.

## Communities: Care and Collaboration

Zoetis colleagues make the difference in everything we do. To ensure colleagues feel valued and supported, we've continued our dedicated focus on diversity, equity and inclusion (DE&I) in 2023. We've also continued to make positive progress toward achieving our DE&I aspirations.

In 2023, we received eight awards for workplace inclusion, such as the "best" companies for multicultural women and board of directors, and achieved a 100% index score for policies and programs supporting LGBTQ+-friendly workplaces.

At Zoetis, we care about each other as well as the customers and communities we serve. To support the education, well-being, and livelihoods of veterinarians and farmers, the Zoetis Foundation distributed \$8.3 million in grants in 2023 to benefit the livelihoods of livestock farmers and the well-being of veterinarians.

What's more, Zoetis colleagues around the world generously gave their time to causes that matter to them, logging 16,611 hours of volunteer work and nearing our goal of 20,000 hours annually.

## Animals: Innovation in Animal Health

From dogs to dairy cows, our bond with animals is intrinsically linked to the health and well-being of the world's growing population. We fiercely protect this vital interconnectivity through our work to advance animal health.

To support herd health, we launched a rapid diagnostic test that helps veterinarians and producers decide how to best treat mastitis in dairy cattle, and a new treatment to protect cattle against resistant gastrointestinal parasites. Vaccines to protect swine and Atlantic salmon from disease were among the other innovations introduced in 2023.

Meanwhile, pet ownership has numerous health benefits for the people who love them; however, pain associated with osteoarthritis (OA) in dogs and cats can disrupt the important bond between pet owners and their pets. To relieve that pain and improve quality of life, we expanded our innovative treatments for OA pain to additional markets.

Our innovation includes external expertise, such as a new research collaboration with Blacksmith Medicines. Together, we aim to discover and develop novel antibiotics and provide new options to treat life-threatening infections in livestock, demonstrating our commitment to reducing the dependency on antibiotic classes important in human health.

Through the constant vigilance of our Center for Transboundary and Emerging Diseases (CTED), Zoetis monitors and combats infectious diseases that pose the greatest threat to our world. In 2023, when dozens of California condors died from highly pathogenic avian influenza (HPAI), we partnered with multiple agencies by providing 100,000 doses of our H5N1 vaccine to help preserve this endangered species.

## Planet: The Drive to Protect Our Planet

Championing a sustainable future starts with us. Within our own operations, Zoetis continues to minimize its carbon footprint by completing 38 carbon abatement projects at our sites. We've also sourced over 30% of our total electricity needs from renewable electricity and installed additional solar arrays, moving us toward 100% renewable electricity by 2030.

To advance more sustainable packaging, we replaced plastic with paperboard for our rabies vaccine packages at one of our largest manufacturing sites.

These are just a few of the ways we are making sustainability a reality in animal health for a better future, with an eye toward continuous improvement. I am proud of how far we've come on this journey, guided by purpose at every turn. Thank you to our colleagues and partners for leading the way.

Sincerely,

**Kristin Peck**  
CEO, Zoetis



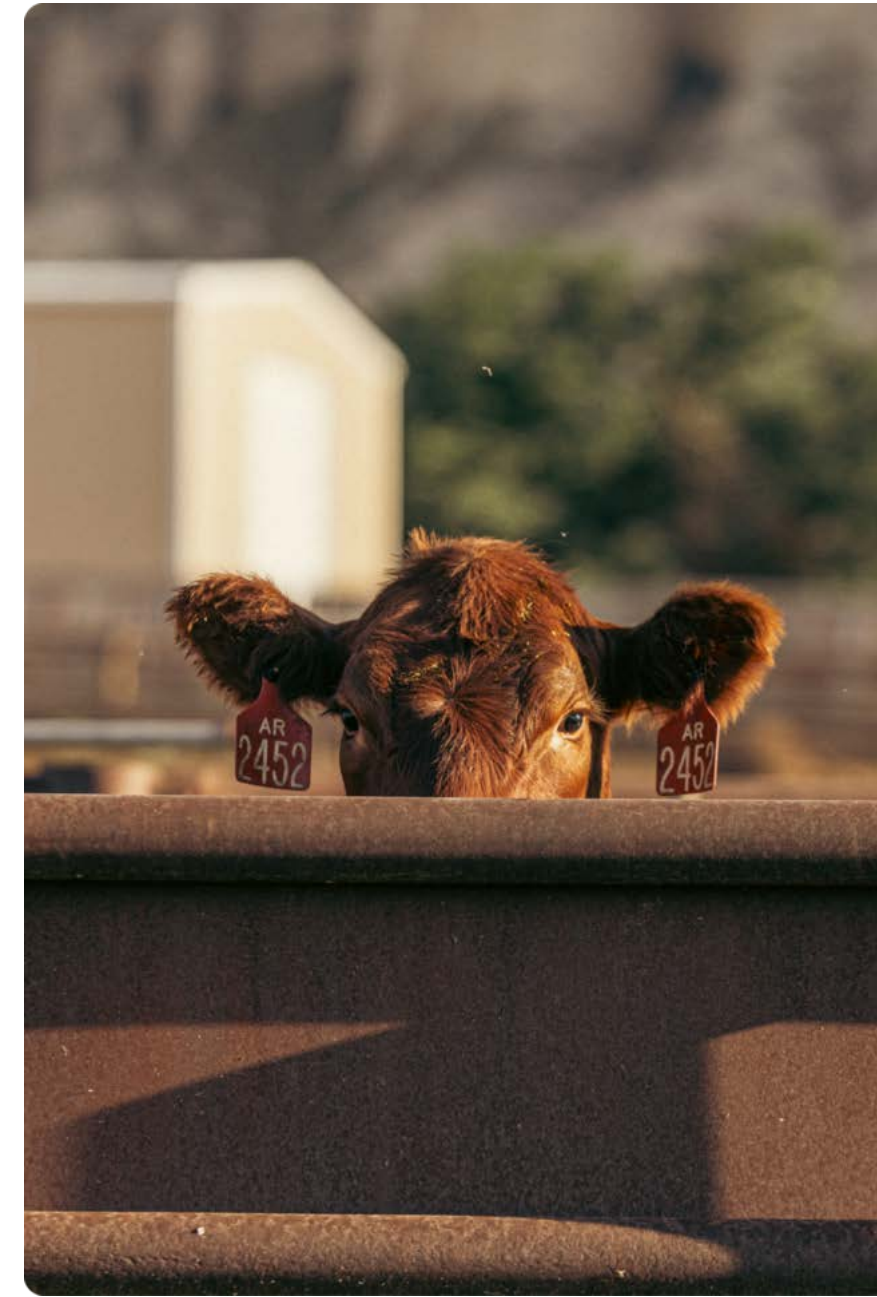
# Driven to Care Strategy



Driven to Care formalizes our commitments to customers, the communities we serve and our colleagues. Across three pillars—Communities, Animals and Planet—our sustainability strategy outlines our priorities and the aspirations we have set to build a healthier future for all. Our aspirations provide a roadmap for how Zoetis can help make an impact and drive achievement of the 17 United Nations (UN) Sustainable Development Goals (SDGs), 11 of which we directly support.

Driven to Care is our response to the interconnectedness among communities, animals and the planet, in addition to the sustainability issues that affect every one of us. Overcoming the complex challenges we face requires a holistic approach—one that can benefit from the combined expertise and passion we and our customers share.

# About this Report

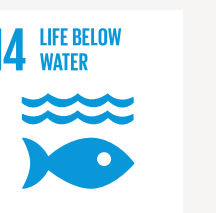
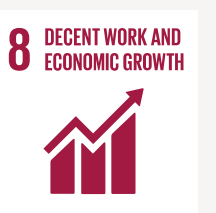


This is our fourth year reporting our progress toward our Driven to Care strategy. In developing our sustainability programs and environmental, social and governance (ESG) disclosures, we considered the disclosure frameworks and guidance of sustainability standards, such as the Sustainability Accounting Standards Board's (SASB) Health Care: Biotechnology & Pharmaceuticals industry, the Task Force on Climate-related Financial Disclosures (TCFD) and the UN SDGs. We also respond to the CDP climate change and water security questionnaires, which are available on the [CDP website](#).

The discussion and data points in this report reflect the 2023 calendar year unless otherwise noted. Select case studies and programs feature information from 2024, up to the time of this report's publication. Please see the [Disclosures](#) section for important information regarding this report.

In 2020, we conducted a materiality assessment to inform our Driven to Care strategy and to help us strategically identify the sustainability topics that have an impact on our business and our stakeholders. Additional information about the assessment and the results can be found on page 15 of our [2020 Sustainability Report](#). We plan to conduct a new materiality assessment in the near term.

## UN SDGs



See our [aspirations and progress](#) for more information.



# About our Company

For over 70 years, Zoetis has supported those who raise and care for animals—from veterinary clinics and homes to farms and ranches. We strive to be the most trusted and valued animal health company, shaping the future of animal care through our innovation, customer obsession and purpose-driven colleagues, and we care deeply about helping pets live longer, healthier lives, and improving the health, welfare and productivity of livestock.

A Fortune 500 company, Zoetis generated revenue of \$8.5 billion in 2023 with approximately 14,100 colleagues. The company's leading portfolio and pipeline of medicines, vaccines, diagnostics and technologies make a difference in over 100 countries. We apply our research and development (R&D), manufacturing, and technical expertise to create new and better animal health advancements that address the challenges our customers face every day.



## Zoetis at a Glance<sup>1</sup>

# 8

**core species supported by Zoetis—dogs, cats and horses (collectively companion animals) and cattle, swine, poultry, fish and sheep (collectively livestock)**



# 14,100

**total number of colleagues**

# 300

**approximate number of comprehensive product lines**

# 29



**global manufacturing sites operated by us—all dedicated to delivering a reliable supply of quality products**

# \$614M

**R&D investment (expense) in 2023**



# 7

**major product categories—parasiticides, vaccines, dermatology, other pharmaceutical products, anti-infectives, animal health diagnostics and medicated feed additives**

# 100+

**countries where our products are sold**

See our Revenue by Species and Product Category in our [2023 Annual Report](#).



# 4,100

**approximate sales organization members (includes sales representatives and veterinary technical representatives)**

# 1,600

**approximate number of R&D colleagues**

# \$8.5B



**revenue in 2023**

<sup>1</sup> Data and information are as of December 31, 2023.



### Our Purpose

To nurture the world and humankind by advancing care for animals inspires how we are reimagining animal health. We focus on innovations across the continuum of care for animals—from prediction and prevention to detection and treatment of disease. We apply digital technologies and data analytics to help integrate the continuum of care and create unique solutions for our customers. We also continue to develop our highly engaged colleagues who help us advance sustainability in animal health for a better future.



### Our Vision

To be the most trusted and valued animal health company, shaping the future of animal care through our innovation, customer obsession and purpose-driven colleagues.



### Our Core Beliefs

Our Core Beliefs are part of the promise we make to our customers, investors and partners, and to each other as members of our One Zoetis team.

Our colleagues make the difference

Always do the right thing

Customer obsessed

Run it like you own it

We are one Zoetis

## Honors and Recognition

When a company is Driven to Care, it shows. We received several recognitions for our efforts to demonstrate care for our communities, for animals and for the planet.



Read about these and other awards and accolades [here](#).



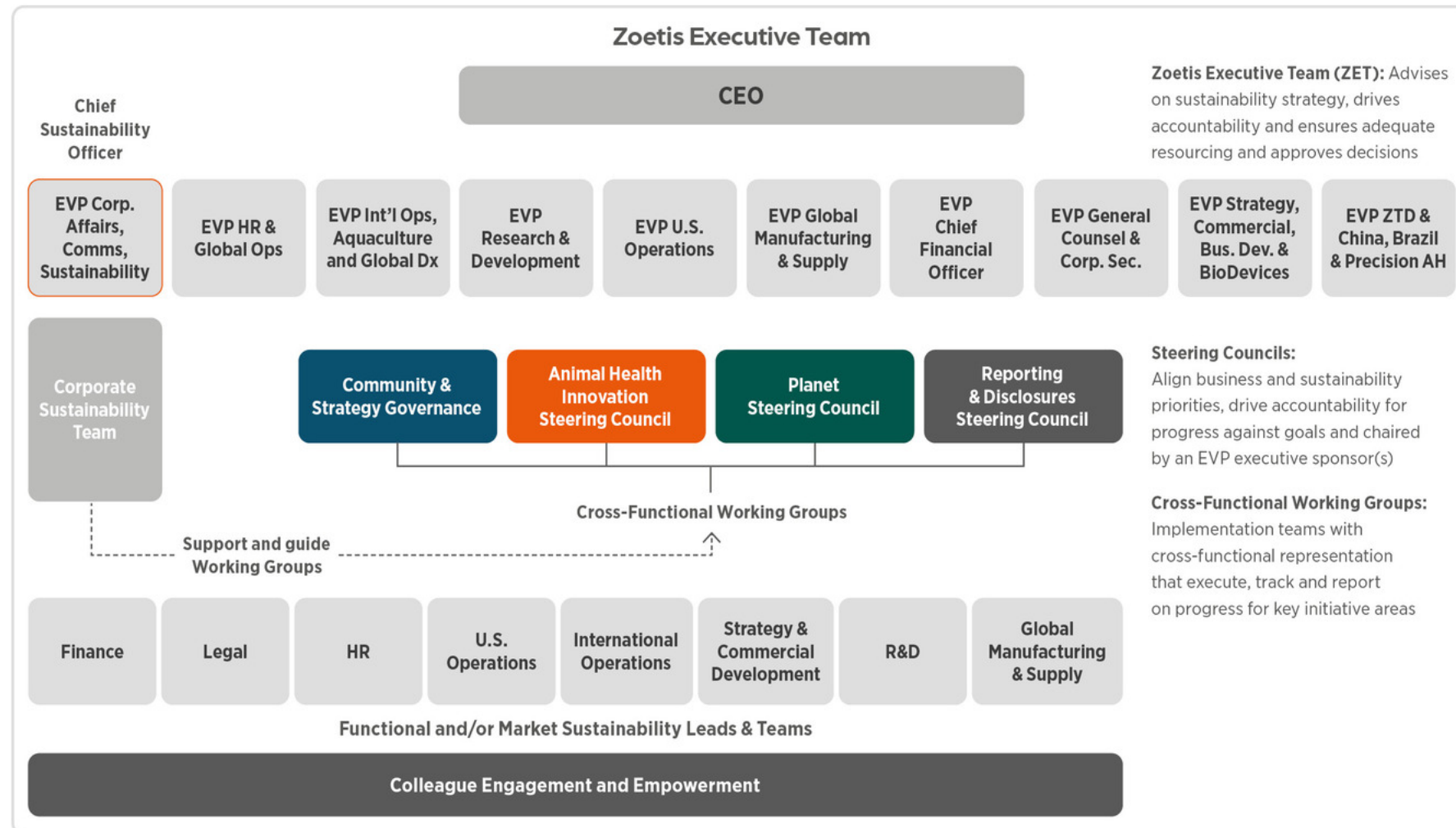
COMMUNITIES

# Care and Collaboration

We support and partner with our colleagues, communities and the people who care for animals. We achieve more by working together toward our common goals.



# Sustainability Program Governance



## Aspiration

Create a Sustainable Governance Framework

Target	2023 Progress
Integrate sustainability into our strategic planning and resource allocation process	<ul style="list-style-type: none"> <li>Continued to embed sustainability goals into our key business functions. Additionally, our Executive Team members continue to have shared and individual objectives under our annual incentive plan organized around our six strategic priorities, including Advance Sustainability in Animal Health for a Better Future.</li> </ul>
Establish an effective approach to external sustainability disclosures	<ul style="list-style-type: none"> <li>Continued to report in line with best practice sustainability frameworks, including SASB, TCFD and CDP, and engage with stakeholders to advance our program and disclosures. Monitored emerging regulatory disclosure requirements and enhanced processes to streamline and centralize reporting.</li> </ul>

## What Drives Us

As the world leader in animal health, we are driven by a singular purpose—to nurture our world and humankind by advancing care for animals. Our Driven to Care strategy is rooted in our purpose, and the only way we can be successful in achieving our aspirations is through the unwavering commitment of every colleague, the Executive Team and CEO, and our Board of Directors.

## Our Approach

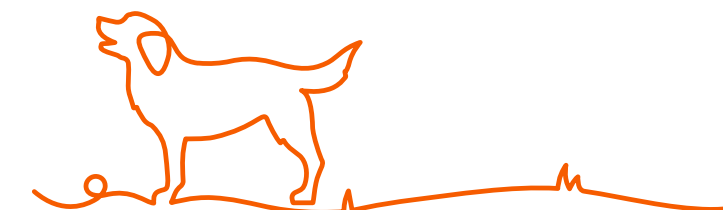
We've established a governance structure to help us deliver on our Driven to Care aspirations—ensuring that colleagues work collaboratively and that sustainability priorities are aligned across the company. Our Executive Vice President, Corporate Affairs, Communications and Chief Sustainability Officer, who reports directly to the CEO and is a member of our Executive Team, helps define the sustainability agenda and provides oversight for our initiatives and goals.

While the Chief Sustainability Officer guides our goals and direction, our sustainability priorities are embedded throughout the organization, including key business functions.

The Corporate Governance and Sustainability Committee of the Board oversees the sustainability activities of our other Board committees and reports regularly to the full Board on the progress of the company's sustainability initiatives. The Chief Sustainability Officer provides updates to the full Board at least twice a year and to the Corporate Governance and Sustainability Committee at each of its meetings. Each committee of the Board also contributes to the oversight of select areas of Zoetis' sustainability program and strategy and helps inform the Board's ultimate oversight.

Additional information about our corporate governance practices, including committee charters and other governance documents, can be found on the [Corporate Governance](#) page of our website, as well as in the 2024 proxy statement available on the [Investor Relations](#) page of our website.

See the [TCFD Index](#) for more information regarding how the Board and management oversee the impacts of climate change.





# Caring for our Colleagues



## What Drives Us

At Zoetis, our purpose drives everything we do. Being a global leader in animal health starts with colleagues who share our passion and purpose. It is our colleagues who make the difference in our success, strengthen our purpose and drive our innovation. We are focused on creating a workplace that is supportive and inclusive and where all of our colleagues have an opportunity to thrive.

We believe repetition is the best way to reinforce our cultural practices, beliefs and values, so Zoetis articulates our purpose and connects our work to our purpose at every opportunity, such as in Global Town Halls, in our communications and on our website.

Our culture is founded on our Core Beliefs, which are part of the promise we make to our customers, investors and partners, and to each other as One Zoetis community. Our Core Beliefs have helped us become an employer of choice in animal health, and guide our vision to be the most trusted and valued animal health company.

## Aspiration

Support our colleagues and cultivate a safe, flexible, diverse and inclusive workplace

	2023 Progress	
Increase representation of women at the director level and above globally to 40% by 2025	Dec 2023 <b>38.0%</b>	+6% June 2020 <b>32.0%</b>
Increase representation of people of color at all levels in the U.S. to 25% by 2025	Dec 2023 <b>25.2%</b>	+4.2% June 2020 <b>21.0%</b>
Increase representation of Black colleagues in the U.S. to 5% by 2025	Dec 2023 <b>4.6%</b>	+0.6% June 2020 <b>4.0%</b>
Increase representation of Latinx colleagues in the U.S. to 6% by 2025	Dec 2023 <b>6.9%</b>	+1.9% June 2020 <b>5.0%</b>
Be a top 100 leader for workplace inclusion in key focus areas (women, people of color, LGBTQ+)	<ul style="list-style-type: none"> <li>Received eight workplace awards and recognitions. Additional detail can be found on our <a href="#">Awards &amp; Recognitions</a> webpage.</li> </ul>	
Commit to diverse slates and interview panels as we hire for all positions	<ul style="list-style-type: none"> <li>Diverse slates and interview panels are required for open roles.</li> </ul>	





## Our Approach: Advancing Diversity, Equity and Inclusion (DE&I)

### Our DE&I Strategy

At Zoetis, DE&I has always been an important part of who we are as a company and a critical element of our success. We strive to create an environment where colleagues feel valued and cared for, and understand that fostering a culture of inclusion helps improve the quality of our innovation, collaboration and relationships.

Our DE&I strategy has four pillars that anchor and support our efforts and balance both an internal and external focus:

**Culture:** We are committed to maintaining an inclusive work environment where every colleague can thrive. DE&I is embedded in our purpose and Core Beliefs and is central to our employer value proposition.

**Colleagues:** We are committed to a diverse global workforce, and we seek to ensure diversity and equity of opportunities for our colleagues are part of our internal and external pipeline management strategies.

**Career:** We are committed to innovative talent and development processes that maximize the potential of our colleagues.

**Community:** We are committed to advancing and supporting DE&I in our business practices, with our customers, and in the communities in which we live and work.

### Partnering for Change

We believe we can make a greater impact on DE&I by working collaboratively. We also believe in strength in numbers, and have strategically collaborated with various organizations to help us create lasting impact inside and outside of our organization. Some examples include:

- Partnerships with national organizations focused on connecting underrepresented students and professionals with career opportunities, such as INROADS and Minorities in Agriculture, Natural Resources and Related Sciences (MANRRS).

- Nurturing long-standing partnerships with Colleges of Veterinary Medicine and Historically Black Colleges and Universities to support leadership and diversity among future veterinarians.
- Supporting organizations that advance DE&I in the veterinary industry, such as Pride Veterinary Medical Community (PrideVMC), an association for veterinary professionals who are part of the LGBTQ+ community. We also support the Diversify Veterinary Medicine Coalition (DVMC), which works to meet the needs of underrepresented groups interested in a veterinary medical education.

### Developing a DE&I Mindset

All Zoetis colleagues are offered DE&I training on inclusion and unconscious bias, as well as valuing differences, avoiding exclusion, and spotting and avoiding microaggressions. Understanding that DE&I needs to be embedded throughout the organization, our training for people managers includes modules on inclusive leadership, narrative storytelling, allyship and courageous conversations. Building on this educational foundation, we offer DE&I educational training and live facilitated virtual sessions.

### Challenges and Opportunities

We recognize the value of equity and intersectionality, and have constructed a DE&I strategy that embraces a holistic approach to representation and focuses on tailored approaches to address challenges. This approach drives us to address barriers faced by women in conjunction with struggles experienced by people within historically marginalized groups, including people of color, gender-diverse people, people with disabilities, members of the LGBTQ+ community, and people at the intersection of one or more of these identities.

We understand that advancing diversity and inclusion is a journey, not a destination. As we evolve as a business and with our industry, we continue to prioritize DE&I globally, fostering an environment that amplifies our culture, unites us as colleagues, advances careers, and enriches our customer and community relationships.

## Colleague Resource Groups<sup>2</sup>

Zoetis' Colleague Resource Groups (CRGs) spread awareness, foster inclusivity, and make a positive impact on our business and communities. CRGs bring together colleagues with shared experiences, their allies and anyone at Zoetis who wants to learn more.

**1,150** global active members across all CRGs

#### ALIVE50+



Adaptable, Limitless, Insightful, Vital & Experienced

#### ART



Asians Rising Together

#### BELIEVERS



Black Employees Leading in Inclusion, Equity, Vision, Education, Recruitment and Strategy

#### DNA



The Differently-abled Neurodiversity Alliance

#### LaZos



Latinx at Zoetis

#### PAW



Proud and Welcome

#### WAVES



Women Achieving Vision, Excellence and Success

#### ZECC



Zoetis Early Career Champions



<sup>2</sup> Zoetis had eight active CRGs as of December 31, 2023. In 2024, we added Zoetis Veterans Engage Together & Support (ZVETS).



## Our Approach: Engaging, Developing and Supporting our Colleagues



### Engaging our Colleagues

Our focus on colleagues has contributed to our ability to attract and retain a high-performing workforce, with overall colleague engagement, as measured by favorable responses to qualitative questions about alignment with Zoetis objectives and employment with Zoetis, at 86%. Conducted annually, our colleague engagement survey assesses engagement and key drivers enabling organizational performance: Strategy; Leadership; Workplace Climate; Diversity, Equity and Inclusion; our Core Beliefs; and Organization Systems and Processes.

Results from our colleague survey inform not only our business priorities and focus areas for the company, but also our development of action plans at the functional and people-manager level, helping to ensure improvement opportunities are customized and localized. We review our survey data for any gaps in experiences based on organization, gender, and/or racial identity to ensure we are applying corrective inclusion and equity practices in our attraction and retention efforts.

### Developing our Talent

At Zoetis, we nurture and develop the talent we have to meet our organizational needs. As we continue to innovate and evolve the priorities for our business, helping our colleagues develop and grow remains our strategic priority. We support our colleagues through annual talent reviews, development and leadership training, and mentorship and coaching. The following are examples of our key programs.

### Development and Performance Management:

- **Your Development Matters (YDM):** With this platform, colleagues can leverage trainings and self-assessments to define their career aspirations and create individual development plans (IDPs). YDM aggregates access to learning and development offerings, including our Leading@Zoetis live-facilitated courses and eLearnings. AI translations of all content on YDM was enabled in 2023, making the tool accessible to colleagues around the globe.
- **Zoetis Digital University:** This program was created in 2023 to provide colleagues with a unique development opportunity to enhance their data fluency and analytics skills and promote data-driven decision-making.
- **The McKinsey Connected Leaders Academy Partnership:** This partnership provides colleagues with opportunities to participate in leadership development programs focused on the unique skills and challenges of Black, Latinx and Asian leaders, and provides networking opportunities across organizations, as well as sponsorship from senior management.
- **Zoetis Mentoring Zone:** This program matches mentees and mentors based on career interests, experiences, development goals and skills gaps, and helps drive engagement, fuel learning and develop participants' career aspirations. In 2023, we launched the WAVES CRG mentoring pod to facilitate networking among women at Zoetis and develop management and leadership skills. The Mentoring Zone is continuing to develop partnerships with other CRGs across Zoetis.

### Leadership Programs:

- **President's Leadership Development Program:** This year-long program develops high-potential colleagues in our U.S. operations and enables colleagues to work on real, business-critical projects outside their job scope and receive senior leadership mentorship. Participants gain increased leadership confidence and business acumen.

### Emerging Senior Leaders Initiative:

An international-only program that strengthens current and future leader competencies to prepare a strong and diverse leadership bench by focusing on skill-based development initiatives for high-potential senior colleagues in international markets.

- **Leading@Zoetis:** This program provides leaders with tools to effectively assess, coach and lead their teams, and offers supplemental well-being and mentoring learnings to support development. In 2023, the program was delivered both virtually and in-person, reaching over 2,000 leaders in eight languages around the world.
- **Frontline Manager Development:** In 2023, Zoetis launched a global program at our manufacturing sites to provide in-person instruction and an opportunity to practice new skills for over 300 frontline managers, in six different languages, across sites in 14 countries.
- **Global Next Generation People Leaders Program:** This nominated program involves 50 high-growth individual contributors who we anticipate will take on people-leader responsibilities in the next one-to-two years, and represents all business lines across 15 countries. In coming years, we plan to double the size of this group and expand the scope of content and opportunities for interaction with current leaders across the organization.

### Paid Internship Program:

The Zoetis Summer Internship Program offers students the opportunity to gain real-world experience in our award-winning culture, grounded in our Core Beliefs, and provides students with an opportunity to gain hands-on experience in the unique industry of animal health in a supportive and collaborative environment. Students in this program work across all of Zoetis' business functions, including R&D, Manufacturing and Supply, Commercial Operations, Corporate Functions, and Technology and Digitalization.



## Comprehensive Benefits to Support our Colleagues

In 2023, we introduced the publicly available website [www.zoetisbenefits.com](http://www.zoetisbenefits.com) to enhance the benefits experience for our U.S.-based colleagues, their families and Zoetis candidates by providing comprehensive access to our benefits information. This platform includes details on paid parental leave, family benefits, gender transition healthcare coverage and more.

In 2023, our global benefits program included several other noteworthy features, including:

- **Emotional Well-being:** Making mental health a top priority, we conducted global training sessions aimed at fostering awareness and well-being among colleagues and managers. Collaboration with CRGs on a global scale supported the development of our comprehensive programming to support mental health initiatives.
- **Financial Well-being:** We understand the importance of financial health and offer services like tuition reimbursement and student loan repayments. These benefits contribute to the overall financial well-being of our colleagues.
- **Physical Well-being:** In the U.K., we launched a health screening program to facilitate the early detection of specific cancers. This initiative underscores our commitment to promoting the physical well-being of our colleagues and emphasizes the significance of proactive health measures.

By integrating these elements into our benefits program, we aim to create a holistic and supportive environment that addresses the diverse needs of our colleagues, ultimately fostering their overall well-being and satisfaction at Zoetis.

## Philosophy on Pay Equity

We are committed to maintaining an inclusive environment where every colleague can thrive. For years, Zoetis has been focused on ensuring that our pay practices and processes include safeguards to ensure that salaries established when colleagues are hired, promoted, or awarded annual salary increases consider relevant factors such as experience, qualifications, performance and applicable market data to seek pay equity across our colleagues.

We periodically conduct pay equity analyses and address any issues that may be found. Our most recent analysis, conducted by an external third-party in 2022, did not identify indicators of systemic discrimination in our compensation program.

We have a pay-for-performance culture, and we measure performance against objectives established annually at the company, organization and individual level. Individual objectives focus on two to three critical priorities plus day-to-day job responsibilities. Managers and colleagues meet annually to discuss performance against objectives.

We will continue to review our practices and analyze employee pay to ensure that we are paying our colleagues fairly.

## Challenges and Opportunities

We are continuously monitoring macro trends and exploring ways to stay ahead of challenges in attracting and retaining talent. We remain focused on amplifying our employer value proposition and inclusive culture in order to differentiate ourselves as an employer of choice. We encourage our business leaders to embrace talent development and talent acquisition practices that foster a culture of learning and growth. This includes evaluating applicants' potential in addition to experience, and tailoring development needs to support potential growth. By employing robust talent practices and fostering an inclusive environment, we can maximize retention and attract talent into a work environment where all colleagues can thrive.

## Our Approach: Health and Safety

Our Global Environmental Health and Safety (EHS) Policy Standards ensure that we have a best-in-class safety culture for our colleagues. These standards define EHS performance requirements, procedures and practices for each site, and help identify risks and preventative measures. We also ensure our colleagues' safety by conducting health and safety training, leadership process confirmation and injury prevention programs, and corporate audits and floor-level inspections. When injuries do occur, our procedures emphasize the need to investigate the cause, implement action plans and mitigate potential recurrence.

We've created a strong EHS culture and mindset of "Home Safe, Every Day." Through our FOCUS program, we drive initiatives such as culture training, leadership involvement, process confirmation and colleague recognition. Our colleagues are trained to identify EHS risks, unsafe behaviors and positive observations. We also established a global reporting process to address concerns and collect leading indicators to support continual improvement.

In the United States, Zoetis participates in the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Programs (VPP), an initiative that recognizes workplaces with a comprehensive safety and health management system and that demonstrate a commitment to leadership and continuous improvement, employee engagement, hazard identification and control, and worksite analysis and training. Applicants undergo rigorous on-site evaluation against the program's performance-based criteria, with those demonstrating exemplary performance receiving the Star recognition. In 2023, our Independence, Missouri logistics center received VPP Star status, increasing our total VPP Star sites from 4 to 5.

Building on our EHS program, we also incorporated OSHA's VPP performance-based criteria into our internal health and safety management evaluation program, Zoetis Health and Safety (H&S) Star program, extending the principles of the OSHA VPP to our international sites. In 2023, we self-certified two additional facilities, Olot, Spain and Rathdrum, Ireland as Zoetis H&S Star sites, totaling five sites to date. Our Catania, Italy site has an ISO 45001: 2018 Occupational Health and Safety Management Systems certification. We plan to expand the number of sites that participate in the VPP Star and Zoetis H&S Star programs.

In 2023, Zoetis increased the number of OSHA VPP Star sites from **4 to 5**, and the number of Zoetis H&S Star sites from **3 to 5**.

Our commitment to creating safe work environments extends to all who work at our facilities. Contractor safety is an important aspect of our site safety programs. Before they begin work, contractors are screened to ensure they have the relevant qualifications and licenses, and have been trained on our contractor safety procedures and any potential hazards present at our sites.





# Caring for Our Communities

## What Drives Us

At Zoetis, we look to give back to those who raise and care for animals by helping address some of the most pressing challenges that they face, while also supporting animals in need. Zoetis' corporate community efforts focus on initiatives that support veterinary professionals through continuing education as well as initiatives that support animals and their owners by providing expanded access to veterinary care and disaster relief. The Zoetis Foundation advances opportunities for veterinarians and farmers through education resources, well-being support, and livelihood initiatives. We also encourage our purpose-driven colleagues to volunteer their time and share their expertise in local communities.



**\$7.0 Million** invested in communities through Zoetis Inc. corporate giving in 2023

**\$8.3 Million** distributed through Zoetis Foundation grants in 2023

## Zoetis Foundation

The Zoetis Foundation builds on Zoetis' purpose by advancing opportunities for veterinarians and farmers around the globe through three grant-making priorities: education, well-being and livelihoods. The Foundation is committed to disbursing \$35 million in grants from 2021 until the end of 2025 in support of these priorities, as well as humanitarian aid and matching gifts. The Foundation's work is primarily focused across six strategic regions, including Africa, Australia, Brazil, China, the European Union (EU)/the United Kingdom (UK) and the United States. Examples of grants funded by the Foundation in 2023 include:



A grant to [World Food Program USA](#) provided access to financial and veterinary services to support livestock farmers in Ethiopia and Kenya.



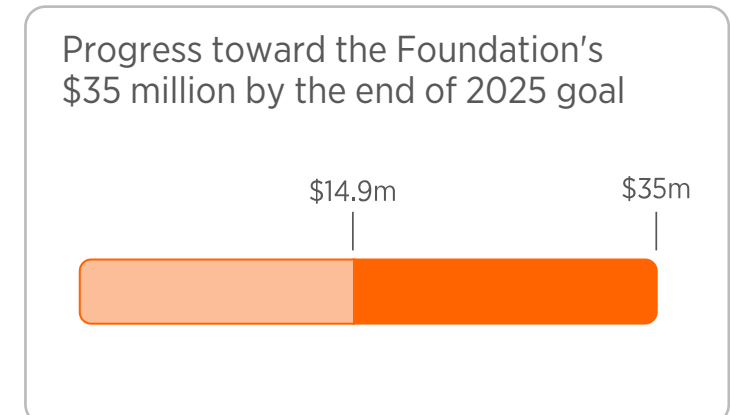
A grant to the [Shanti Project's Veterinary Mental Health Initiative](#) provided evidence-based, culturally-aligned and multi-level mental health support services to veterinarians by expert clinicians.



[The Zoetis Colleague Resource Group \(CRG\) Philanthropy Grants Program](#) awarded grants to eight organizations proposed by the Zoetis CRGs.

## Foundation Impact

	Total grants disbursed (\$ million)	Approximate number of scholarships awarded	Number of countries impacted	Number of grant initiatives executed
<b>2023 Grants</b>	\$8.3	500+	19	28
<b>Grants to Date (2021-2023)</b>	\$14.9	1,300+	31	57







## Aspiration

Support our communities

### Target

Contribute 2,500 volunteer days (20,000 hours) annually in the communities we serve

### 2023 Progress

- 16,611 hours of volunteer time reported by our colleagues, 83% of our stated goal. This is an 81% increase from hours reported in 2022.

## Our Approach

At Zoetis, our colleagues are committed to making a positive impact, not only for animals and those who care for them, but also for our communities. Zoetis provides [paid time off](#) for colleagues to volunteer their time and participate in activities to help nonprofit organizations and those in need. Through the Zoetis Foundation, we also support a [U.S. Matching Gifts](#) program and a U.S. Dollars for Doers program.

We seek to create opportunities for our colleagues to engage in community giving, while connecting with one another. In July 2023, we launched our first annual Purpose Month—a month to celebrate and connect to our purpose of nurturing the world and humankind by advancing care for animals. Colleagues across the globe participated by sharing their own purpose, recognizing their colleagues and customers, and tracking over 2,000 volunteer hours throughout July and August, a 370% increase from July and August 2022.

See a [video](#) of our first Purpose Month.

## Challenges and Opportunities

Our hybrid work environment has required us to take a new approach to organizing community events. With the return of in-person volunteering, together with our efforts to engage colleagues through company-wide initiatives, such as Purpose Month, volunteer time off and U.S. Dollars for Doers, we are making progress toward achieving our aspiration. We will continue to build on the success of Purpose Month and other moments throughout the year that encourage colleague participation and volunteerism.

### Colleagues Giving Back



Volunteering with [World Vets](#), Nicole Roecker, Territory Account Business Manager, combined her passion for travel and helping animals by spaying, neutering, and treating animals with broken bones and other injuries in the Galapagos Islands.



The Zoetis U.S. Petcare Brand Marketing team participated in a team-building activity while doing good in the community. They spent the day planting and mulching at [Willowwood Arboretum](#) in New Jersey, a public park that relies on volunteers to maintain the gardens and meadows year-round.



Recognizing the important work of veterinarian technicians and the challenges they face, Zoetis colleagues distributed wellness bags throughout Kansas, Missouri and Nebraska. The bags contained wellness items and resources about mental health, including contact information for [Not One More Vet](#), a nonprofit organization that focuses on supporting veterinary professionals' mental health and a recipient of a Zoetis Foundation grant.



## The Zoetis Foundation's Approach

Recognizing the high debt loads for veterinary graduates and the lack of racial and ethnic diversity in the profession, the Zoetis Foundation funds grants providing scholarships to the next generation of veterinary professionals. These organizations include the American Association of Veterinary Medical Colleges (AAVMC), American Veterinary Medical Foundation, American Association of Equine Practitioners Foundation for the Horse, American Association of Bovine Practitioners Foundation and American Association of Swine Veterinarians Foundation.



## Our Approach

Zoetis has also invested corporate funding in professional programs that train veterinarians and help them gain the skill sets needed to succeed in their jobs. In the United States, Zoetis partners with the American Animal Hospital Association to execute the Beyond Medicine Workshop, providing veterinarians and veterinarian technicians with continuing education opportunities focused on skills such as communicating with clients, overcoming professional challenges and caring for their own well-being. In Spain, Zoetis supports Ganadería en Femenino—or Women in Livestock—a program that aims to increase visibility of women livestock farmers, veterinarians, and others in the field, by providing training, communication support, and recognition of their work.

## Challenges and Opportunities

Limited access to trained veterinarians and veterinarian technicians who can provide high-quality care, for both pet owners and livestock farmers, continues to be a challenge, especially in areas of the world where pet ownership and modern livestock farming are growing. Supporting the veterinary profession and helping overcome this challenge is a key area of focus. Grant funding from the Zoetis Foundation helps to expand the workforce by increasing access to mental wellness programming for veterinarians to reduce attrition, funding scholarship programs and supporting debt relief initiatives. In addition, Zoetis' commercial offerings strive to improve clinic efficiencies with advanced technology, and Zoetis' continued industry research and collaboration helps to address the underlying issues behind these challenges.

## Aspiration

Support veterinary professionals

### Target

Provide at least \$1 million in scholarships to veterinary students annually, focusing on underrepresented groups where possible

Provide access to professional programs for veterinarians in the markets where we have a presence

### 2023 Progress

- The Zoetis Foundation provided grants of \$3.0 million for scholarships to support 500+ students. In the United States, 58% of students supported by the Zoetis Foundation/AAVMC Veterinary Student Scholarship Program are members of traditionally marginalized or underrepresented communities and 19% identify as LGBTQ+.
- Zoetis continued to invest in professional programs in 100% of our markets where we have a physical presence, through Zoetis-led programs and in partnerships with external organizations.

### Scholarships funded by the Zoetis Foundation in 2023:



The [Zoetis Foundation/AAVMC Veterinary Student Scholarship Program](#) provides financial support to veterinary students, addressing the issue of student debt and the need to foster diversity in the veterinary profession. This scholarship awarded 263 recipients with \$7,000 each through 2023 funding.



The [Zoetis Foundation/AAVMC Dr. Catherine A. Knupp Scholarship](#) encourages students to pursue research in veterinary science and is named in honor of Dr. Catherine A. Knupp, who retired as Zoetis' President of Research & Development in 2021. Commemorating her many contributions to scientific innovation as a veterinary scientist and leader in human and animal health research and development, the scholarship awarded two recipients with a \$25,000 scholarship through 2023 funding.



In 2023, the Zoetis Foundation started funding a grant to the Kansas State University Foundation: [U.S.-China Center for Animal Health](#), College of Veterinary Medicine supporting veterinary training for six Chinese veterinary medicine students who will return to China with knowledge to support the development of the veterinary profession in their home country.



### Community Impact Efforts



We partnered with [Adopt a Pet](#) to make a nearly \$1 million investment to improve access to resources for pets, shelters, rescues and veterinary healthcare teams across the country.



We supported vaccinating cats and dogs against rabies across provinces in Indonesia in partnership with Royal Canin Indonesia on [World Rabies Day](#).



We co-hosted a clinic with [American Humane](#) in Florida to provide the underserved community with free wellness exams and veterinary services, along with information about preparing for disasters and pet preparedness kits.



We donated in-kind contributions including parasiticides, antibiotics, ointments and other supplies to assist in the rescue mission of equine populations following the devastating [earthquake in Morocco](#).

## Our Approach

As the world's leading animal health company, we are dedicated to expanding veterinary care access to populations and communities in need and to providing care for animals impacted by disasters. To ensure our efforts meet the needs of local communities, we empower our colleagues and local teams to take action in ways that best fit their market.

### Aspiration

Expand veterinary care access to populations in need

#### Target

Annually report on the number of pet owners reached through community programs and in-kind contributions

#### 2023 Progress

- Zoetis' efforts impacted approximately 202,000 pet owners in need.

### Aspiration

Provide animal care in disaster relief

#### Target

Annually report on the number of animals cared for through community programs and in-kind contributions

#### 2023 Progress

- Zoetis' efforts impacted approximately 91,000 animals affected by disasters.





ANIMALS

# Innovation in Animal Health

We use our expertise in animal health to solve sustainability challenges facing animals and people.



# Innovating for Sustainable Solutions

## What Drives Us

As the world's population grows to approximately 10 billion people by 2050<sup>3</sup>, as projected by the UN, some of our greatest challenges are emerging at the intersection of human, animal, environmental and economic health. We work in that intersection and offer solutions to some of these significant global challenges impacting our customers and those who care for animals. By enhancing the health and welfare of livestock and pets, we contribute to the economic well-being of farmers and communities and the mitigation of agricultural emissions. We also help bolster global food security and improve the quality of life of our pets, deepening the human-animal bond.

Livestock supports the livelihoods of at least **1.7** billion people worldwide.<sup>4</sup>

Over **20%** of animal production losses are linked to animal diseases—which impact natural resources.<sup>5</sup>

Pet ownership has numerous health benefits, including lowering the risk of cardiovascular disease and stress, and promoting social interaction.<sup>6</sup>

In the face of growing world human populations and rapid environmental change, farmers need innovative solutions to produce more food with fewer resources. To meet these demands, we must ensure animals are healthy and productive. Animal health can also play a key role in both reducing greenhouse gas (GHG) emissions from livestock systems and improving food security. Healthy animals are more productive, have reduced mortality rates and generate lower emissions per unit of food produced. According to the 2023 HealthforAnimals (HfA) Animal Health and Sustainability: A Global Data Analysis report, a fall in disease levels of ten percentage points could lead to a decrease of more than 800 million metric tons of GHG emissions annually.<sup>7</sup>

## Our Approach

We bring farmers, pet owners and veterinarians innovative solutions that provide them with the tools they need to raise and care for animals. Our products and services support our livestock customers in their essential work toward sustainable food production and support our companion animal customers by addressing unmet medical needs as they deepen their bonds with pets. Our areas of innovation include developing new vaccines, enhancing diagnostics and genetic tests, exploring new classes of animal-only antibiotics, and advancing novel solutions for the management of infectious disease.

## Aspiration

Provide products and services that enable productive and sustainable livestock farms that preserve animal welfare

### Target

Innovate to create and drive adoption of key sustainable animal health solutions

Equip our customers with innovative products to support their ambitious environmental, social and animal welfare goals

### 2023 Progress

- Advanced our investment strategy for products supporting our customers' sustainability goals.
- Collaborated across the value chain to support the role of animal health improvements in sustainability through data and systems support.
- Launched innovative products in key sustainability opportunity areas including diagnostics, vaccines and parasiticides.

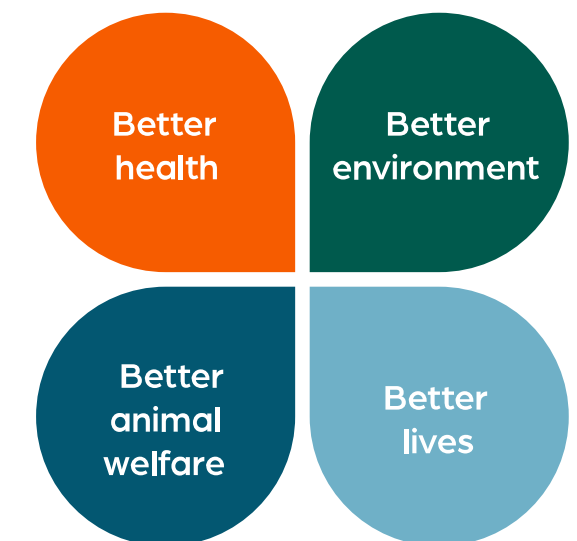
## Better Future Framework

Our Better Future Framework leverages the UN SDGs to facilitate recognition of the benefits livestock provide for food security, human health and the ecosystem, and positions sustainable and efficient livestock production as an environmental solution.

We strive to incorporate key environmental, social and farmer economic considerations into our new product evaluation process, and are focused on driving Better Future Framework outcomes in these four interconnected key benefit areas: better animal welfare, better health, better environment and better lives.

In 2023, our R&D team piloted the inclusion of sustainability evaluations into our innovation prioritization process for livestock species. New product proposals receive a Better Future Framework evaluation, which is assessed during the investment prioritization process.

As we continue to understand the incentives and drivers for sustainable solutions through the lens of our global customers, we will optimize the application of the Better Future Framework evaluation as part of our innovation prioritization process. We'll also evaluate the sustainability attributes of our current and pipeline products against this framework and include this evaluation in our investment decision making.



<sup>3</sup> [World Population Projections by UN Prospects Revision](#). Our World in Data.

<sup>4</sup> [In Brief: The Roadmap to End Hunger by 2030](#). Food and Agriculture Organization of the United Nations.

<sup>5</sup> [Animal Health and Welfare: A Critical Component of Sustainable Development](#). World Organization for Animal Health.

<sup>6</sup> [Research: Understanding the Human-Animal Bond](#), Human Animal Bond Research Institute.

<sup>7</sup> [Animal Health and Sustainability: The Connection](#). Health for Animals.



## Innovations for a Better Future

- VetScan Rapid [Mastigram+™](#) Test: Mastitis is a painful inflammatory disease of the mammary gland, and a key risk for dairy cows. Launched in international markets, our Vetscan Mastigram+ rapid diagnostic test helps veterinarians and producers decide how to best treat mastitis. By enabling timely identification of the bacterial cause of mastitis, farmers and veterinarians can improve the welfare and productivity of dairy cows and ensure the appropriate use of antimicrobials.
- [Valcor™](#): Parasite resistance is a growing challenge that threatens the welfare and productivity of cattle. The negative effects exerted by resistant parasites increase the environmental impact of cattle farming. Zoetis recently launched Valcor in the United States (also branded as Dectomax V® in Australia and New Zealand) to help veterinarians and producers protect cattle against resistant gastrointestinal parasites.
- [Librela®](#) (bedinvetmab injection) and [Solensia™](#) (frunevetmab injection): Osteoarthritis (OA) is a painful chronic condition of the joints that can severely affect the health and well-being of dogs and cats worldwide. OA pain can disrupt the important bond between pet owners and their pets. With the expansion of Librela and Solensia to additional markets in 2023, including launching Librela in the United States, we can continue to provide these innovative products to support pets' welfare and the human-animal bond by relieving pain and improving their quality of life.

## Featured 2023 Innovations

- Expanded [Fostera® Gold PCV MH](#) to additional global markets to protect swine against major production-limiting diseases including porcine circovirus and mycoplasmal pneumonia.
- In Australia, the [Immune Ready](#) Guidelines, a Zoetis-led innovative national vaccination program for beef cattle, was adopted into the Australian Beef Sustainability Framework.
- Launched [ALPHA JECT® Moritella](#) in Norway, a vaccine that protects Atlantic salmon against winter ulcers, a disease that has become a major welfare issue in recent years as new bacterial variants emerged that escape the protection afforded by other commercially available vaccines.



## Advancing Sustainable Agriculture Through Strategic Collaborations

We believe that overcoming complex challenges requires strategic collaborations which benefit from the combined expertise and passion we and our customers share. We proactively seek partnerships to drive change in alignment with UN SDG 17: Partnerships for the Goals.

**Climate-Smart Commodities:** In December 2022, a collaboration between Texas A&M University-Kingsville, Leachman Cattle of Colorado, LLC., B.R. Cutrer, Inc. and Zoetis was one of 71 projects selected as a grant recipient by the USDA's Partnerships for Climate-Smart Commodities to reduce methane production in the U.S. beef herd. Leveraging the expertise of our Precision Animal Health (PAH) team, the program provides mentorship, genetic technologies, and support to underserved<sup>8</sup> producers and first-generation beef cattle ranching start-ups—ultimately helping them genetically select cattle for reduced feed consumption and lower methane impact. To date, we have collaborated to install animal feed intake, methane emission and weighing equipment at multiple locations with data collection beginning in 2024.

**Dairy Management Inc. (DMI):** Our PAH team has collaborated with DMI and the Ruminant Farm Systems (RuFaS) modeling team to augment the development and testing of the RuFaS on-farm emissions model. We provide animal health and genetics data as well as supportive research expertise to enable comprehensive modeling of dairy farm carbon footprints. This model will be used as the basis for the FARM Environmental Stewardship (ES) platform, with scientific support provided by DMI and, managed by the National Milk Producers Federation (NMPF) to develop emissions inventories and perform scenario analysis of the environmental impact of proposed on-farm management changes.

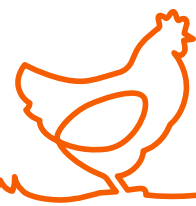
According to the NMPF, cooperatives and processors representing 80% of the U.S. milk supply participate in the FARM ES program<sup>9</sup>, and therefore, the Zoetis and DMI partnership represents a significant, while yet preliminary analysis of, the opportunity to understand levers that can improve the efficiency and environmental impact of milk production. The work completed in 2023 and continuing into 2024 will support the understanding of health and genetics as levers for environmental stewardship as they anticipate the launch of the updated FARM ES platform in 2024.

**Beef Roundtables:** Comprised of beef producers, processors, allied services and industries, retail companies, civil society, consulting, and national or regional roundtables, the Global Roundtable for Sustainable Beef advances sustainability of the beef value chain through leadership, science and multi-stakeholder engagement and collaboration. Our Zoetis team actively participates on the executive committee and in working groups to advance sustainable beef production. We also participate in Regional Beef Roundtables in Brazil, Canada, New Zealand and the United States, where we leverage our colleagues' technical expertise to support the development of regional sustainability goals, sector targets, tools and resources that the full value chain can adopt and utilize.



<sup>8</sup> Underserved producers is defined by the USDA to generally include beginning farmers, socially disadvantaged farmers, veteran farmers, and limited resource farmers; women farmers and producers growing specialty crops are generally also included in these categories.

<sup>9</sup> [Evolving on Farm Greenhouse Gas Emission tracking in the U.S. to support path to GHG neutrality](#). National Milk Producers Federation.





## Animal Care and Welfare

Zoetis is dedicated to helping animals live longer, healthier lives through the discovery and development of breakthrough medicines and therapies. Animal-based research in the pharmaceutical industry remains critical in the discovery, evaluation, and regulatory processes that lead to the development of products designed to save or improve animal lives throughout the world. We remain fully committed to the development and use of scientifically validated alternative testing methods deemed acceptable to regulatory authorities and that do not compromise patient or user safety or the effectiveness of our medicines. We ensure that all use of animals globally is reviewed for scientific merit, considers the 3R's—Replacement, Reduction and Refinement—and is conducted in an ethical way in accordance with our [Policy on Animal Care and Welfare](#).

To help advance innovation in this space, we have an internal program called Transition Away from Animal Testing (TAFAT). Through this program, we are focused on developing and validating in vitro (in lab) tests as alternatives to traditional in vivo (in animal) tests required by regulatory agencies for product release. As part of this program, our team in Japan has reduced their use of animals for regulatory required vaccine release testing by more than 90% from 2008 to 2023.

## Challenges and Opportunities

Livestock are continually threatened by disease and ill-health, which ultimately affects the economic, environmental and social sustainability of animal agriculture. Production losses due to disease not only decrease the economic viability of producers, but also increase the environmental impact of food production by increasing greenhouse gas emissions intensity. Fluctuating food prices due to animal disease outbreaks, such as Highly Pathogenic Avian Influenza, show how disease effects ultimately trickle down to consumers, potentially hampering their ability to access healthy, quality animal protein.

Global recognition of the critical role that animal health can play in reducing GHG emissions has driven industry collaboration and alignment in 2023. Our partnerships and collaborations help livestock farmers raise healthy animals which are, in turn, more productive, sustainable animals.

As the leader in animal health and genetics, we see opportunities to provide data-derived insights and related decision-making tools to help livestock farmers and ranchers achieve their sustainability goals by reducing methane emissions and continuing to enhance their environmental stewardship. Looking ahead, we are continuing to identify important collaborations to advance industry alignment to reduce emissions.



Refer to our website for more information on our [Animal Care and Welfare program](#).



# Antimicrobial Stewardship

## What Drives Us

We recognize that animal and human health are interdependent. We advocate for taking a One Health approach to the responsible use of antibiotics across human and veterinary medicine, understanding that healthy animals help reduce the risk of infectious zoonotic diseases that can pass between animals and people. Responsible use of antibiotics in food-producing animals makes a difference in being able to meet the challenge of maintaining and increasing food safety and food security. With few alternatives today for treating life-threatening bacterial infections in animals, antibiotics are essential to animal health and welfare.

## Our Approach

Our vision is a world where veterinary antibiotics are used responsibly under the supervision of a veterinarian, and where they maintain their value as a therapeutic tool. Veterinary professionals should be involved in all decisions about the use of antibiotic medicines in animals to protect animal and human health, to assure the safety of the food supply, and to help reduce the risk of resistance. Our commitment to responsible antibiotic use in animals includes:

- Advocate for the health of animals and veterinary involvement
- Innovate with a focus on prevention
- Collaborate across our value chain

As part of our commitment to responsibly using antibiotics in animals, we do not sell antibiotics medically important for human health, as classified by the U.S. FDA, for growth promotion in animals anywhere in the world. This change took effect in the EU at the beginning of 2006, in the United States at the beginning of 2017 and in the remaining markets we operate in 2020.

In the United States, we supported the [FDA's Guidance for Industry 263](#), which took effect in June 2023 and transitioned all remaining over-the-counter products containing medically important antibiotics to prescription status. We supported our customers through the transition period to help ensure the health and well-being of the animals in their care. In the EU, we are engaged in multi-stakeholder efforts, including the European Platform for the Responsible Using of Medicines in Animals in which we are actively involved via our industry trade association AnimalHealthEurope. Through this effort, we are promoting best-practice frameworks for the responsible use of veterinary medicines to ensure better prevention and control of animal diseases and to reduce the need to use antibiotics.

### Providing Technical Education for Our Customers

Across the globe, our technical service veterinarians and field representatives support our customers by sharing knowledge on responsible use of our antibiotic medicines, including proper indications, dosages, routes of administration and the importance of withdrawal periods, as well as educating customers on practices such as vaccination and other husbandry protocols that can help prevent common diseases. We do this through regional-specific campaigns and [on-demand](#) resources. Highlights of 2023 efforts include:

- In the United States, we finalized revisions to labelling for the reclassification of Zoetis' remaining over-the-counter products to prescription only. The U.S. Livestock team has been educating customers about this change and the importance of a veterinary-client patient relationship.
- We conducted information sharing sessions with 100+ colleagues across the Asia-Pacific region to help facilitate customer education on antimicrobial stewardship.
- The Zoetis China Reference Lab team conducted trainings on diagnosis and treatment of bacterial infectious diseases in dogs and cats for clinical vets from 15 cities.

## Aspiration

Promote a preventive approach to animal health with positive implications on human health

### Target

Promote responsible use of antibiotics through technical education, introducing antibiotic alternatives, and developing diagnostic and digital tools

Innovate around antimicrobial resistance to reduce the dependency on antibiotic classes shared with human health

### 2023 Progress

- Continued to collaborate with global stakeholders to promote responsible use of antibiotics.
- Launched new diagnostic tools to support better identification of pathogens in dairy cows.
- Began a collaboration to discover and develop novel antibiotics for animal health.

## Innovating with a Focus on Prevention

We support reducing the need to use antibiotics by encouraging a preventative approach through good animal husbandry, nutrition and vaccination programs. Our programs and innovations emphasize helping our customers prevent disease—through vaccines targeted against viral and bacterial pathogens, for example—which can help reduce the need to use antibiotics for treatment.

We recognize that, despite the best preventative care, disease can still occur, and treatment may be needed. Alongside our approach to novel anti-infective solutions, we're also exploring additional diagnostics, immunomodulators, and other pathways as well as precision animal health tools, utilizing digital technologies and data analytics that can help livestock producers make earlier and more informed healthcare decisions for their animals. According to the World Health Organization (WHO)<sup>10</sup>, the development and use of vaccines is a key strategy to combat antimicrobial resistance. As vaccines induce highly targeted, multi-faceted and preventative immunity, they are less likely to induce resistance compared to antibiotics.<sup>11</sup> In 2023, Zoetis launched its [Protivity™](#) vaccine in Canada and Mexico, which protects beef and dairy calves against respiratory disease caused by *Mycoplasma bovis* (M. bovis), a type of bacteria.



For additional information, see our [Position on Responsible Use of Antibiotics in Animals](#).

<sup>10</sup> [Leveraging Vaccines to Reduce Antibiotic Use and Prevent Antimicrobial Resistance](#). World Health Organization.

<sup>11</sup> [Quantifying the Benefits of Vaccines in Combating Antimicrobial Resistance](#). Eurohealth Observer.



Our industry is on track or ahead of the 25 goals set out in the Roadmap to Reducing the Need for Antibiotics for achievement by 2025.<sup>12</sup> Industry progress during 2023 included:

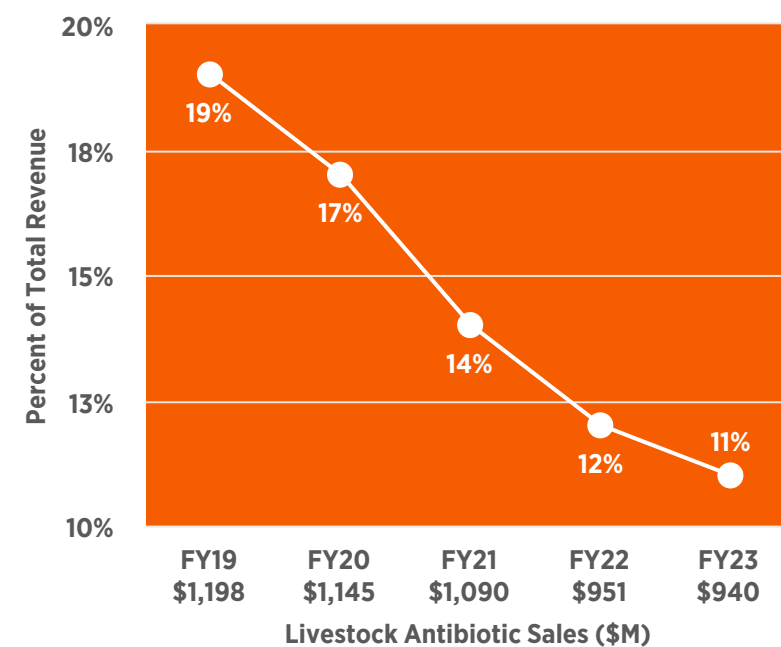
- An estimated \$6.3 billion invested in research and development
- 71 new vaccines brought to market, with close to half for bacterial disease
- 28 new diagnostic tools brought to market
- Over \$25 million in veterinary scholarships and research grants
- 93 new scientific publications that improve understanding of veterinary pathogens and antimicrobial resistance



### Alternatives to Antibiotics

We are committed to veterinarians having viable treatment options to ensure the health and welfare of the animals in their care. Our innovation approach includes seeking new classes of antibiotics for veterinary use only and exploring novel, non-antibiotic, anti-infective solutions. Our scientists are focused on developing potential solutions for the treatment and control of common disease challenges, including necrotic enteritis in poultry, E.coli and swine respiratory disease in pigs, as well as mastitis, metritis, liver abscesses, and bovine respiratory disease in dairy and/or beef cattle. Today, several of these projects continue through our research and development process to find the best solutions for our customers that also support our commitment to reduce the dependency on antibiotic classes shared with human health.

**Livestock Antibiotic Sales as a Percent of Total Revenue**



Total revenue from livestock antibiotics, which includes injectables and medicated feed additives, has decreased due to many factors. Among these is Zoetis' commitment to bringing innovation focused on prevention (e.g., vaccines), genetic testing, diagnostics, data analytics and supporting our customers with responsible use education. Changing regulations in key markets and generic competition have also contributed to this impact.

### Collaborations and Partnerships

We collaborate in a One Health approach, working with leaders from the veterinary and human health professions, food industry, and public health to advance the responsible use of antibiotics and preserve animal health and welfare.

**HealthforAnimals (HfA):** As a member of the global trade association, HealthforAnimals, we are working with our peers to achieve the organization's Roadmap to Reducing the Need for Antibiotics, which outlines how the need for antibiotics can be reduced by improving prevention, diagnosis and treatment of animal disease. In 2023, HfA launched its latest progress report along with data analysis highlighting how antibiotic use in animals does not equate to resistance in human health.

**AMR Surveillance Monitoring Program:** For over 25 years, we've been conducting surveillance for antimicrobial resistance (AMR) in pathogens that threaten the health of animal species to help preserve the efficacy of antibiotics. Since we began the program in 1998, it has grown to include 29 bacterial pathogens from five animal species through the participation of 32 veterinary diagnostic laboratories in the United States and Canada.

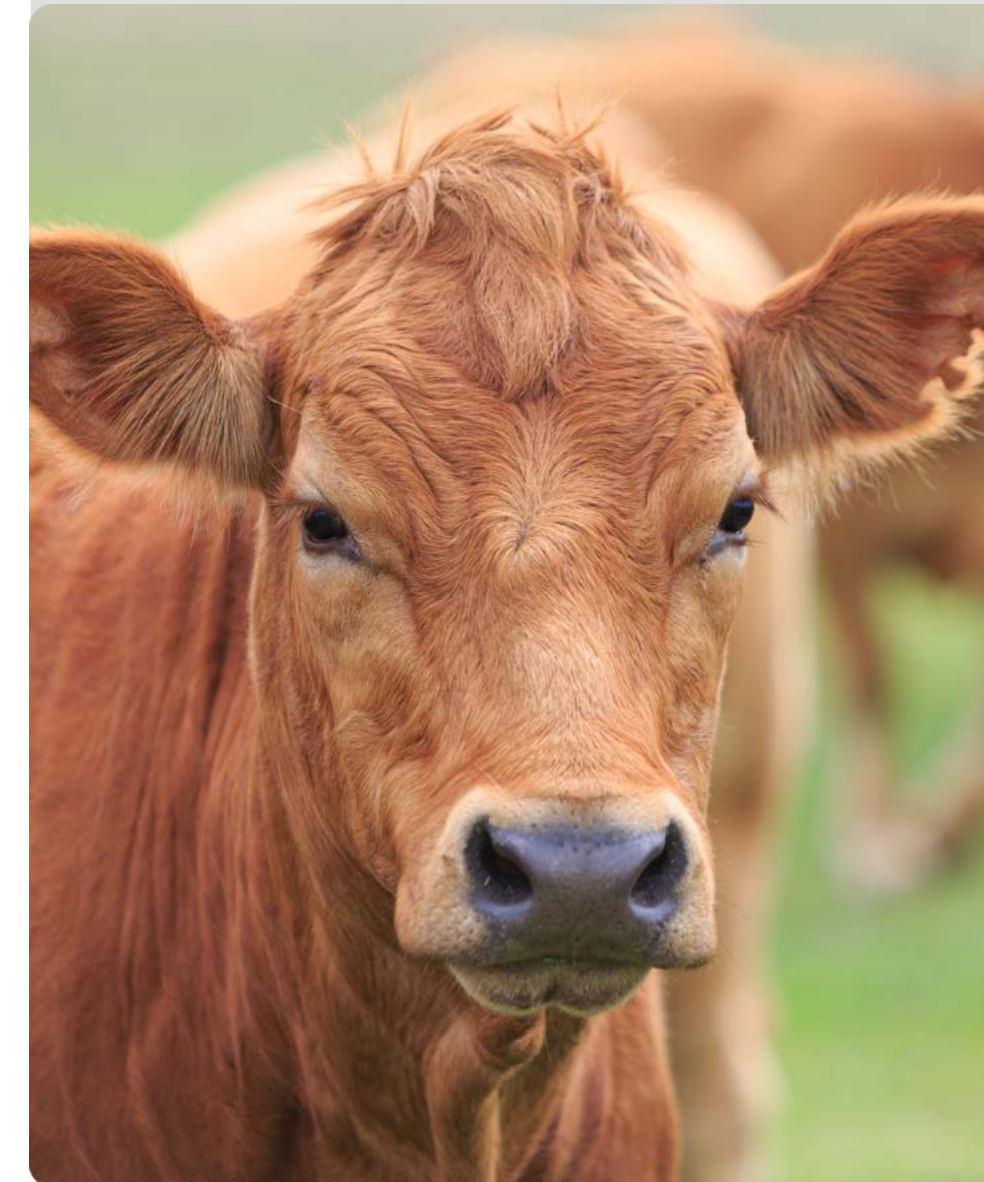
**International Consortium for Antimicrobial Stewardship in Agriculture (ICASA):** Through our relationship with the ICASA, our cattle veterinarians are collaborating with researchers at Kansas State University on studies that could help cattle farmers and ranchers improve animal management and well-being through more accurate information about health risks for bovine respiratory disease, and ultimately encourage more targeted antimicrobial use.

### Challenges and Opportunities

AMR is a critical healthcare issue, which is driven by a variety of complex, diverse and cross-sectorial factors. We must recognize that this is not an issue limited by species or location. AMR affects animals, people and the planet, and can only be addressed by understanding the intersection of all three. Through investing in vaccines, diagnostic tests and other animal health technologies which protect animals from the threat of disease, Zoetis continues to do its part to reduce the need for antimicrobials.

## Reducing the dependency on antibiotic classes shared with human health

As an example of our commitment to reduce the dependency on antibiotic classes shared with human health, Zoetis began a research collaboration with Blacksmith Medicines to discover and develop [novel antibiotics for animal health](#). Through this research, we aim to ultimately provide new options for our customers to treat life-threatening infections in livestock.



<sup>12</sup> [Roadmap to Reducing the Need for Antibiotics](#). HealthforAnimals.



# Access to Veterinary Care in Emerging Markets

## What Drives Us

In line with our purpose to nurture the world and humankind by advancing care for animals, we support customers in underserved rural communities working to predict, prevent, detect, and treat illness in animals and to address unmet medical needs. Through this support, we can expand access to preventative tools and early detection of disease, reducing the need for antimicrobials in livestock.

## Our Approach

Our work to improve livestock health and positively impact farmers' livelihoods in Sub-Saharan Africa (SSA) launched in 2017 through our African Livestock Productivity and Health Advancement (A.L.P.H.A.) initiative, co-funded with the Bill & Melinda Gates Foundation (BMGF). The five-year initiative began in Uganda, Nigeria and Ethiopia, and later expanded into Tanzania. It strived for gender equality in animal health training and was anchored on three pillars: veterinary medicines and services, veterinary laboratory networks, and training and education.

The A.L.P.H.A. initiative came to a close in August 2022, and all activities were transitioned to the commercial operations of the broader SSA. In 2023, with continued support from the BMGF, we launched a new initiative that scales up our initial A.L.P.H.A. efforts. The new five-year A.L.P.H.A. Plus has an extended focus to cattle and aquaculture in addition to poultry and expanded geographical coverage to seven additional countries in SSA: Kenya, Rwanda, Ghana, Zambia, Zimbabwe, Senegal and Ivory Coast. A.L.P.H.A. Plus is also designed to be 'gender intentional,' which means identifying and addressing gender inequalities, gender-based constraints, and inequitable norms and dynamics, then taking steps to address them. In this new initiative, we aim to make significant progress against three major areas over the next five years:

- Increased access to an expanded portfolio of quality veterinary medicines, vaccines and services
- Expand sustainable diagnostic services, with data-driven decision making
- Scaling of the last-mile service delivery network



Initial A.L.P.H.A. Countries ■ A.L.P.H.A. Plus Expansion ■

## Aspiration

Grow access to veterinary care in emerging markets

Through our A.L.P.H.A. and A.L.P.H.A. Plus initiatives with focus in Africa, by 2025 we will:

Target	2023 Progress
Train 100,000 farmers, veterinary professionals and lab technicians	• Trained over 35,000 farmers, veterinarians, para-veterinarians, distributors and lab technicians. <sup>1</sup>
Increase women trainees to 50% of trainees	• 23% of in-person trainees are women based on a 12-month rolling average. <sup>1</sup>
Treat 10 million cows with positive implications on smallholder livelihoods, food security and the environment	• Treated 12.7 million cows, exceeded goal by 27%. <sup>2,3</sup>
Treat 200 million chickens with positive implications on smallholder livelihoods, food security and the environment	• Treated 260 million chickens, exceeded goal by 30%. <sup>2,4</sup>

<sup>1</sup> Progress shown is to date through November 2023 based on a 2019 baseline.

<sup>2</sup> Progress shown is to date through November 2023 based on a 2020 baseline.

<sup>3</sup> Assumption used that every cow receives at least two doses (treatment and prevention).

<sup>4</sup> In 2021, we revised our assumptions from every chicken receiving at least three doses to five doses (treatment and prevention) due to the higher rate of adoption of broader vaccinations. We recalculated 2020 data to reflect this change, and it is reflected in the reported numbers to date.

## Access to an Expanded Portfolio

We provide veterinarians and farmers throughout SSA with tools to help them raise healthier and more productive animals. Our livestock continuum of care portfolio includes products to predict, prevent, detect, and treat diseases for poultry, ruminants and swine. By the end of 2023, 132 of our products received full regulatory approval for commercialization in 11 countries, and an additional 16 new product registrations were submitted in A.L.P.H.A. Plus SSA countries. These efforts will result in expanded regional access to quality products.

## Sustainable Diagnostic Services

A lack of access to diagnostic and veterinary services in SSA may result in incorrect diagnoses, which negatively impacts animal welfare and farmers' livelihoods and increases the risk of antimicrobial resistance developing. Through A.L.P.H.A. Plus, we funded the development of 16 partner veterinary diagnostic labs, to date, to serve farmers and veterinarians for livestock productivity diseases. We are currently collaborating with nine of these partners to strengthen laboratory capacity-building efforts. To help further guide responsible use of veterinary products, we plan to expand diagnostic partnerships to five new markets over the next few years.



## Training and Education

Training and education are important in SSA to help empower local communities to improve livestock health and welfare and to ensure that veterinary medicines are effective through correct storage and administration to animals. Through the over 35,000 individuals trained to date, the estimated extended reach of our trainings is over 1.75 million people through a Train-the-Trainer approach.<sup>13</sup> Training courses have been tailored to address training gaps identified by regional surveys to ensure maximum relevance to stakeholders with the aim of increasing participation. We offer 23 courses in Zoetis Learning Academy, an e-learning platform, to provide targeted training across the continuum of animal healthcare to upskill distributors, veterinarians and paraprofessionals, and drive sustainable growth.

As a registered continuing professional development (CPD) provider in Kenya, part of the existing government scheme to upgrade professional skills, Zoetis held its first CPD training for Udder Health in 2023. We plan to leverage the positive outcomes of this training in other countries as their CPD schemes begin to mature.

## Challenges and Opportunities

We recognize that our target of 50% women trainees for countries in scope doesn't reflect the gender demographics of the animal health and farming sector in the region. In this region there are sensitivities related to gender equality based on typical roles assigned to household members, cultural norms, income allocation within families and accessibility of women to trainings (financing, travel, child-care, data access, etc.). The inclusion of women into the farming and veterinary professionals sector also varies significantly by country, region and species. Moreover, digital trainings might have limitations for inclusion of women due to lack of smartphone ownership and cell phone data.

While we have gained experience encouraging women's participation in A.L.P.H.A. Plus activities, there is a lot to learn to become fully gender intentional. A dedicated, multi-phase gender intentional strategy is therefore underway in conjunction with our Outcomes Research team with expansion planned for 2024. Activities, to date include stakeholder consultation, key opinion leader consultation, a social listening study and partnership with key training organizations.



<sup>13</sup> Assumes every trained person trains 50 other people.



# Combating Diseases



## What Drives Us

A One Health approach recognizes that the health of animals, humans and the environment are interdependent. According to the WHO, approximately 75% of emerging infectious diseases (EIDs) have an animal origin.<sup>14</sup> As part of our commitment to a healthier, more sustainable future, our scientists are using their expertise to combat diseases that pose the greatest risk to animals and humans.

Through our [Center for Transboundary and Emerging Diseases \(CTED\)](#), Zoetis monitors approximately 200 diseases identified by WHO as zoonotic—those shared between animals and humans—as well as transboundary animal diseases (TADs), and EIDs that threaten livestock and pets. These include emerging new infectious diseases, such as COVID-19, and ever-present disease threats such as Highly Pathogenic Avian Influenza (HPAI), which can impact the food supply and harm the incomes of farmers who depend on animals for their livelihoods.

## Our Approach

Through CTED, Zoetis conducts veterinary biosurveillance and has developed or supported vaccines for high-impact TADs and EIDs around the world, including Avian Influenza, Porcine Epidemic Diarrhea Virus, Schmallenberg Virus, Hendra Virus, Bluetongue Virus, Lumpy Skin Disease, Canine Influenza, Rabies, Lyme disease, West Nile Virus, Avian Pneumovirus and SARS-CoV-2. Our scientists also organize our response to outbreaks of infectious diseases worldwide, mobilizing resources from across the company and working in close collaboration with leaders from government and health organizations, as well as veterinary and livestock agricultural communities to identify infectious disease threats early and develop solutions to help rapidly control them.

## Aspiration

Combat diseases that pose the greatest risk to animals and humans

Leverage the Zoetis Center for Transboundary and Emerging Diseases to develop vaccines for high-impact emerging diseases globally

### Target

Invest in R&D for emerging infectious diseases

Provide our innovative vaccines to relevant markets via tenders or other go-to-market pathways

### 2023 Progress

- Expanded our research capabilities for transboundary animal diseases and emerging infectious diseases.
- Supported endangered species protection programs.
- Collaborated to support One Health initiatives.

## Protecting Endangered Species from Disease

Around the world, Zoetis vaccines help protect the lives of animals every day. Animals can be impacted by outbreaks of unknown diseases, increases of a known disease in a new or existing area, and infectious diseases that cannot be controlled. The interconnectivity of EIDs and their impact on livestock, pets, humans, communities, economies, and the planet means that we must be vigilant and constantly monitor diseases, have research programs in place and respond quickly to a threat. [We're combating emerging infectious diseases](#) that pose the greatest threat—because healthier animals help make a healthier future for all.

## California Condor Recovery Program

In April 2023, dozens of California condors were identified as having died due to infection with HPAI H5N1. To address the HPAI threat to this critically endangered species, the U.S. Fish and Wildlife Service (USFWS) coordinated with avian influenza experts, veterinarians, and tribal, state and federal partners across the condor's range. The USFWS' California Condor Recovery Program partners mobilized resources and took preemptive steps to protect wild birds from HPAI. In May 2023, the U.S. Department of Agriculture Animal and Planet Health Inspection Service approved the emergency use of HPAI vaccine to prevent additional deaths of these birds. Zoetis donated 100,000 doses HPAI vaccine to the USDA in support of the California Condors Vaccination Program. Following vaccine trials in captive birds, the USFWS has moved on to vaccination programs for wild California condors.

<sup>14</sup> [EPI-WIN Digest 2: Operationalizing the One Health Approach in Countries to Improve Preparedness for Zoonotic Diseases](#), World Health Organization.





### Veterinary SARS-CoV-2 Vaccine Donation Program

While COVID-19 infected humans in nearly every region of the planet, concerns began to surface about COVID-19 in pets when a dog tested positive for the virus in Hong Kong.<sup>15</sup> Zoetis immediately began developing diagnostics and a new vaccine for potential use in dogs and cats. Because Zoetis has a long history of research on coronaviruses, we were able to complete the initial studies for a COVID-19 vaccine in dogs and cats within eight months of the outbreak.

The first request for the vaccine came from San Diego Zoo after eight gorillas tested positive for COVID-19. We donated experimental vaccines for the zoo's emergency use, and the zoo vaccinated its great apes—gorillas, orangutans and bonobos. At the conclusion of the program in 2023, the vaccine had been used in over 300 species of animals in zoos around the world—a first in vaccine history.

### Transboundary and Emerging Disease Vaccine Development

In 2019, Zoetis announced a strategic partnership with Texas A&M University to establish and operationalize the Transboundary and Emerging Diseases Vaccine Development Facility (TED VDF). Following this success, in 2023, Zoetis initiated transition of the TED VDF from a strategic partnership with Texas A&M University to a Zoetis Research and Development satellite site. During the year, scientists at the TED VDF in College Station, Texas worked on creating a toolbox for making vaccines to help protect animals from transboundary diseases. In addition, Zoetis continues to engage with academic and research institutions around the world to study and develop vaccines against transboundary and emerging infectious diseases.

### WOAH Rabies Vaccine Program

Nearly a decade ago, the WHO set an ambitious Zero by 30 goal—no human will die from a bite or scratch from a dog with rabies by 2030.<sup>16</sup> Although 100% preventable, rabies kills more than 59,000 people in over 150 countries every year. The disease is nearly always fatal once symptoms appear. To advance the goal, Zoetis collaborates with many organizations, governments and communities as part of a [One Health approach](#). This includes:

- Providing rabies vaccines to the Rabies Vaccine Bank from the World Organization for Animal Health (WOAH)—a supply agreement that continues through 2025.
- Facilitating educational and awareness activities to support communities, including activities related to [World Rabies Day](#) in countries around the world.

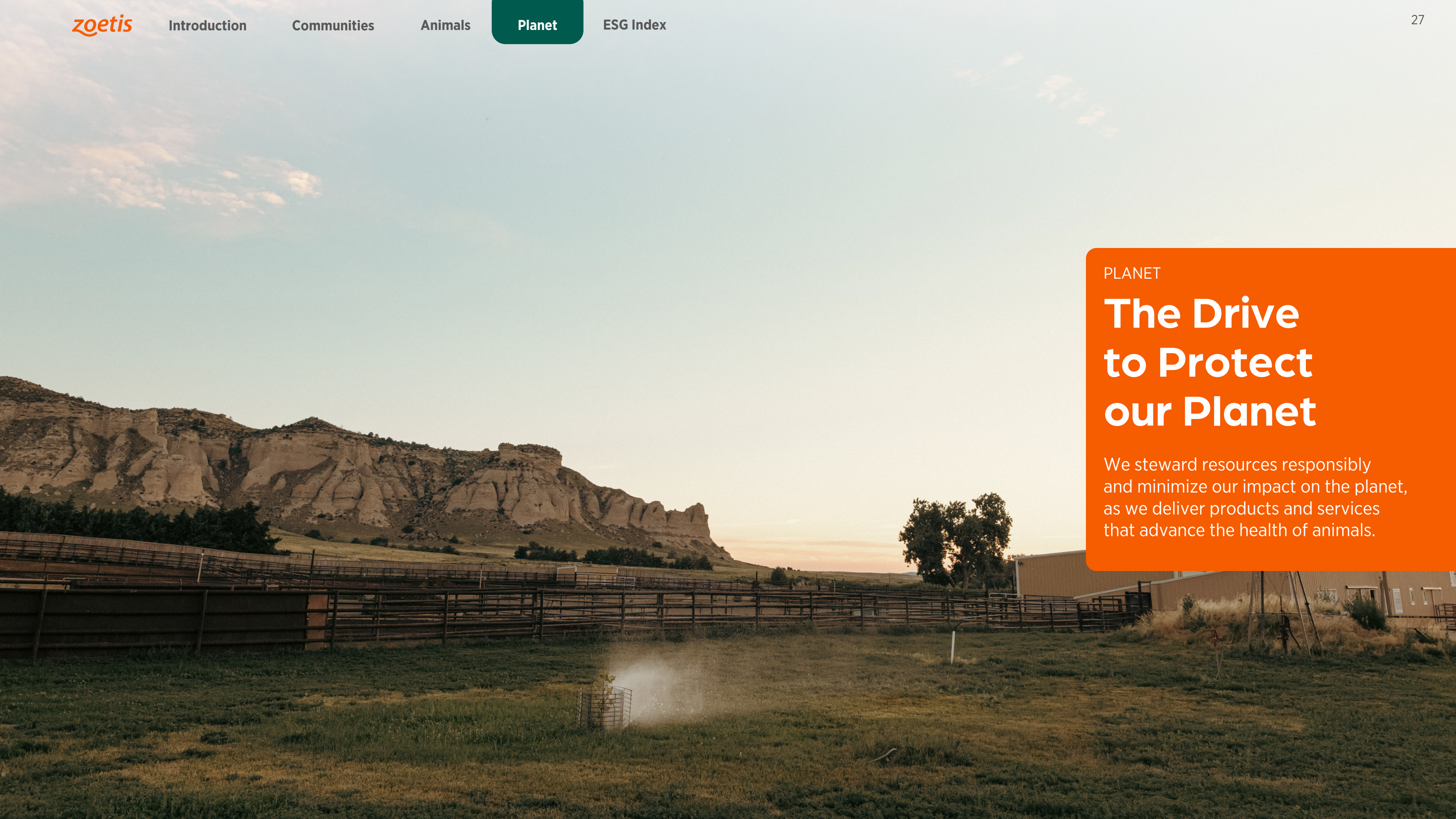
### Challenges and Opportunities

It is anticipated that there will be continuing TADs and EIDs that threaten livestock and companion animals. Given that approximately 75% of human diseases are of zoonotic origin, this also represents a significant One Health issue. Zoetis will continue to develop medical countermeasures to protect livestock and companion animals from TADs, EIDs, and emerging pests. In doing so, we will also strive to protect endangered species and support healthy ecosystems.

<sup>15</sup> [First great apes at U.S. zoo receive COVID-19 vaccine for animals](#). National Geographic.

<sup>16</sup> [Zero by 30: the global strategic plan to end human deaths from dog-mediated rabies by 2030](#). World Health Organization.





PLANET

# The Drive to Protect our Planet

We steward resources responsibly and minimize our impact on the planet, as we deliver products and services that advance the health of animals.



# Our Carbon Footprint

## What Drives Us

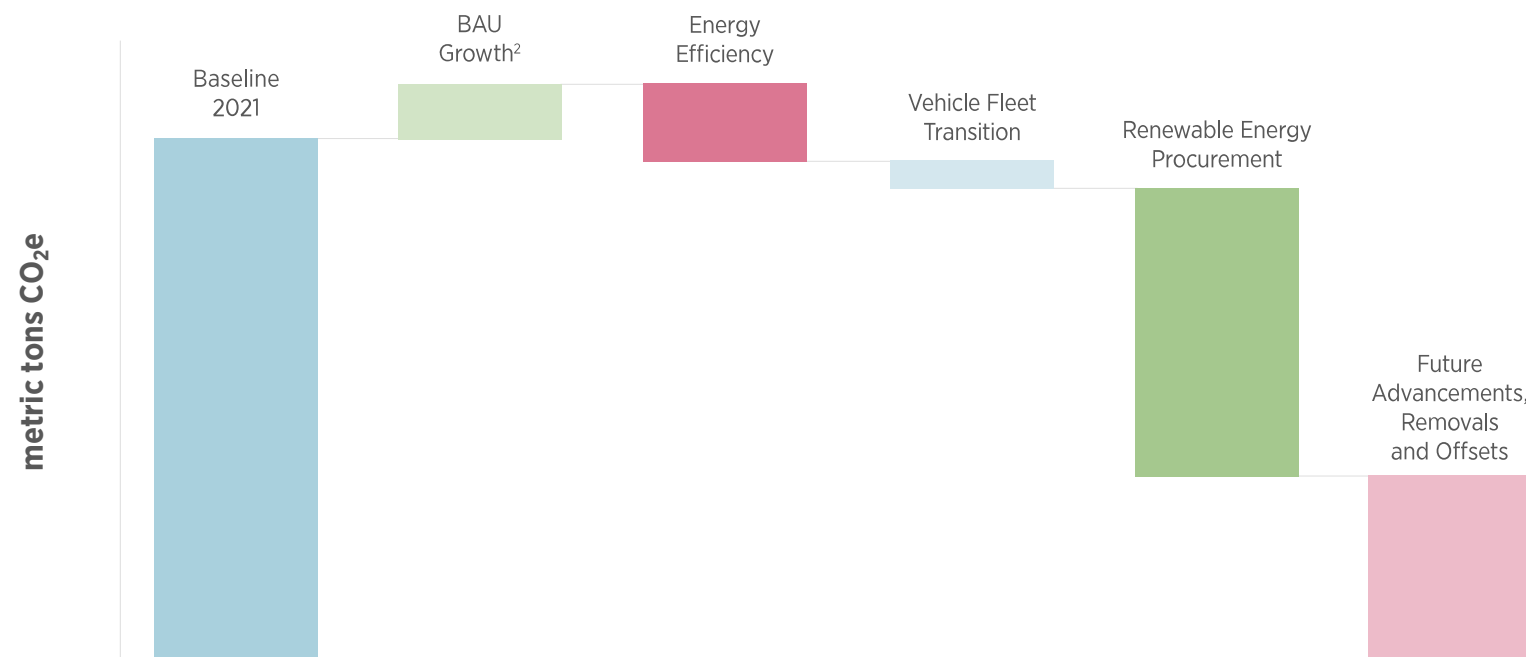
Climate change is a significant global issue with wide-ranging impacts. We operate in many regions, countries and communities around the world where our businesses, our activities, and the activities of our customers and suppliers could be disrupted by climate change. At Zoetis, we have committed to reducing GHG emissions in our own operations and managing our climate risks because it matters to the communities we serve, our colleagues, our customers, the health of animals and those who care for them around the world.

## Our Approach

In 2022, we set a goal to be carbon neutral in our own operations and accelerated our RE100 commitment to source 100% renewable electricity in our operations, both by 2030. To achieve carbon neutrality, we are focused on reducing emissions by:

- Driving energy efficiency at our sites
- Transitioning our fleet to more fuel-efficient, hybrid and electric vehicles, and utilizing biofuels where available
- Powering our operations with clean, renewable electricity

### Cumulative approach to achieve carbon neutrality by 2030<sup>1</sup>



<sup>1</sup> The information displayed in this chart is projected and subject to change.

<sup>2</sup> BAU = Business as usual

## Aspiration

Minimize our carbon footprint

Target	2023 Progress
Become carbon neutral in our own operations by 2030	<ul style="list-style-type: none"> <li>• 18.9% reduction in Scope 1 and 2 emissions.<sup>1</sup></li> <li>• Completed 38 energy-related carbon abatement projects at our sites in 2023.</li> </ul>
Source 100% renewable electricity by 2030	<ul style="list-style-type: none"> <li>• 32.6% renewable electricity sourced to align with our RE100 commitment.<sup>2</sup></li> <li>• 13.7% renewable energy sourced.<sup>3</sup></li> <li>• On-site solar arrays now installed at 7 Zoetis facilities.</li> </ul>
Rethink business travel and work-from-home policies to reduce transportation-related emissions by 25% by 2025 <sup>4</sup>	<ul style="list-style-type: none"> <li>• Reduced colleague transportation-related emissions intensity by 35.6%.</li> </ul>

<sup>1</sup> Based on 2021 baseline and reported through December 31, 2023. For additional details on our GHG emissions, such as inclusions and exclusions, see our [Environment Data](#).

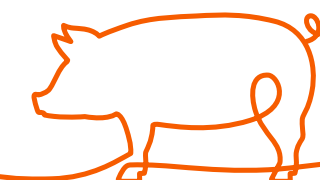
<sup>2</sup> Renewable electricity is aligned to our RE100 commitment and is the proportion of renewable electricity relative to total Scope 2 electricity use and based on a 2020 baseline and reported through December 31, 2023.

<sup>3</sup> Renewable energy includes the proportion of renewable electricity, other renewable heating/cooling and biofuels use relative to total Scope 1 and 2 energy use and reported through December 31, 2023.

<sup>4</sup> Based on 2019 baseline. Reduction reported is total of business travel and colleague commuting normalized by number of colleagues for respective reporting year.

In 2023, even as our business continues to grow, we've made progress toward our goal. Our annual total Scope 1 and 2 emissions decreased by 23.1% from 2022 to 2023. The reductions achieved in 2023 were primarily driven by a combination of energy efficiency efforts, acceleration of our renewable electricity program and an extended preventative maintenance program at two of our large manufacturing sites.

To ensure we remain on track to achieve our goal, we regularly conduct analyses on our climate action strategy to inform our decisions and investments. In 2024, we will embed low-carbon investment considerations into our capital project planning. We've also begun analyzing our full Scope 3 footprint and, in 2024, will establish a roadmap for calculating these emissions. For more information on our climate progress, see our [2023 CDP Climate Change Questionnaire](#).







### Driving Energy Efficiency to Reduce Emissions

Energy used at our facilities is the primary source of our Scope 1 and 2 emissions. To achieve our climate goal, we must design, build and operate with energy efficiency in mind. In 2023, we focused on establishing a strategic approach to energy management at the enterprise level by establishing a formal governance process to help us allocate capital and prioritize key energy reduction projects.

In addition to our overall program enhancements, we successfully completed 38 projects across our manufacturing and R&D sites during 2023. These investments are expected to result in a reduction of approximately 88,000 gigajoules (GJ) of energy use annually. We also developed a five-year capital plan for our ten highest emitting sites, which includes optimizing energy management by enhancing and modernizing utilities and our manufacturing equipment, as well as investing in energy-efficient designs for new sites.

At our Rathdrum, Ireland manufacturing site, we piloted an energy management program that allows us to proactively monitor, measure and manage energy reduction. By implementing measures to optimize energy usage, such as repairing insulation and refining energy usage schedules, we realized a reduction in energy usage and associated GHG emissions. Building on the success of this program, we plan to expand it to four more sites in 2024.

### Minimize Fleet Emissions

We continue to advance our efforts in reducing fleet emissions by transitioning our fleet of just over 3,800 vehicles across 49 countries to higher-efficiency vehicles and accelerating the deployment of hybrid and electric vehicles (EVs) in locations where the supporting infrastructure is available. In 2023, electric vehicles represented 3.1% of our total fleet vehicles (a 147% increase from 2022) and hybrid vehicles accounted for 12.6% of our total fleet (a 28.0% increase from 2022). Despite the continued headwinds of supply constraints with electric and hybrid vehicles during 2023, we deployed 72 new EVs and 108 new hybrid vehicles globally.

In 2023, our fleet emissions increased primarily due to an increase in miles driven. We will continue to prioritize purchasing of electric and hybrid vehicles based on availability while also identifying methods to reduce fleet emissions through additional measures such as renewable fuels.

### Source Renewable Electricity

As part of our carbon-neutrality goal, we have committed to sourcing 100% renewable electricity across our global operations by 2030 and joined the RE100 initiative. We plan to achieve these commitments by entering into power purchase agreements to procure renewable electricity in regions and markets where it is available and through the installation of on-site renewable electricity at suitable sites. We continue to monitor the renewable electricity industry to understand new opportunities to help us meet our renewable electricity targets.

In 2023, ten of our manufacturing sites operated with 100% renewable electricity, including four commercial operations in Norway and our offices in Zaventem, Belgium and Dublin, Ireland—our largest office outside the United States.

In early 2024, we also entered into a 12-year virtual power purchase agreement (VPPA) with Scout Clean Energy for power from their Heart of Texas wind farm. A VPPA is a long-term contract through which renewable electricity projects are supported. This 50 MW VPPA is equivalent to up to 65% of our annual U.S. electricity needs and will begin in the first half of 2024. We anticipate that this agreement, along with the Vesper VPPA that is due to come online in 2025, will result in securing almost all of our U.S. electricity needs from renewable sources.



100% of our purchased electricity at our [Lincoln, Nebraska site](#) was bundled with renewable electricity certificates in 2023.

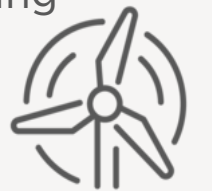


Our [Suzhou Bio manufacturing site](#) in China installed a PV solar array that generates up to 10% of the site's electricity demands.

**32.6%** of electricity used is from renewable sources



**34.5%** of our manufacturing sites operate with **100%** renewable electricity





### Reducing Travel-Related Emissions

As part of our Driven to Care strategy, we set an aspiration to rethink our business travel and work-from-home policies to reduce our transportation-related emissions by 25% by 2025, using 2019 as our baseline. To achieve this, we analyzed our travel patterns, promoted sustainable travel awareness across our business and evaluated our travel partners to ensure more sustainable options are available to our colleagues. We remain committed to reducing non-essential travel, focusing on business-critical travel, and adjusting our programs and policies accordingly.

Since 2019, our colleague transportation-related emissions intensity has decreased by 35.6%<sup>17</sup> percent and our absolute emissions have decreased by 14.4%. Our business travel emissions have decreased by 27.6% and while our colleague commuting emissions have increased by 16.0%, we've increased our number of colleagues by 33.0% during that same period.

We continue to refine flexible working models within the organization to ensure that we meet our business needs as well as support our colleagues' well-being, with many teams combining virtual and in-office work. Where possible, we will balance opportunities to reduce employee commuting emissions, while ensuring we nurture our culture and continue to build community.

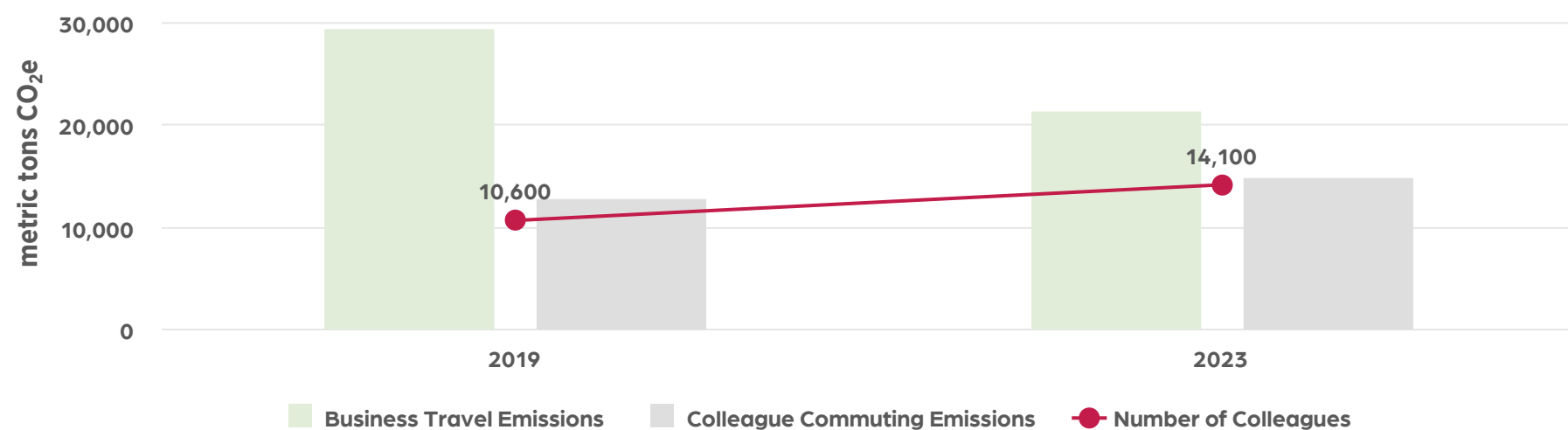
To achieve this, we plan to leverage both intentional in-person collaboration and virtual teaming opportunities. We also support colleagues who drive EVs and have installed charging stations at 21 locations globally.

### Challenges and Opportunities

As we progress closer toward our climate ambitions, we foresee potential challenges that we would need to overcome. These include limited availability of renewable electricity and low-carbon fuel options in certain geographic regions and, as we continue to develop our Scope 3 footprint, obtaining accurate value chain data for our Scope 3 emissions. Despite these challenges, we continue to find ways to advance toward our commitments by implementing better processes, working collaboratively across the company and leveraging external partners to identify near-term solutions, while keeping an eye on what's next.

In 2024, we plan to continue to implement energy efficiency and renewable energy projects, including onboarding our second virtual power purchase agreement. We also plan to continue to embed climate and sustainability elements into various parts of our manufacturing and supply chain objectives and procedures. Additionally, we plan to automate many of our climate, water, and waste data collections while advancing our Scope 3 emissions measurement capabilities and supplier engagement strategy roadmap.

**Scope 3: Colleague transportation-related GHG emissions<sup>1</sup>**



<sup>1</sup> Additional details on our Scope 3 Category 6: Business Travel and Category 7: Employee Commuting emissions are detailed in our [Environment Data](#).

### More ways we drive to protect our planet

As an animal health company, being good stewards of the environment is important to us, the communities where we operate and our customers. We recognize that some of our manufacturing processes can be water and resource intensive. Therefore, we are focused on making our operations more efficient, identifying opportunities to recycle and repurpose our wastewater, and reducing the amount of and responsibly managing waste. For more information on our water initiatives, see our [2023 CDP Water Security Questionnaire](#).

During 2023, we reduced our global water intake by 3.0% or 101,988 cubic meters (m<sup>3</sup>). This reduction was driven primarily by maintenance shutdowns at our Medicated Feed Additives (MFA) fermentation operations.

As part of an effort to identify impactful projects in areas of high water stress, we commenced a project at our Catania site in Italy that will enable us to recycle additional water annually. These conservation measures are important as we continue to grow our business. We are continuing to explore opportunities across our manufacturing network to increase water efficiency.

**79.9%** increase in quantity of hazardous waste recycled compared to 2022

**31.0%** reduction in routine operational non-hazardous waste compared to 2022

In 2023, we also reduced our total waste footprint by 7.0% compared to 2022. We focused heavily on reducing the quantities of hazardous waste sent to landfill and successfully achieved a 12.1% reduction, driven primarily by our R&D site in Kalamazoo, Michigan.

Across our manufacturing sites, we also successfully increased the quantity of waste recycled by 9.6% compared to 2022. This was primarily driven by the colleagues at our Olot and Rathdrum sites, who identified opportunities to recycle an additional 180 metric tons of hazardous waste.

#### Pharmaceuticals in the Environment (PiE)

Zoetis is committed to minimizing the environmental impact of our products, and this includes actively working to mitigate the presence of PiE. The primary source of a veterinary pharmaceutical entering the environment from our products occurs after elimination from the treated animal. On a more local scale, however, pharmaceuticals can enter the environment at the end of the manufacturing process.

Our PiE program consists of a robust process that includes establishing science-based safe emission limits for our active pharmaceutical ingredients (APIs) and environmental risk assessments at our manufacturing sites and suppliers. Optimization and implementation of the most effective pollution prevention and control measures are supported by training programs for site management and personnel.

<sup>17</sup> Percent decrease is based on total colleagues transportation-related emissions normalized by total number of colleagues.



# Rethinking our Packaging

## What Drives Us

We have a responsibility to improve our products' environmental impact throughout their life cycle—from research and development to post-consumer waste. We've committed to include sustainability considerations in all new packaging designs to ensure that our innovative, industry-leading solutions are delivered sustainably for our customers, our communities and the planet.

## Our Approach

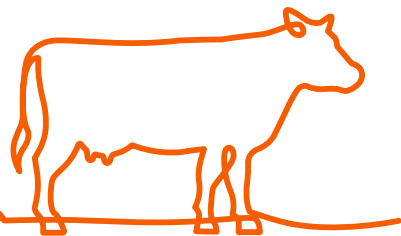
We're working to innovate packaging systems that not only maintain the safety and quality of our products and provide convenience for our customers, but also result in less waste and reduced emissions at every stage of the product pathway. With the support of our leadership team and the dedication of our Packaging Council, packaging technology teams, and manufacturing, regulatory, research, supply chain, and commercial colleagues, we're rethinking our packaging and reducing our environmental footprint.

## Sustainable Packaging

Our sustainable packaging strategy guides and focuses our investments across our business. By engaging our customers, colleagues and leadership, alongside insights from environmental assessments, we identified three priority areas:

1. **New product packaging:** Our packaging technology team will evaluate new sustainable packaging technologies for our packaging, with a focus on secondary packaging. We will identify options for different product types, considering the impact on product quality and safety, sustainability attributes, and others including customer experience considerations.
2. **On-market products:** For our on-market products—those that have completed registration and can be provided to the market—we will transition to sustainable packaging used for similar new products when feasible. In addition, improvements in secondary packaging, including leaflets and accessories, will be reviewed against regulatory requirements and implemented, if possible.
3. **Supply chain packaging:** Our supply chain team is focusing on reducing waste associated with our products' protective shipping packaging for our customers.

In 2023, we also onboarded a packaging specification database to allow us to track packaging materials and identify areas where we can reduce our environmental impact. In addition, the database and our work in sustainable packaging will allow us to align with global regulations to improve packaging sustainability.



## Aspiration

Rethink our packaging to reduce its environmental footprint

### Target

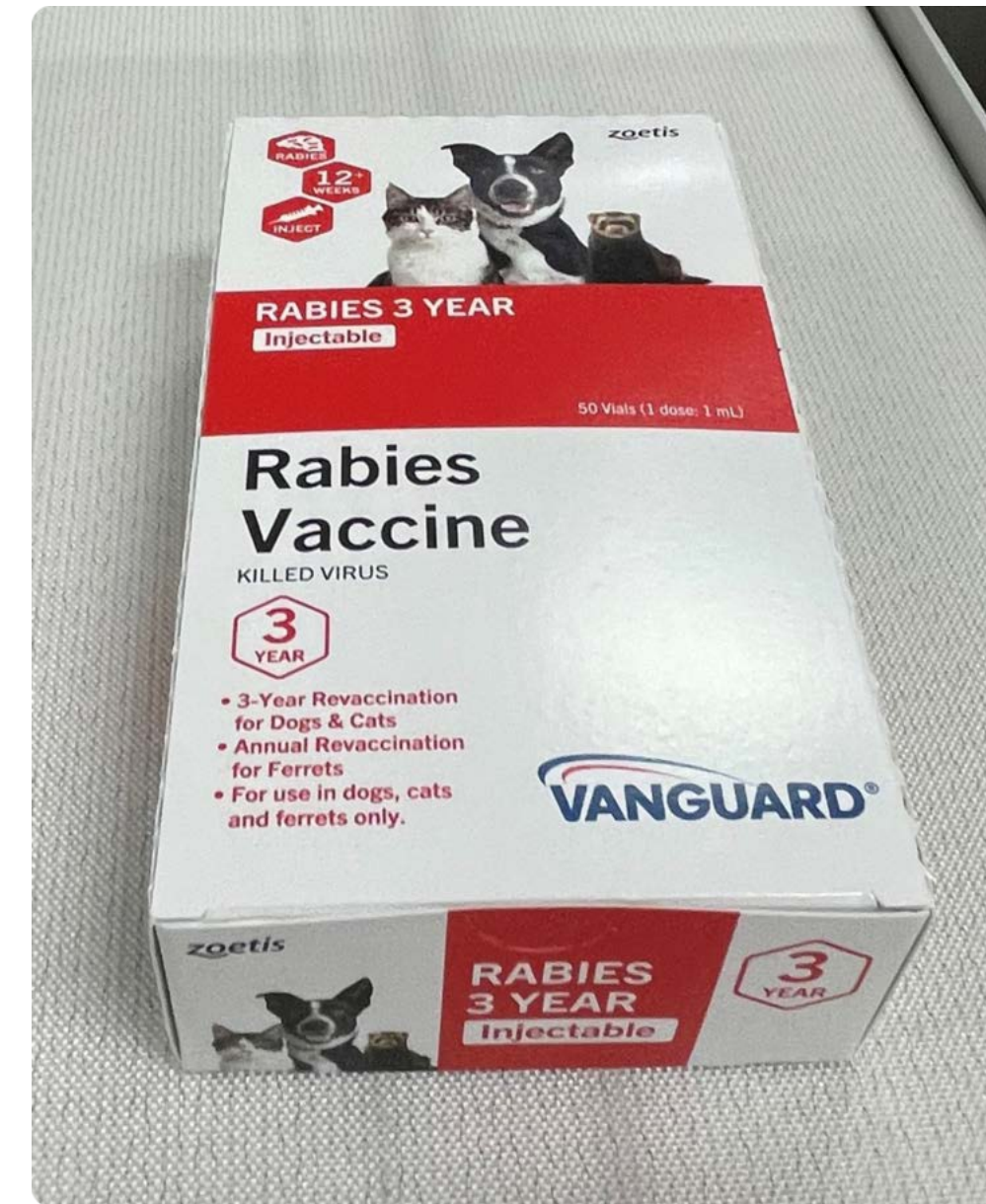
Integrate sustainability considerations into all new packaging designs

### 2023 Progress

- Developed a sustainable packaging strategy, focusing our investments in the areas most important to our footprint and our customers.
- Undertook a pilot Life Cycle Assessment (LCA) to identify key areas of environmental impacts in our product manufacturing processes.
- Launched improved product and supply chain packaging.

## 2023 Packaging Achievements

- At our [Lincoln, Nebraska site](#), we replaced plastic clam shells with paperboard boxes for our rabies vaccine packages distributed in the U.S. market, cutting PVC plastic use by estimated 8.0 metric tons and overall packaging by an estimated 2.5 metric tons annually. This follows our earlier success of using paperboard for the same vaccine distributed in the South Korean and Japanese markets.
- In the United States, starting in 2023, we removed sterile wipes for our Orbeseal® packaging, which will eliminate approximately 7,000,000 individually-wrapped sterile wipes per year.
- In [Portugal](#), we invested in a system that allows us to shred waste cardboard on-site, which is reused as protective packaging in place of plastic protective pillows.





## Sustainable Design

Each material we select or process we use has an impact on the environment. Understanding these impacts throughout our product life cycle is critical to achieving a more sustainable future. That is why we're innovating and integrating sustainability considerations in each of the five life cycle stages through our Sustainable Product Pathway initiative.

To support our work on the Sustainable Product Pathway, we conducted pilot LCAs on our manufacturing processes and considered our sustainability strategy, climate goals and customer impact. For each of the five stages, we've identified focus areas for improvement and investment, such as green chemistry, product design, packaging and post-consumer recycling, and created working groups to drive progress in those areas. For green chemistry considerations, our focus includes not only small molecule chemistry incorporating green and flow processes,

but also exploring more sustainable practices for our biotherapeutics.

### Collaborations and Partnerships

Zoetis is a member of several industry groups driving improvement in sustainability. We joined the American Chemical Society, Green Chemistry Institute Pharmaceutical Roundtable, and are actively contributing to the working groups to understand and develop industry best practices. We are also members of the Sustainable Packaging Coalition, which facilitates collaboration among stakeholders to advance sustainable packaging, and the Pharmaceutical Supply Chain Initiative, which aims to drive excellence in safety, environmental and social outcomes across global pharmaceutical supply chains.



## Challenges and Opportunities

As a pharmaceutical company, there are a number of design factors that we must consider, including regulations, product quality and safety. Modifications to packaging may require that we undergo a multi-year registration change in each market. In some cases, the technology to develop sustainable packaging that satisfies quality and safety requirements is not yet available. We consider potential product waste generated from inferior product protection and shorter shelf-life when assessing the benefits of sustainable packaging.

In 2024, we plan to use the learnings from our LCAs and green chemistry benchmarking to invest in process improvements that result in environmental and cost benefits. We plan to focus on data-driven solutions, utilizing a Plan-Act-Track-Review process of continuous improvement. We will continue to test and approve packaging as technology evolves and look for sustainable solutions to these challenges.

# Location Sustainability Teams

## Aspiration

Improve the sustainability in our locations

### Target

Stand-up "Location Sustainability" teams in major sites

### 2023 Progress

- All major sites have sustainability teams.

## What Drives Us

As a global company, we rely on our local teams to help advance our sustainability strategy by identifying opportunities that are site- and market-specific.

## Our Approach

Since 2022, we've had in place sustainability teams at all major Zoetis sites that lead localized sustainability actions. These include determining climate opportunities, such as on-site renewables. We also established a Market Green team to share best practice and learnings among our commercial teams.

In addition, our Energy Core team, a technical working group comprised of representatives across our manufacturing and R&D business units, has been in place since 2020. The team focuses on ways to operationalize our climate targets by building tools and updating processes to embed sustainability into our capital program and cost improvement processes. The Energy Core team provides routine updates to the Global Manufacturing & Supply Leadership team on progress. Our [Sustainability Governance graphic](#) presents how accountability for sustainability and ESG topics is managed across Zoetis' internal teams and committees as well as the Board of Directors and its committees.

## Challenges and Opportunities

Over the past few years, with support from the Zoetis Global Sustainability team, we've proactively engaged our colleagues by leveraging several sustainability-related communication platforms to share learnings and best practices, and collaborate on projects for sustainability actions. We will continue to evaluate ways to embed sustainability into our local operations and identify new opportunities for cross-functional work streams.





## SASB and ESG Index

This index provides information on relevant environmental, social and governance (ESG) metrics, and our disclosure of the Sustainability Accounting Standards Board (SASB) standards for the Health Care: Biotechnology & Pharmaceuticals industry.<sup>18</sup> As an animal health company, some of the SASB standards are not applicable to our operations. Where appropriate, we seek to provide comparable disclosures relevant to our business. We supplemented the table with additional narrative about our programs.

<sup>18</sup> SASB Biotechnology & Pharmaceuticals Sustainability Accounting Standard Version 2023-12.



### Safety of Clinical Trial Participants

SASB Code	Metric	Disclosure
HC-BP-210a.1	Discussion, by region, of management process for ensuring quality and patient safety during clinical trials	See our discussion on <a href="#">Safety of Clinical Trial Participants</a> .
HC-BP-210a.2	Number of inspections related to clinical trial management and pharmacovigilance that resulted in: (1) entity voluntary remediation or (2) regulatory or administrative actions taken against the entity	See our discussion on <a href="#">Safety of Clinical Trial Participants</a> .
HC-BP-210a.3	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	We have not, to date, incurred any monetary losses as a result of legal proceedings associated with clinical trials. Any future material losses would be publicly disclosed in our <a href="#">U.S. Securities and Exchange Commission (SEC) filings</a> as required.
—	Ensuring animal well-being in clinical trials	See our Animal Care and Welfare page on Zoetis.com and our <a href="#">Policy on Animal Care and Welfare</a> for information on how we ensure animal well-being during clinical trials.

### Access to Medicines

SASB Code	Metric	Disclosure
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	The Access to Medicines Index is for human health and not relevant to Zoetis as an animal health company. See the <a href="#">Access to Veterinary Care in Emerging Markets</a> section to learn about our efforts to promote access to our products.
HC-BP-240a.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	None of our products are on the WHO List of Prequalified Medicinal Products.

### Affordability and Pricing

SASB Code	Metric	Disclosure
HC-BP-240b.2	Percentage change in: (1) weighted average list price and (2) weighted average net price across product portfolio compared to previous reporting period	We price our products globally, according to the competitive market and how our customers value the benefits they receive. From 2022 to 2023, our price growth was approximately 5%. Price growth was approximately 3% from 2021 to 2022, and approximately 1% from 2020 to 2021.
HC-BP-240b.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous reporting period	While we are not reporting percentage change in list price, we are disclosing that no single product materially contributed to our price growth in 2023.



## Product Safety

SASB Code	Metric	Disclosure
HC-BP-250a.1	Products listed in public medical product safety or adverse event alert databases	See our discussion on <a href="#">Product Safety</a> .
HC-BP-250a.2	Number of fatalities associated with products	See our discussion on <a href="#">Product Safety</a> .
HC-BP-250a.3	(1) Number of recalls issued, (2) total units recalled	See our discussion on <a href="#">Product Safety</a> .
HC-BP-250a.4	Total amount of product accepted for take-back, reuse or disposal	See our discussion on <a href="#">Product Safety</a> .
HC-BP-250a.5	Number of enforcement actions taken in response to violations of good manufacturing practices (GMP) or equivalent standards, by type	See our discussion on <a href="#">Product Safety</a> .
—	Product safety and quality program	See our discussion on <a href="#">Product Safety</a> .

## Counterfeit Drugs

SASB Code	Metric	Disclosure
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	See our discussion on <a href="#">Counterfeit Drugs</a> .
HC-BP-260a.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	See our discussion on <a href="#">Counterfeit Drugs</a> .
HC-BP-260a.3	Number of actions that led to raids, seizure, arrests and/or filing of criminal charges related to counterfeit products	See our discussion on <a href="#">Counterfeit Drugs</a> .

## Ethical Marketing

SASB Code	Metric	Disclosure
HC-BP-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	We have not, to date, incurred any monetary losses as a result of legal proceedings associated with false marketing claims. Any future material losses would be publicly disclosed in our <a href="#">SEC filings</a> as required.
HC-BP-270a.2	Description of code of ethics governing promotion of off-label use of products	See our discussion on <a href="#">Ethical Marketing</a> .
—	Commitment to Ethical marketing	See our discussion on <a href="#">Ethical Marketing</a> .



## Employee Recruitment, Development and Retention

SASB Code	Metric	Disclosure
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development staff	See the <a href="#">Caring for our Colleagues</a> section.
HC-BP-330a.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals and (d) all others	See our <a href="#">Social Data</a> .

## Supply Chain Management

SASB Code	Metric	Disclosure
HC-BP-430a.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the RX-360 International Pharmaceutical Supply Chain Consortium audit programme or equivalent third-party audit programmes for integrity of supply chain and ingredients	See our discussion on <a href="#">Supply Chain Management</a> .
—	Global supply chain management program	See our discussion on <a href="#">Supply Chain Management</a> .
—	Responsible supply chain management	See our discussion on <a href="#">Supply Chain Management</a> .

## Supplier Diversity

SASB Code	Metric	Disclosure
—	Supplier diversity	<p>From 2022 to 2023, we had a 56% increase in our U.S. Tier 1<sup>1</sup> and 2<sup>2</sup> diverse supplier spend, and a 15% increase in our count of Tier 1 and 2 diverse suppliers, which is a steady increase compared to the growth from 2021 to 2022, which was 32% and 12%, respectively. We define diverse suppliers as women-owned, minority-owned, small business, LGBTQ-owned, veteran-owned or other disadvantaged enterprises. The increase in diverse supplier spend and count is based on both Tier 1 and 2 diverse spend.</p> <p>See our discussion on <a href="#">Supplier Diversity</a> and our <a href="#">Supplier Diversity page</a> for additional information.</p> <p><sup>1</sup> Tier 1 diverse spend is defined as a direct expenditure with a certified diverse supplier.</p> <p><sup>2</sup> Tier 2 diverse spend is defined as spend attributable to Zoetis, either directly or indirectly, through a primary supplier to a diverse supplier (certified or self-certified), but the diverse supplier has no direct contract with Zoetis.</p>

## Business Continuity

SASB Code	Metric	Disclosure
—	Business continuity	See our discussion on <a href="#">Business Continuity</a> .

## Environmental Management Program

SASB Code	Metric	Disclosure
—	Environmental management program	See our discussion on our <a href="#">Environmental Management Program</a> .



## Business Ethics

SASB Code	Metric	Disclosure
HC-BP-510a.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	We have not, to date, incurred any monetary losses as a result of legal proceedings associated with corruption and bribery. Any future material losses would be publicly disclosed in our <a href="#">SEC filings</a> as required.
HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	See our discussion on <a href="#">Business Ethics</a> .
—	Ethics and compliance program	See our discussion on <a href="#">Business Ethics</a> .
—	Political involvement	Our Policy on Political Contributions and any contributions from the Zoetis' Political Action Committee (PAC), are overseen by senior management and approved by a representative board of Zoetis colleagues, with periodic updates to the Corporate Governance and Sustainability Committee of the Board of Directors. Information on our Policy on Political Contributions and political spending disclosures can be found under the Policies and Procedures section of our <a href="#">Corporate Governance</a> web page.

## Data Security and Privacy

SASB Code	Metric	Disclosure
—	Data privacy	See our discussion on <a href="#">Data Privacy and Information Security</a> .
—	Information security	See our discussion on <a href="#">Data Privacy and Information Security</a> .

## Activity Metrics

SASB Code	Metric	2023	2022	2021
HC-BP-000.A	Number of patients treated	Not applicable for animal health.		
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	1) As disclosed in our Form 10-K, we have approximately 300 comprehensive product lines. 2) Phases 1-3 are not applicable for animal health. For competitive reasons, we are not reporting number of products in R&D.		
—	Revenue (million dollars)	\$8,544	\$8,080	\$7,776
—	Number of full-time equivalent colleagues <sup>1</sup>	14,100	13,800	12,100
—	U.S.	6,900	6,900	5,900
—	Other jurisdictions	7,200	6,900	6,200
—	Number of research & development colleagues <sup>1</sup>	1,600	1,430	1,300
—	Number of sales organization colleagues <sup>1</sup>	4,100	4,200	3,800
—	Number of global manufacturing sites operated by us	29	29	28
—	R&D investments (expense) (million dollars)	\$614	\$539	\$508

<sup>1</sup> Full-time equivalent counts are approximate and as of December 31 of each reporting year.



## Social Data

Race/Ethnicity – U.S. Workforce	2023	2022	2021
White	74.8%	75.4%	76.2%
Black	4.6%	4.8%	4.6%
Asian	11.1%	10.7%	10.5%
Hispanic/Latinx	6.9%	6.4%	5.9%
Other	2.6%	2.7%	2.8%

Gender – Global Workforce	2023	2022	2021
Male	52%	53%	54%
Female	48%	47%	46%

Gender – Global Management <sup>1</sup>	2023	2022	2021
Male	62%	63%	65%
Female	38%	37%	35%

Gender – Global Executive Team <sup>2</sup>	2023	2022	2021
Male	36%	50%	55%
Female	64%	50%	45%

Race/Ethnicity – Global Executive Team <sup>2</sup>	2023	2022	2021
White	55%	67%	55%
Person of Color	45%	33%	45%

For a more detailed report of our U.S. colleague demographics, see our [2023 EEO-1 report](#). Demographical information regarding our Board of Directors can be found on page 12 of our [2024 Proxy Statement](#).

<sup>1</sup> Management levels defined as Director level and above.

<sup>2</sup> Values for 2022 included in the 2022 sustainability report were from April 2023; values for all years in this table are as of year-end.

Turnover Rates – U.S. Workforce <sup>1</sup>	2023	2022	2021
Executives/senior managers - voluntary	0.2%	0.1%	0.3%
Executives/senior managers - involuntary	0.2%	0.1%	0.1%
Mid-level managers - voluntary	0.1%	0.4%	0.5%
Mid-level managers - involuntary	0.2%	0.1%	0.2%
Professionals - voluntary	2.1%	2.8%	3.7%
Professionals - involuntary	2.3%	0.5%	0.5%
All other - voluntary	6.7%	7.3%	8.6%
All other - involuntary	2.6%	0.9%	1.1%

<sup>1</sup> Data provided reflects inclusion of all colleagues who meet U.S. headcount includable (i.e., permanent colleagues not on long term leave, and excluding contractors or interns) requirements as of the date data was compiled for this report on March 14, 2024, for calendar year 2023. As headcount includable status may vary over time due to changes in employee status, management has accepted that slight variances (not to exceed 1-2%) may occur for the same time period if data is compiled on an alternate date. Global voluntary attrition rate can be found in the [Zoetis 2023 Annual Report](#), page 20 of the PDF.

Parental Leave - U.S. Workforce	2023	2022	2021
Number of colleagues using paid parental leave	209	155	—

Health and Safety Performance <sup>1</sup>	2023	2022	2021
Total Injury Rate (TIR) <sup>2</sup>	0.50	0.37	0.50
Lost Time Injury Rate (LTIR) <sup>2</sup>	0.30	0.20	0.26
Fatality Rate	0	0	0
Number of U.S. OSHA Voluntary Protection Program (VPP) Star Sites <sup>3</sup>	5	4	4
Number of International Zoetis H&S Star Sites <sup>4</sup>	5	3	2

<sup>1</sup> These metrics cover global operations.

<sup>2</sup> U.S. average for the Pharmaceutical and Medicine Manufacturing Industry (NAICS 32541) TIR and LTIR was not available for 2023 at the time of publication. The TIR and LTIR were 1.7 and 0.5 in 2022, and 1.6 and 1.7 in 2021, respectively. Source: [U.S. Bureau of Labor Statistics](#).

<sup>3</sup> In 2023, sites included 3 manufacturing sites and 2 logistics centers. In 2022 and 2021, sites included 3 manufacturing sites and 1 logistics center.

<sup>4</sup> In 2023, sites included 5 manufacturing sites. In 2022 and 2021, sites included 3 and 2 manufacturing sites, respectively.



## Environment Data

Greenhouse Gas Emissions (metric tons CO <sub>2</sub> e) <sup>1,2</sup>	2023	2022	2021	2019
<b>Scope 1 emissions - total<sup>3,4</sup></b>	111,637	112,557	101,498	
Manufacturing, R&D and offices	88,075	91,621	81,477	
Fleet	23,562	20,956	20,021	
Scope 2 emissions - market-based	121,167	190,609	186,710	
Scope 2 emissions - location-based	177,750	226,423	227,904	
<b>Scope 1 and 2 emissions - total<sup>5</sup></b>	232,804	303,186	288,208	
<b>Scope 1 and 2 emissions intensity (per \$1M revenue)</b>	27.2	37.5	36.8	
Scope 3: Category 6 - Business Travel <sup>6</sup>	21,399	19,048	6,325	29,555
Scope 3: Category 7 - Employee Commuting <sup>7</sup>	14,935	13,684	13,267	12,872
Scope 3 colleague transportation related emissions	36,334	32,732	19,592	42,427
<b>Scope 3 colleague transportation-related emissions intensity (per # of colleagues)</b>	2.58	2.37	1.62	4.00

<sup>1</sup> GHG emissions were calculated using the GHG Protocol Corporate Accounting and Reporting Standard as a basis and cover global operations. Carbon dioxide equivalent (CO<sub>2</sub>e) values include CO<sub>2</sub>, methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). Emissions of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>) are currently being evaluated.

<sup>2</sup> GHG emissions and emissions intensity from 2021 was updated in 2022 to account for the acquisition of a new manufacturing site in Rutherford, Australia in 2022.

<sup>3</sup> Emissions from Zoetis agricultural activity, including herd emissions and breakdown of manure waste, and our waste solvent incinerator are included in our Scope 1 emissions. Emissions from some site-managed company vehicles and forklifts are not included in our Scope 1 emissions totals.

<sup>4</sup> Energy data from the offices is estimated based on the square area of the office when energy invoices are not available. GHG emissions data from Zoetis office locations has been expanded to include more than 95% of the office locations for 2022 onward, but data for these additional locations is not available for 2021. Zoetis offices account for less than 0.5% of the 2021 emissions footprint. Data from 19 Zoetis reference laboratories were added to the emissions footprint in 2022. Emissions data for reference laboratories is not available for 2021.

<sup>5</sup> Scope 1 and market-based Scope 2 emissions are the basis of our carbon neutrality commitment, and we use these metrics to measure our performance.

<sup>6</sup> Emissions associated with air travel, hotel stays, car rentals and rail travel booked within Zoetis' travel system are calculated by a third-party who use activity data such as aircraft type, cabin class, and distance. Emissions associated with personal car and ride share are calculated using data from the company's reimbursement system. Excluded sources include travel booked outside of our travel system and booking changes.

<sup>7</sup> Emissions in this category include both commuting and telecommuting. For commuting, a hybrid average-based and distance-based method was used in accordance with the GHG Protocol Scope 3 Technical Guidance, and based on headcount as of December 31st of the respective reporting year. Estimates were used for the number of commuting days per week and assumed to be the same for 2021-2023. For telecommuting, the methodology outlined in the Anthesis Remote Worker Emissions Methodology, Feb 2021 report was used.

Energy (gigajoule) <sup>1,2</sup>	2023	2022	2021
Energy	3,235,153	3,546,540	3,381,761
<b>Energy intensity (per \$1M revenue)</b>	379	439	432
Renewable energy	444,377	226,858	204,879
Renewable energy (%) <sup>3</sup>	13.7%	6.4%	6.1%
RE100: Renewable Electricity (%) <sup>4</sup>	32.6%	14.7%	13.4%

<sup>1</sup> Energy and energy intensity data covers global operations and was updated in 2021 to account for a manufacturing site in Rutherford, Australia acquired in 2022.

<sup>2</sup> Energy data from the offices is estimated based on the square area of the office when energy invoices are not available. Energy data from Zoetis office locations was expanded to include more than 95% of the office locations for 2022 onward, but data for these additional locations is not available for 2021. Energy data from 19 Zoetis reference laboratories was added to the energy footprint in 2022 onward, but was not retroactively added to 2021 because it is not available. The energy footprint was expanded in 2022 to include energy consumed in our waste solvent incinerator at our Rathdrum facility and retroactively added for 2021.

<sup>3</sup> Renewable energy includes the proportion of renewable electricity, other renewable heating/cooling and biofuels use relative to total Scope 1 and 2 energy use.

<sup>4</sup> Renewable electricity is aligned to our RE100 commitment and is the proportion of renewable electricity relative to total Scope 2 electricity use.

Water (cubic meters) <sup>1,2</sup>	2023	2022	2021
Water intake	3,335,376	3,528,312	3,273,613
Water intake in areas of high / extremely high water stress <sup>3</sup>	25.7%	11.7%	12.2%
Water discharge	2,400,631	2,588,745	2,485,020
Water recycled	24,126	35,803	58,047
<b>Water intake intensity (per \$1M revenue)</b>	390	437	418
<b>Water discharge intensity (per \$1M revenue)</b>	281	320	317

<sup>1</sup> Water and water intensity data from 2021 was updated to account for a manufacturing site in Rutherford, Australia acquired in 2022.

<sup>2</sup> Water usage data for our office locations and 19 reference laboratories is included in our 2022 and 2023 water footprint where data is available. Water data was not retroactively added for 2021 because it is not available. Data is included for offices and reference laboratories where metered data is available. For offices and reference laboratories where no metered data is available, water usage has been estimated based on the number of colleagues on-site plus estimated water usage in laboratory equipment.

<sup>3</sup> In 2022 and 2021, manufacturing and R&D sites in areas of water stress included Buellton CA, San Diego CA, Durham NC, Eagle Grove IA, Louvain La Neuve Belgium, Catania Italy, Suzhou Bio & MFA China, and Melbourne Australia. In 2023, manufacturing and R&D sites in areas of water stress include: Chicago Heights IL, Buellton CA, San Diego CA, Durham NC, Salisbury MD, Fort Collins CO, Louvain La Neuve Belgium, Catania Italy, Suzhou Bio & MFA China, and Melbourne Australia. Water stress was determined using [World Resources Institute Aqueduct](#).



## Environment Data

Non-Hazardous Waste (kilograms) <sup>1</sup>	2023	2022	2021
<b>Non-hazardous waste - total<sup>2</sup></b>	14,768,491	16,034,356	18,044,798
Landfilled	4,403,158	4,088,767	4,919,541
Incinerated	999,418	784,348	474,821
Energy Recovery <sup>2</sup>	1,467,761	1,402,966	6,014,636
Recycled	3,953,775	3,775,233	
Land application (Recycled) manure <sup>3</sup>	3,944,379	5,983,041	6,635,800
<b>Non-hazardous waste intensity (per \$1M revenue)</b>	1,729	1,984	2,305
<b>Non-hazardous waste recycled / energy recovery intensity (per \$1M revenue)</b>	1,096	1,381	1,616

<sup>1</sup> Waste data from a manufacturing site in Rutherford, Australia acquired in 2022 was not added to the waste footprint as data is not available. Waste data from this site has been included for 2023.

<sup>2</sup> In 2021, Zoetis reported waste disposed through incineration with energy recovery and recycled waste under a single category “recycled/energy recovery.” In 2022, we split out the waste disposed through incineration with energy recovery and reported it as a unique category.

<sup>3</sup> In 2022, we began reporting the quantity of cow manure waste that we recycle as fertilizer on our farm facilities. We have retroactively included manure waste data for 2021.

Hazardous Waste (kilograms) <sup>1</sup>	2023	2022	2021
<b>Hazardous waste - total<sup>2</sup></b>	14,275,180	15,196,924	13,135,713
Landfilled	1,425,043	1,619,397	1,181,818
Incinerated	2,671,390	1,898,191	2,499,143
Energy Recovery <sup>2</sup>	9,712,791	11,420,358	9,454,752
Recycled	465,956	258,978	
<b>Hazardous waste intensity (per \$1M revenue)</b>	1,671	1,881	1,678
<b>Hazardous waste recycled / energy recovery intensity (per \$1M revenue)</b>	1,191	1,445	1,208

<sup>1</sup> Waste data from a manufacturing site in Rutherford, Australia acquired in 2022 was not added to the waste footprint as data is not available. Waste data from this site has been included for 2023.

<sup>2</sup> In 2021, Zoetis reported waste disposed through incineration with energy recovery and recycled waste under a single category “recycled/energy recovery”. In 2022, we split out the waste disposed through incineration with energy recovery and reported it as a unique category.



## Taskforce for Climate-related Financial Disclosures (TCFD) Index

TCFD provides a framework for recommended climate-related disclosures that companies use to inform their stakeholders about their climate-related financial risks. Disclosure is structured around four thematic areas that represent how companies operate: governance, strategy, risk management, and metrics and targets. Our TCFD Index below maps these four areas to relevant sections of published Zoetis documents and our [2023 CDP Climate Change Questionnaire](#).

To learn more about how we nurture the world and humankind by advancing care for animals, visit [zoetis.com/sustainability](https://zoetis.com/sustainability).

Purpose	Disclosure	Zoetis 2023 Climate Response	Other Disclosures
<b>Governance</b>			
Disclose the organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	C1.1a, C1.1b, C1.1c, C1.1d	<ul style="list-style-type: none"> <li>• <a href="#">Charter of the Corporate Governance and Sustainability Committee</a></li> <li>• 2023 Sustainability Report, page <a href="#">8</a></li> </ul>
	Describe management's role in assessing and managing climate-related risks and opportunities.	C1.2	
<b>Strategy</b>			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	C2.1a, C2.2a, C2.3a, C2.4a	<a href="#">Zoetis 2023 Annual Report</a> , pages 24-27 of the PDF
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	C3.2, C3.3, C3.4	
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	C3.2	
<b>Risk Management</b>			
Disclose how the organization identifies, assesses and manages climate-related risks.	Describe the organization's processes for identifying and assessing climate-related risks.	C2.1, C2.1a, C2.1b, C2.2, C2.2a	<a href="#">Zoetis 2023 Annual Report</a> , pages 24-27 of the PDF
	Describe the organization's processes for managing climate-related risks.	C2.1, C2.2	
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	C2.2	
<b>Metrics and Targets</b>			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	C5, C6, C7, C8	2023 Sustainability Report, pages <a href="#">28</a> , <a href="#">39</a>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	C6	
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	C4.1, C4.1a, C4.1b, C4.2a	



# Disclosures



This 2023 Sustainability Report includes forward-looking statements, which reflect the current views of Zoetis about, among other things, our progress toward our Driven to Care aspirations; our sustainability, energy and climate goals, targets and plans; our business plans or prospects; expectations regarding future operating or financial performance; general industry conditions and competition; general economic factors; technological advances and new products; the impact of pharmaceutical and animal healthcare regulation and legislation in the United States and internationally; and other future events. These statements are not guarantees of future performance or actions. Forward-looking statements are subject to risks and uncertainties. If one or more of these risks or uncertainties materializes, or if management's underlying assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement.

Forward-looking statements speak only as of the date on which they are made. Zoetis expressly disclaims any obligation to update or revise any forward-looking statement in this 2023 Sustainability Report, whether as a result of new information, future events or otherwise. A further list and description of risks, uncertainties and other matters can be found in our most recent Annual Report on Form 10-K, including in the sections thereof captioned "Forward-Looking Statements and Factors That May Affect Future Results" and "Item 1A. Risk Factors," in our Quarterly Reports on Form 10-Q and in our Current Reports on Form 8-K. These filings and subsequent filings are available online at [www.sec.gov](http://www.sec.gov), [www.zoetis.com](http://www.zoetis.com), or on request from Zoetis.

This 2023 Sustainability Report contains non-financial information and metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature of, and the methods used for determining, such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. Metrics are presented based on information available at the time. Recalculations for prior periods are completed if new information or changes to process are available in accordance with management's change control practices. For purposes of this report, the concept of "materiality" does not correspond with the terms "material" and "materiality" as defined by or construed in accordance with securities law or as used in the context of financial statements and reporting. The information set forth in this report reflects the 2023 calendar year unless otherwise noted and Zoetis reserves the right to update its measurement techniques and methodologies in the future.