MAKING AN IMPACT
CORPORATE SOCIAL RESPONSIBILITY SUMMARY 2017
ACTING ON OUR SIX RESPONSIBILITIES

We at Zoetis deliver shared success and value for our business and society by improving the health of animals; enhancing the sustainability of animal agriculture; and enriching the lives of our customers, colleagues and communities where we operate. We use our resources, expertise and diverse portfolio of medicines and vaccines to help build a better business and a better world.
When Zoetis became a public company in 2013, we built our business around the fact that our society depends on animals. People rely on pets for comfort and companionship and on farm animals for protein, nutrition and livelihood. We saw tremendous opportunity to help address these needs, grow our business and strive to serve a higher purpose.

As we mark our fifth anniversary, those opportunities remain evident. The role Zoetis plays in assuring the health of animals is widely recognized, and the value our company brings to society has become something we demonstrate every day in operating our business.

We have identified six areas of responsibility through which we contribute value to society: Advance Animal Health; Promote the Veterinary Profession; Ensure a Safe and Sustainable Food Supply; Support the Communities Where We Operate; Run Our Business Ethically and Responsibly; and Provide a Workplace Where Colleagues Feel Valued.

Run Our Business Ethically and Responsibly is one of Our Six Responsibilities and the one Zoetis colleagues act on every day. In line with our Core Belief to Always Do the Right Thing, this year we took additional steps to ensure that our colleagues understand and comply with our Code of Conduct and Corporate Policies. We made our Code and Policies easier to understand and enhanced our training programs completed by all colleagues. We invite you to review our new Code of Conduct.

We are proud of our fifth consecutive year of improvement achieved in workplace safety and our progress in the sustainability of our manufacturing and administrative operations. In this summary you can read about projects that helped us reduce use of energy and natural resources and build on our record of workplace safety.

We invite you to learn more about Our Six Responsibilities and our accomplishments toward each of them in this 2017 Summary and at our Responsibility information hub at www.zoetis.com/responsibility.

Juan Ramón Alaix
Chief Executive Officer
ZOETIS AT A GLANCE

100+
Countries in Which We Market Our Products

45
Approximate Number of Countries Where We Have a Direct Presence

300
Approximate Number of Product Lines

60+
Years of Experience in Animal Health

8
Core Species Supported

WE PROVIDE
MEDICINES
VACCINES
DIAGNOSTICS

GENETIC TESTS
BIODEVICES
SERVICES

DIGITAL ANALYTICS
AND SENSOR TECHNOLOGIES

OUR THREE INTERCONNECTED CAPABILITIES

DIRECT CUSTOMER RELATIONSHIPS
We achieve all that we can by building strong relationships through direct interaction with our customers in approximately 45 countries. Our sales and technical service professionals seek to delight our customers, listening to their needs and concerns and helping them succeed.

INNOVATION
We are committed to researching and developing ever-better solutions to address our customers’ most pressing animal health challenges and deliver real value to their businesses.

HIGH-QUALITY MANUFACTURING
We know our customers depend on a reliable supply of high-quality products at competitive prices. We have built an efficient global manufacturing and supply network of internal sites and external partners to meet our customers’ expectations.
We understand that the single most important commitment we make is to advance animal health. By doing so, we help protect and enhance public health as well.

We invest in research and development programs both within Zoetis and in collaboration with public and private partners, to bring new and enhanced animal health products and technologies to market. We strive to develop new and novel products, and we challenge ourselves to continuously improve our existing portfolio in ways that deliver real value to our customers.
R&D 2017 AT A GLANCE

1,000
Research and Development scientists worldwide

$382M
Invested in R&D

300+
Programs and projects, reflect our commitment to advancing animal health with ever-improving solutions

100
Approximate number of research alliances

200+
New product approvals

INNOVATING ACROSS THE CONTINUUM OF CARE

Our diverse product portfolio supports our customers in their work to predict, prevent, detect and treat illness in animals and address ever-present, as well as unmet, medical needs.

Internal capabilities complemented with external partnerships
SIGNIFICANT INNOVATIONS

Zoetis won approval in 2017 for significant innovations for companion and livestock animals.

RELIEF FROM ITCHING ASSOCIATED WITH ATOPIC DERMATITIS IN DOGS

CYTOPOINT®
- A monoclonal antibody (mAb) therapy approved in the EU to help reduce the clinical signs associated with atopic dermatitis, such as itching, in dogs. (Licensed in the United States in 2016)
- Veterinarian administers by injection every four to eight weeks
- Targets canine interleukin-31 (IL-31), the protein that triggers itching in dogs
- Developed by Zoetis scientists and based on new scientific insights into the role of IL-31
- First mAb therapy approved for veterinary use in the European Union
- Canine allergic skin conditions are a high area of medical need. Itch affects roughly one in six dogs whose owners seek veterinary help. About half of these itchy dogs will be diagnosed with an allergy and approximately 15 to 20 percent of them have atopic dermatitis.

PROTECTING CATS FROM FLEAS, TICKS AND PREVENTING HEARTWORM DISEASE

STRONGHOLD® PLUS (SELAMECTIN/SAROLANER)
- Approved in the EU to treat fleas, ticks, earmites, lice and gastrointestinal worms and to prevent heartworm disease in cats
- A topical formulation that combines the active ingredient in Stronghold — selamectin — with sarolaner for broadened and extended spectrum of protection
- Kills fleas and ticks fast and lengthens the duration of protection against fleas to five full weeks with no drop in efficacy at the end of the dosing period
- Follows the approval of Simparica®, a once-monthly chewable formulation of sarolaner to kill fleas and prevent flea infestations, as well as treat and control tick infestations in dogs
- First in a series of products in development from Zoetis’ sarolaner platform

COMBATING A COMMON AND COSTLY DISEASE IN PIGS

SUVAXYN® PRRS MLV VACCINE
- A modified live vaccine that protects pigs from the prevalent European strain of Porcine Reproductive and Respiratory Syndrome (PRRS), one of the most common and costly diseases affecting herds
- May be administered at the first day of age, providing the earliest protection in piglets
- Can be used in female pigs (sows and gilts) to help protect entire herds from PRRS

HELPING NORWAY’S FISH FARMERS BATTLE PANCREAS DISEASE

ALPHA JECT® MICRO 1PD
- Launched the Alpha Ject® micro 1PD vaccine in Norway, the only vaccine based on the subtype of the Salmonid Alpha Virus — SAV3 — present in Norway
- Provided an effective solution to control pancreas disease, the most serious viral threat to Norwegian farmed salmon
- The farmed fish industry in Norway depends on having an array of vaccines tailored to its aquatic health needs to raise salmon sustainably
Veterinary professionals play a vital role in society, serving as stewards of animal and public health. We are proud of our six-decade commitment to promote and help assure a bright future for the veterinary profession. This takes shape through:

• scholarships, career development programs and research fellowships for veterinary students

• collaborations in developing countries to elevate standards of veterinary education, modernize treatment and standards of care, and grant wider, affordable access to it.
2017 AT A GLANCE

HELPED PROMISING STUDENTS OFFSET THE COST OF EDUCATION¹

315
Second-and third-year veterinary students recognized

$630K
Awarded in scholarships

IMPACT SINCE PROGRAM INCEPTION

2,700+
Exceptional veterinary students helped

$5.4M+
Awarded in scholarship funding

HELPED ADVANCE DIVERSITY AMONG VETERINARY PROFESSIONALS. AMONG THE 2017 AWARDED SCHOLARS:

- 33% From racial and ethnically diverse backgrounds
- 31% Studying mixed animal medicine
- 14% Studying to practice food animal medicine
- 26% Going into small animal practice
- 4% Going into equine exclusive clinical practice
- 13% Entering academia (research and clinical), public health, government, or industry
- 11% Pursuing areas, such as zoo/exotic animal, lab animal, wildlife, etc.

This will be an end of study of veterinary medicine in school, but a new start of a lifelong learning. The learning of veterinary medicine is not only about knowledge and skills, but also further understanding of this profession and what we as veterinarians can do for the well-being of animals and humans. I am grateful that the U.S.-China Joint Doctor of Veterinary Medicine Program has provided me a great opportunity to look at the grand view of veterinary medicine in both China and U.S.”

— DR. JING LI
2017 GRADUATE, KANSAS STATE UNIVERSITY
COLLEGE OF VETERINARY MEDICINE
Ensuring a safe and sustainable food supply

Livestock farmers worldwide are striving to meet increasing consumer demand for safe, affordable meat, fish, eggs and milk, and to do this in a sustainable way, producing more using finite natural resources.

We at Zoetis are supporting them with technologies, vaccines and medicines to better predict, prevent, detect, and treat disease.
AFRICAN LIVESTOCK PRODUCTIVITY AND HEALTH ADVANCEMENT (A.L.P.H.A.)

In May 2017, Zoetis announced a commitment to develop sustainable livestock production in sub-Saharan Africa through the African Livestock Productivity and Health Advancement (A.L.P.H.A.) initiative. Supporting the initiative is a $14.4 million grant over three years from the Bill & Melinda Gates Foundation.

ACHIEVEMENTS IN 2017

During the initiative’s first year, Zoetis established distributor networks for animal health products in Nigeria and Uganda; began regulatory registration of medicines and vaccines; and built a network of veterinary and animal health professionals to facilitate sharing best practices.

- 17 vaccines submitted for registration in Uganda, which will offer a large range of solutions for disease prevention in poultry and livestock.
- Supported the opening of a diagnostic laboratory in Nigeria by providing technical expertise and training materials. (The lab is expected to analyze an average of 4,500 results monthly.)
- Developed certified local distributor networks in Uganda and Nigeria to improve the accessibility of veterinary medicines and technical services.
- Established a third party validation agreement with the University of Surrey in the U.K. to demonstrate the return on investment in animal health for local communities.

The A.L.P.H.A. initiative is advancing livestock health and productivity in sub-Saharan Africa through increased availability of veterinary medicines, vaccines and services, and the implementation of a disease diagnostics infrastructure. It began in Uganda and Nigeria in 2017 and will expand to Ethiopia in 2018. To ensure the initiative is sustainable, Zoetis will incorporate the development of veterinary laboratory networks and outreach services into the business hubs in Ethiopia, Nigeria and Uganda.

BUILDING SUSTAINABLE AGRICULTURE SYSTEMS IN DEVELOPING COUNTRIES

Zoetis supports programs and projects that help educate small-scale farmers about modern animal health and husbandry practices and provide the technical support needed to help them move from subsistence to self-sufficiency and onto increasing productivity and profitability.

SUPPORTING DAIRY FARMERS IN BRAZIL’S HISTORIC PARAÍBA VALLEY

Zoetis is helping rural dairy farmers in Brazil to improve milk production by teaching them modern farm management practices, including how to measure costs and profits, improve feed efficiency and advance reproduction management.

2017 ACCOMPLISHMENTS

• The project completed 12 learning sessions for the 20 participating farms, including four sessions that were open to the entire community.
• Most participating farmers have improved milk quality in terms of bacteria count, which means better milk for dairy processors and more profit for the farmers.
• All the farms have improved their cows’ pregnancy rates, some as much as six-fold, which means more milk production as well as more calves to sustain the farms in the future.

With these improvements, the farmers will be able to invest in their farms to create a better future for their families and their region.

“The knowledge I’ve received from the program has improved my herd’s potential. My cows are much healthier since I have taken the program’s guidelines for feeding and medicating on board.”

— ANTONIO VENTURA NETO
PARTICIPATING DAIRY FARMER
ANTIBIOTIC STEWARDSHIP

Zoetis has a diverse portfolio of anti-infective products for companion and livestock animals, including leading antibiotic medicines and feed additives. We strive to help protect their efficacy for decades to come.

We advocate for the health of animals and for the veterinarians and livestock farmers who care for them.

• We believe that veterinary professionals should be involved in 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.

We innovate by investing in research and development to provide our customers with new and enhanced solutions to better predict, prevent, detect and treat disease in the animals under their care.

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.

In 2017, Zoetis endorsed the Animal Health Sector Commitments and Actions on Antibiotic Use, which is based on five principles:

1. Protect animal health and welfare in a unified One Health approach
2. Use antibiotics judiciously and responsibly
3. Promote disease prevention and increased access to products and expertise
4. Invest in development of products for prevention and treatment
5. Increase knowledge, transparency and communication

Learn more about the Commitments and Actions here.
SUPPORTING THE COMMUNITIES WHERE WE OPERATE

We at Zoetis strive to use our resources and expertise to make a difference in the communities where we operate.

We participate in organizations dedicated to preparing talented young people for careers in animal agriculture and science.

We seek to promote pet adoption by supporting the work of shelters and agencies as they strive to find caring families for companion animals and deliver healthcare services while animals await new homes.

In the face of natural disaster, Zoetis is there helping to protect animal health and welfare.

Our people and products make the difference in local communities, when and where our customers and neighbors need it most. Through partnerships and donations, we provide care to animals in need.

We pay tribute to first responders — human and canine — and support the partial cost of healthcare for retired military, police and service dogs.
ZOETIS JOINED FFA IN ATTRACTING STUDENTS TO STEM AND AGRICULTURE CAREERS

• AgExplorer is a comprehensive career resource from National FFA and Discovery Education. The program helps students explore the broad range of careers within the agriculture industry through virtual field trips and an interactive career finder portal.

• Zoetis partnered with AgExplorer to host a virtual field trip at our Parsippany, N.J., headquarters to give a firsthand account of the diverse career opportunities in science, technology, engineering, and math (STEM) at the company.

• More than 40,000 students, including over 1,200 classrooms, across the United States, obtained a glimpse into the many career opportunities in animal health. Zoetis senior leaders hosted the virtual field trip and answered live questions that highlighted the various STEM careers at Zoetis.

RECOGNIZING THE HEROIC WORK OF FIRST RESPONDERS — HUMAN AND CANINE

Providing support to care for service dogs and retired military and police dogs.

K-9 COURAGE
Serving Those Who Serve Us

ZOETIS K-9 COURAGE PROGRAM EXPANDS
Through our K-9 Courage program, Zoetis annually provides healthcare assistance for 650 retired military and police dogs that have worked to protect communities as well as active service dogs that assist military veterans who experience post-traumatic stress (PTS). This year, the program expanded to support American Humane’s “Shelter to Service” initiative that rescues shelter dogs and trains them to become lifesaving service animals for military veterans suffering from PTS and Traumatic Brain Injury (TBI). In 2017, Zoetis provided approximately $225,000 in financial support for the beneficiaries of its K-9 Courage Program, in addition to product donations.
SUPPORTING THE COMMUNITY WITH OUR PEOPLE AND PRODUCTS

PROJECT ENGAGE

In Australia, Zoetis initiated a series of volunteer and donation activities to make a meaningful difference for animals and those who raise and care for them. We provided medicines, vaccines and diagnostics to shelters that provide healthcare for animals awaiting new homes.

RE-HOMING THE SYDNEY DOGS AND CATS HOME

- After 71 years in the same facility, the Sydney Dogs and Cats Home announced plans of relocation to meet the needs of the area’s animals.
- Zoetis contributed 10,000 doses of Revolution® flea and heartworm treatment and 1,800 doses of preventative care vaccines to help with relocation costs.
- These donations allowed the Sydney Dogs and Cats Home to redirect over $180,000 from their operational costs to the new facility’s development, where they will extend services for the area’s lost and abandoned animals.

RENEWING A DECADE LONG PARTNERSHIP WITH TARONGA ZOO

- The Taronga Zoo has relied on Zoetis for the last 10 years to provide medicines, vaccines and diagnostic tools to assist with their hospital operations.
- Zoetis renewed the partnership to provide crucial preventative medicines, breeding management tools, and safe and effective anesthesia. These products are used extensively throughout the zoo.

PARTNERING WITH PETRESCUE

- Zoetis collaborated with PetRescue, an animal welfare charity that delivers adoption programs and support services to Australian rescue groups, shelters and pounds nationwide, to donate 6,000 doses of Revolution® flea and heartworm treatment to 22 rescue organizations across the country.

“THIS DONATION HAS MADE A HUGE DIFFERENCE TO HOMELESS PETS, BY KEEPING THEM HAPPY AND HEALTHY, AND BY HELPING TO FREE UP LIMITED RESOURCES TO ENABLE GROUPS TO SAVE EVEN MORE HOMELESS PETS AROUND AUSTRALIA.”

— TARSHA ANDREWS
PROJECT AND PARTNERSHIPS MANAGER AT PETRESCUE
CARING FOR ANIMALS WHEN DISASTER STRIKES

Zoetis colleagues were side by side with veterinary and farmer customers when disaster struck around the world. Be it hurricanes Harvey, Irma and Maria and wildfires in the United States, historic floods in China or an earthquake in Mexico, our colleagues provided on the ground veterinary expertise as well as essential medicines, vaccines and supplies with an equivalent value of more than $2 million.
Always Do the Right Thing is one of our Core Beliefs. Conducting our business with integrity in line with Our Code of Conduct is every colleague’s responsibility every day. We strive to operate our business in a sustainable way, and have established environment, health, and safety procedures and standards that apply to any given product from research and development through commercialization.
CELEBRATING OUR FIFTH CONSECUTIVE YEAR OF IMPROVING WORKPLACE SAFETY

The health, safety and well-being of our employees are our top priority at Zoetis. The results show. Zoetis improved workplace safety, achieving our fifth consecutive year over year decline in the employee injury rate. We are committed to a culture of safety in each of our locations around the world. The 25 sites across 11 countries that make up the Zoetis manufacturing network share a dedication to quality and safety that is embedded in all our manufacturing and supply processes.

CHARLES CITY, IOWA

In 2017, the U.S. Occupational Safety and Health Administration (OSHA) awarded Star status to the Zoetis Global Manufacturing and Supply site in Charles City, Iowa, through the Administration’s Voluntary Protection Program, which promotes effective worksite safety and health. Charles City is the fourth Zoetis facility to be recognized with this award. Other manufacturing sites that have earned this distinction are: Whitehall, Illinois, starting in 1999; Lee’s Summit, Missouri, beginning in 2009; and Lincoln, Nebraska, beginning in 2010. To achieve this voluntary certification, Zoetis has repeatedly met strict performance-based criteria of a managed safety and health system, and underwent rigorous onsite evaluations by OSHA safety and health experts. The OSHA Star status also recognizes Zoetis’ best practices for occupational safety.

SAFETY PERFORMANCE OF ZOETIS GLOBAL MANUFACTURING AND SUPPLY*

* TIR Total Injury Rate: The ratio of the number of workplace injuries/illnesses requiring treatment beyond first aid per 100 colleagues (or every 200,000 man-hours)
REDUCING WASTE AND USE OF NATURAL RESOURCES AND ENERGY

INCREASING COOLING CAPACITY WHILE REDUCING ENERGY USE IN KALAMAZOO, MICHIGAN

1,500 tons of cooling capacity

30% Projected savings in electricity

40% Reduction in maintenance costs

Zoetis upgraded the cooling technology used to cool its Global Manufacturing and Supply facility in Kalamazoo, Michigan, one of the largest facilities in the manufacturing network. The improvements implement a more effective, environmentally compliant, energy efficient strategy. The new equipment uses R-134a refrigerant compliant with current and future environmental standards and includes state of the art magnetic-drive, water-cooled chillers, modern controls, and variable frequency electrical drive motors that react to the system demands. It increased existing capacity from 850 tons to 1,500 tons of cooling — enough to meet existing cooling needs, but also to allow for site expansion. Projected savings in electricity alone is as much as 30% annually. The design of the magnetic drives to reduce frictional wear and tear will deliver up to 40% reduction in maintenance costs.

RECYCLING BECOMES A MAINSTAY OF SUSTAINABLE MANUFACTURING IN MELBOURNE, AUSTRALIA

192 CO₂ saved

51 Equivalent number of trees planted

57% of solid waste at the site was recycled

At the Zoetis manufacturing site in Melbourne, Australia, colleagues actively sought ways to reduce the carbon footprint of manufacturing operation and made recycling an everyday way of life there. Through a comprehensive recycling program, 57 percent of solid waste generated at the site was recycled in 2017. They found the positive environmental impact of their initiative resulted in a carbon dioxide (CO₂) reduction equivalent to planting 192 trees (based on an average tree capturing 268kg of CO₂ equivalent over its lifetime*).

*Environmental Benefits of Recycling Calculator, Revised 2010, Department of Environmental and Climate Change, New South Wales, Australia.
OUR CODE OF CONDUCT

Our Code of Conduct is designed to help colleagues apply our Core Beliefs in the way we do business. It sets the standards and expectations we have for Zoetis colleagues. And, it guides each of us in how we work with our customers, colleagues and other stakeholders in a responsible and ethical manner. To help ensure that our colleagues comply with our Code of Conduct, we made it easier to understand and enhanced our training programs. We invite you to review our Code of Conduct.
At Zoetis, we know our people drive our success. Our colleagues are proud of our positive company culture and the meaningful role we play in caring for animals. When it comes to our culture, our Core Beliefs are the foundation of the commitments we make to our colleagues, customers and stakeholders every day. They have helped us create an award-winning workplace and become a leading partner of choice in animal health.
A CULTURE COMMITTED TO COLLEAGUES, CUSTOMERS AND CORE BELIEFS

We know Our Colleagues Make the Difference, and we strive to create a team environment where colleagues can excel and feel proud of the company they work for. We are strong proponents of experiential learning and hands-on development.

We have a highly collaborative culture, and we work across the business as “One Zoetis” to achieve results that matter.

Our colleagues have a Run It Like You Own It mindset. They know their decisions and actions make a direct impact on our business and our customers.

At Zoetis, we strive to Always Do the Right Thing for our colleagues, our business and for society.
FOR ANIMALS. FOR HEALTH. FOR YOU.