ESG and SASB Index

2021

ESG and SASB Index

This document 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. As an animal health company, some of the SASB standards are not appliable 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. The disclosure is for calendar year 2021 and provides three years of metrics.

This document should be read in conjunction with our 2021 Sustainability Progress Update. In addition, our 2020 Sustainability Report and 2020 ESG Appendix provide more detailed disclosure on our ESG programs, practices and policies. For information on the company's Task Force on Climate-Related Financial Disclosures (TCFD), see our 2019 ESG Review.

Activity Metrics

METRIC	2021	2020	2019
Number of patients treated HC-BP-000.A	Not applicable for animal health.		
Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3) HC-BP-000.B	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	$7.776B	$6.675B	$6.26B
Full-time equivalent	Approximately 12,100 5,900 in U.S. and 6,200 in other jurisdictions	Approximately 11,300 5,300 in U.S. and 6,000 in other jurisdictions	Approximately 10,600 5,000 in U.S. and 5,600 in other jurisdictions
Global Manufacturing Sites	28	29	27
R&D investments (expense)	$508M	$463M	$457M

Safety of Clinical Trial Participants

METRIC	
Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials HC–BP–210a.1	As an animal health company, our clinical trials involve animals. With that in mind, we refer to owners of animals in the following descriptions: **Oversight of clinical research organization's quality and safety systems** Our quality and safety programs for clinical research include standardized operating procedures (SOPs) for study conduct, training and qualification of personnel, and audits of contract research organizations (CROs), clinical processes, investigator sites, and study documentation. **Discussion of management process for CROs** All pivotal/non-pivotal clinical research is appropriately monitored by scientific staff. Additionally, CROs which are pivotal to clinical research are vetted by the quality assurance program and include legal oversight and third-party risk assessment, if necessary. **Discussion around nature and terms of monetary incentives used by the CROs** Costs for each study are allocated on a study-by-study basis and based on work conducted or milestones reached—for example, a veterinary surgeon (Investigator) and owner payment for each visit completed or investigator payment for reaching target number of successfully enrolled cases. **Discussion of process for obtaining informed consent from participants** Owner consent is documented either in an Owner Consent document or by signature on the Protocol when the Investigator owns the animals or the CRO owns the animals and the Investigator is acting as their agent. **List of all clinical trials that were terminated for failure to follow good clinical practices standards** None in the last three years. **List of all clinical trials terminated, whether the decision was made by investigators or study sponsor, and whether it was made with or without the input of a data monitoring committee** Multiple studies have been cancelled or terminated due to project-specific reasons (technical/commercial) over the past three years. No studies have been cancelled and/or terminated due to safety reasons or due to the decision of an internal data monitoring committee. For information about how we ensure animal well-being in our clinical trials, see page 5 of our 2020 ESG Appendix and our Policy on Animal Care and Welfare.
Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI) HC–BP–210a.2	No FDA Form 483 received over the last three years for clinical programs in animal health.

Safety of Clinical Trial Participants

METRIC	
Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries HC–BP–210a.3	If public disclosure criteria are met, any monetary losses as a result of legal proceedings associated with clinical trials would be included in our Annual Report on Form 10-K.

Access to Medicine

METRIC	
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 HC–BP–240a.1	The Access to Medicines Index is for human health and not relevant to Zoetis as an animal health company. See the Access to Veterinary Care in Emerging Market section of our 2021 Sustainability Progress Update to learn about our efforts to promote access to our products.
List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP) HC–BP–240a.2	None of our products are on the WHO List of Prequalified Medicinal Products.

Affordability & Pricing

METRIC	
Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period HC–BP–240b.1	Not applicable.
Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year HC–BP–240b.2	We price our products, globally, according to the competitive market and how our customers value the benefits they receive. From 2020 to 2021, our price growth was approximately 1%. Price growth was approximately 2% from 2019 to 2020, and approximately 2% from 2018 to 2019.
Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year HC–BP–240b.3	While we are not reporting percentage change in list price, we are disclosing that no single product materially contributed to our price growth in 2021.

Product Safety

METRIC	
List of products listed in the U.S. Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database HC–BP–250a.1	Zoetis closely monitors the FDA MedWatch Safety Alerts database. In addition to monitoring the Medwatch database for Human Health Devices, we actively monitor the veterinary equivalent public adverse event reporting databases, such as the FDA publicly released OpenFDA website that publishes all FDA received complaints, whether reported by consumers or industry. These databases are updated on a regular basis by the FDA and monitored by Global Pharmacovigilance. In Europe, the European Medicines Agency (EMA) publishes information on all of the adverse events globally that have been reported to the EMA as well as information on recent changes to labels for Centrally Authorized Products: information on Nationally authorized products is published by individual European Country Authorities.
Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System HC–BP–250a.2	All Zoetis adverse events are collected and entered into the Zoetis global enterprise-wide adverse event database. We report all adverse events as appropriate to global regulatory agencies in accordance with reporting requirements. Major regulatory agencies such as FDA and EMA publish reported information on their applicable websites for animal health pharmaceuticals and biologicals.
Number of recalls issued, total units recalled HC–BP–250a.3	Product safety and quality are our top priority. We maintain a robust quality system with harmonized processes and procedures, in compliance with external regulatory requirements and standards. We conduct investigations when deviations, out-of-specification and/or failure of our manufacturing processes to meet our quality standards, current Good Manufacturing Practices (cGMP) and other applicable regulations occur. Zoetis has a process to assess quality defects and safety issues and determine whether a market action such as a recall is required. Any such incident is investigated and assessed by subject matter experts, pharmacovigilance/safety experts, quality management and regulatory teams. As applicable, market actions such as recalls are executed as agreed with the relevant competent authorities. Zoetis initiated four recalls in 2021 (none of them were global recalls).

Product Safety

METRIC	
Total amount of product accepted for take-back, reuse, or disposal HC–BP–250a.4	Our products are high turnover products with very limited take back and reuse. We take back products for disposal in line with legal requirements in each country. **Direct Customers in the U.S.** To manage expired products, we provide our direct clinic customers with options to properly dispose of expired products: • Return for Destruction & Credit: We provide pre-paid shipping labels so veterinary clinics may return expired product to our U.S. Logistics Returns Center. Once onsite, returned product is inspected, documented and ultimately destroyed following applicable waste management regulations. • Credit & Destroy on Site: As an alternative to physically returning expired product, veterinary clinics can destroy via their own medical waste streams. **Distribution Customers in the U.S.** Distribution partners can receive credit for expired products, provided it is shipped to our U.S. Logistics Return Center. Destruction is conducted following all applicable waste management regulations. In addition to handling destructions from Distribution partner warehouse-related Zoetis products that expire, these Distribution customers will accept returns from their own Veterinary Clinic Customers and isolate Zoetis-sourced products for return to us. **Consumers in the U.S.** Zoetis has been a long-standing member of the Pharmaceutical Product Stewardship Work Group (PPSWG), an external pharmaceutical industry association with a significant focus on take-back and safe disposal of product. The PPSWG was formed to address the complexities and uncertainties of new laws that govern the disposal of unused and unwanted pharmaceutical products. PPSWG members have developed a framework for addressing these laws through active member engagement and MED-Project, a safe, effective and compliant household medicines and sharps take-back programs on behalf of its member companies. PPSWG's mission is to provide infrastructure, guidance, and subject matter expertise to support member compliance and improve awareness of existing pharmaceutical disposal options. For Controlled Substances, all returns are processed through our warehouse specifically licensed with the U.S. Drug Enforcement Administration to handle Zoetis SKUs with a Controlled Substance classification.
Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type HC–BP–250a.5	We regularly participate in health authority inspections to help ensure the highest quality in our manufacturing facilities. A total of five FDA inspections were completed in 2021. All these inspections were satisfactory to allow continuation of operations. No FDA enforcement actions were taken. Further to this, all corrective actions for observations have been accepted by the relevant authorities as a response to their inspections. Zoetis is committed to ensuring quality and compliance for all our products in every market in which we sell them.

Product Safety

METRIC	
Product safety and quality program	With quality in the forefront of our commitments, Zoetis has established appropriate controls and processes for the manufacturing of our products to ensure they are fit for their intended use, comply with the requirements of the Marketing Authorization, and demonstrate adequate safety, quality, and efficacy. A Quality Management System (QMS) also ensures that our products are of the quality required for their intended use throughout the different stages of the product lifecycle. The QMS also extends to the control and review of outsourced activities and quality of purchased materials including quality risk management and oversight. Our suppliers are qualified to determine capability to provide materials that meet Zoetis standards. An ongoing evaluation process including material testing, specification review and auditing is employed by Zoetis to ensure that the materials continue to meet requirements. A structured governance process is also in place to inform senior management about quality performance, escalation of quality issues, compliance with internal and external requirements to facilitate decision making, quality objectives planning and stratified investments to enable continuous improvement programs at sites. Senior management is responsible for quality system governance through periodic quality council reviews to ensure QMS continuous suitability and effectiveness. A global Pharmacovigilance System is also in place for continuously monitoring of product safety and efficacy performance, signal detection and complaint trending. Global Pharmacovigilance operates under a strict Corporate Policy for Adverse Event Reporting. This policy outlines the legal requirements with which Zoetis must fully comply whether or not there are specific local country adverse event reporting obligations. Further, we conduct annual, mandatory Pharmacovigilance (PV) training for all Zoetis colleagues and contractors who conduct work for Zoetis to assure PV requirements are understood and that we uphold our commitment to product safety, quality and reporting compliance. In addition, product testing is described in the marketing authorization and technical dossiers approved by health authorities and is carried out according to approved testing methods. The necessary and relevant product testing is conducted to control the quality of our products. Testing is performed on each lot to support product release to markets. Product stability testing programs are also in place to monitor the quality of the product over its shelf life. **Certifications** Our legal right to operate and sell our products is governed by licenses and or certification, depending on the products that we manufacture and/or supply to markets. These are obtained through regulatory applications and inspections by the appropriate external authorities and independent bodies. Our sites have obtained 100% of the required licenses to operate in compliance with applicable laws and regulations and certifications.

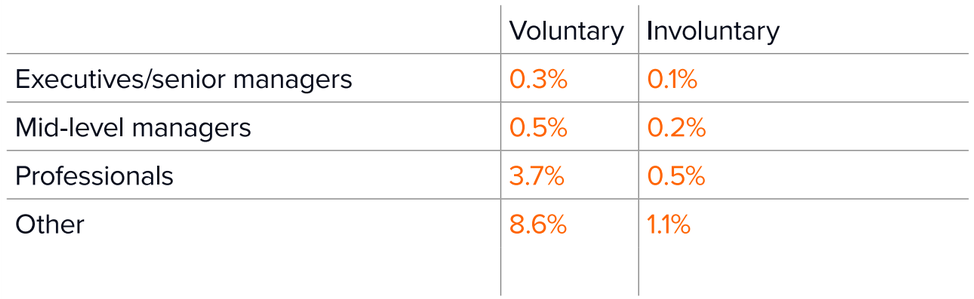
Counterfeit Drugs

METRIC	
Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting HC–BP–260a.1	Counterfeits are identified through a combination of customer, field force, distributor alerts, Customs alerts and online monitoring. Counterfeits are confirmed through reviews of batch numbers, lot numbers, expiration dates, and bar codes, along with an examination of label, packaging and product appearance. Lab testing is done when other identification methods are not sufficient or when warranted per a risk-based analysis. We participate in the International Trademark Association (INTA) and our Chief Counsel for Global Trademarks serves on the INTA Anti-counterfeiting Committee and participates in the INTA Healthcare & Pharmaceutical subgroup which helps monitor and address ongoing threats.
Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products HC–BP–260a.2	If there is a risk of harm or significant market penetration or a combination of the two, we will plan to send letters to distributors and end customers (veterinarians) or provide other alerts. We encourage all customers to buy through regular business channels from authorized distributors of Zoetis in order to ensure access to safe products and the Zoetis product guarantee.
Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products HC–BP–260a.3	Notification to legal or regulatory authorities depends on local requirements and specific cases. If local authorities require notification regarding existence of counterfeits, notification takes place. If notification is not required, but authorities are receptive to reports of counterfeits, we will report counterfeits depending on the case (market saturation, type of product involved and whether detailed information or evidence is available). When regulators and law enforcement accept such information, Zoetis is often not informed when raids, seizures, arrests and/or filing of criminal charges take place.

Ethical Marketing

METRIC	
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims HC–BP–270a.1	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 U.S. Securities and Exchange Commission (SEC) filings as required.
Description of code of ethics governing promotion of off-label use of products HC–BP–270a.2	The Zoetis Code of Conduct mandates that all promotional materials and communications must be accurate, not misleading, and compliant with all applicable legal and regulatory standards, including any applicable standards addressing off-label promotion, substantiation, scientific rigor and fair balance. Colleagues in sales, marketing, veterinary medical services and regulatory functions are trained on, and must comply with, local or regional policies with respect to labeling, promotional programs, product samples and other related topics. Regulatory review committees are used on a regional basis to review and approve marketing and promotional materials prior to their use. Compliance with policy is subject to internal audits and policy violations may result in disciplinary actions, up to and including colleague termination.

Employee Recruitment, Development & Retention

METRIC	
Discussion of talent recruitment and retention efforts for scientists and research and development personnel HC–BP–330a.1	See the Caring for our Colleagues section of our 2021 Sustainability Progress Update and the Developing our Colleagues section of our 2020 Sustainability Report.
(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals and (d) all others HC–BP–330a.2	

	Voluntary	Involuntary
Executives/senior managers	0.3%	0.1%
Mid-level managers	0.5%	0.2%
Professionals	3.7%	0.5%
Other	8.6%	1.1%

Data provided reflects inclusion of all colleagues who meet headcount includable requirements as of the date data was compiled for this report [data compiled on March 24, 2022 for calendar year 2021]. 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.

Supply Chain Management

METRIC	
Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the RX-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients HC–BP–430a.1	Zoetis conducts due diligence before doing business with suppliers and has well-developed Supplier Quality and Environment, Health & Safety audit programs. We classify suppliers to manage risk and conduct formal assessments and audits to verify and monitor supplier compliance with applicable laws and regulations and Zoetis quality and EHS requirements. Zoetis utilizes RX-360 audit reports to supplement our internal audit programs as necessary. For additional information about our supply chain management program, see pages 11-13 of our 2020 ESG Appendix.

Business Ethics

METRIC	
Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery HC–BP–510a.1	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 SEC filings as required.
Description of code of ethics governing interactions with health care professionals HC–BP–510a.2	Zoetis maintains a comprehensive Code of Conduct summarizing important policies and procedures including our corporate policy, Interactions with Prescribing Animal Healthcare Professionals and related local procedures governing promotional activities (the Global Vet Policy). The Global Vet Policy governs the interactions our colleagues have with Prescribing Animal Healthcare Professionals (PAHPs) including: (i) animal healthcare professionals with prescribing authority; and (ii) all employees of veterinarian hospitals and veterinarian practices working directly with a prescribing veterinarian, regardless of whether or not such persons have prescribing authority. The policy requires promotional materials to be accurate, not misleading and compliant with all applicable legal and regulatory standards. It also requires compliance with Zoetis standards concerning hospitality and gifts, which must be modest in value and infrequent, have a reasonable business purpose and must avoid even the appearance of attempting to influence the independent business judgment of the recipient, inappropriately reward or influence the prescribing or dispensing behavior of PAHPs. Each market is required to have a local standard operating procedure that has been approved by commercial leadership, Finance, Legal and the Zoetis Compliance function. In 2021, Zoetis completed a comprehensive update of these local standard operating procedures. Colleagues who interact with PAHPs are trained upon hiring and receive updated training during their employment. This includes on-line, live and virtual training sessions. Compliance is enforced through local, regional and senior management, as well as the Zoetis Global Compliance program. The Zoetis Global Compliance Program in collaboration with Finance and Internal Audit actively monitors and audits transactions and expenditures for consistency with the Global Vet Policy and local procedures. Potential violations identified through monitoring, testing or audits are escalated to the Compliance Investigations function for investigation and resolution consistent with our Code of Conduct. Additionally, Zoetis offers colleagues multiple channels to report potential issues or concerns including the Zoetis helpline web portal which is available 24/7 for reporting potential violations. Zoetis reinforces the importance of colleague reporting though training and updates (in-person, virtual and on-line) that take place locally, regionally and globally with an emphasis upon building a culture that expects and empowers colleagues to always do the right thing when it comes to integrity, compliance and ethical business conduct. All reports are taken seriously, appropriately investigated and resolved consistent with the law and applicable Zoetis policy. Zoetis policy provides for corrective measures including disciplinary action as may be appropriate to address and resolve a reported violation.

Business Ethics

METRIC	
Ethics and compliance program	At Zoetis, our Core Belief, “Always Do the Right Thing”, is the foundation of our Global Compliance Program and for each Zoetis colleague to put our expectations for compliance, integrity and ethical business conduct to work for Zoetis every day. **Leadership, Governance and Accountability** The Compliance Program is led by our Chief Compliance Officer (CCO), who also oversees the Zoetis Enterprise Risk Management (ERM) Program. The connectivity between the Compliance Program and the ERM Program reinforces and strengthens our strong culture of compliance, and demonstrates the commitment of Zoetis to identify, mitigate and resolve significant potential enterprise-wide and compliance risk. The Audit Committee of the Board of Directors oversees the Compliance Program and receives comprehensive reports and updates from the CCO during its meetings, which take place at least four times per year. In addition, the CCO reports out to the full Board of Directors at least three times per year concerning the Compliance Program and ERM. The Compliance Program has strong support from the Zoetis senior leadership team through the Executive Compliance and Risk Council (ECRC), which is led by the CEO and holds formal quarterly meetings with the full Zoetis Executive Team, and other senior leaders with significant compliance and risk-focused roles (including our Controller, Chief Audit Officer, and Chief Information and Security Officer). The ECRC focuses on the performance of our Compliance Program and alignment with executive leadership supporting continuous improvement and strengthening our strong culture of compliance. In 2021, Zoetis added substantial new resources to our Compliance Program including full-time dedicated anti-bribery and anti-corruption, monitoring and testing, operations, and investigations functional area leaders reporting to the CCO. Zoetis established the Zoetis Compliance Champions Network (ZCCN) of more than 70 colleagues with representation across functions and seniority levels globally. The ZCCN is a megaphone for the compliance program that promotes a company-wide culture of integrity and supporting compliance initiatives. Additionally, the Compliance function works closely with regional and local leaders globally to help ensure that our efforts to promote compliance initiatives and program improvements resonate with our colleagues and is a meaningful mechanism through which the Compliance function receives and applies feedback for continuous improvement. **Ethics and Compliance Training, Culture** Zoetis requires all colleagues to complete our Code of Conduct training annually. In 2021, 100% of Zoetis colleagues completed the training. There are additional required on-line trainings that colleagues complete such as Pharmacovigilance, Anti-Bribery and Corruption, Data Privacy, Travel and Entertainment, and Respectful Treatment (Anti-Harassment and Discrimination). These on-line trainings are supplemented by virtual and live training sessions and workshops for regional and local colleagues with a focus on relating our compliance standards to their daily work for Zoetis. Select colleagues are required to complete additional trainings based on their job duties.

Business Ethics

METRIC	
Ethics and compliance program	Additionally, the Compliance function monitors the responses of Zoetis colleagues to compliance culture questions asked in our annual colleague engagement surveys (including the questions “Colleagues at Zoetis are committed to performing with integrity?” and “I can report unethical practices without fear of reprisal?”). The Compliance function reports out on colleague responses, benchmarks and engages with leaders to address potential trends. The Zoetis survey results for these questions for the past two years places Zoetis in the top quartile of companies. **Risk Assessment and Evaluation** Zoetis maintains a comprehensive ERM Program, which is designed to identify existing and emerging enterprise-wide risks, ensure that these risks are mitigated appropriately and adjust mitigation plans as risks may evolve or change. The ERM Program is also designed to promote and further strengthen our compliance culture by fostering risk awareness among our colleagues and engagement to mitigate risks effectively. The ERM Program includes a Task Force, which is comprised of more than 20 senior enterprise leaders with diverse expertise across Zoetis globally, who lead our annual risk assessment and periodic updates to the Zoetis Executive Team and the Board of Directors. The Compliance function conducts risk-based assessment and audits in collaboration with Internal Audit focusing on anti-bribery and anti-corruption, global trade compliance, colleague expenditures, data privacy and other potential risk areas. The assessments and audits include third- party relationships with suppliers, distributors and other sales channel partners. The areas of focus are informed by internal compliance trend analysis, external enforcement actions, complexity of business operations in a region or country and external corruption perception risks, among other factors. **Monitoring and Testing** Zoetis recognizes that compliance monitoring and testing is essential to evaluate the effectiveness of our internal controls and identify opportunities for continuous improvement of our Compliance Program. This includes testing to ascertain adherence to Zoetis policies and procedures as well as compliance with legal and regulatory requirements. The Compliance function conducts ongoing monitoring and testing under our anti-bribery and anti-corruption procedures including risk-based due diligence of third-party suppliers and sales channel partners, as well as sponsorships, donations and other transactions. Additionally, the Compliance function collaborates with Finance on continuous, near real-time monitoring of colleague expenses. Potential concerns identified through monitoring and testing, or as a result of compliance assessments, are referred to the Compliance Investigations function for further review and action.

Business Ethics

METRIC	
Ethics and compliance program	Zoetis reinforces this core expectation of colleagues through on-line, live and virtual training and meetings where compliance, integrity and ethical business conduct are discussed. In 2021, Zoetis implemented a campaign we call “Safe to Say” to help promote a culture of openness and transparency where colleagues are expected to ask questions and report concerns if they become aware of any potential or actual violations. The Compliance Investigations function maintains comprehensive performance reporting metrics including benchmarks for total number of potential compliance matters reported or escalated to the Compliance function, matter type or subject, closure rates, corrective measures and other metrics for evaluating the effectiveness of our Compliance Program. Disciplinary actions are tracked and reported for trend analysis as well as for consistency and fairness of application. Additionally, the Compliance Investigations function maintains practices for feedback from investigations to be incorporated into assessments, auditing, monitoring and testing, and training for continuous improvement of our Compliance Program.

Environmental Metrics

GREENHOUSE GAS EMISSIONS (METRIC TONS CO2e)	2021	2020	2019
Scope 1 emissions — total[1,2]	98,085	76,057	72,426
Manufacturing, R&D and offices	78,064	76,057	72,426
Fleet	20,021	Not available	Not available
Scope 2 emissions – market-based[3]	185,097	Not available	Not available
Scope 2 emissions – location-based[4]	226,951	240,083	234,580
Scope 1 and 2 emissions[5]	283,182	316,140	307,006
Scope 1 and 2 emissions intensity (per $1MM revenue)	**37**	**47**	**49**

ENERGY (GIGAJOULE)	2021	2020	2019
Energy[6, 7]	3,365,305	3,301,567	3,181,551
Energy intensity (per $1MM revenue)	**437**	**493**	**507**
Renewable energy	205,566	130,435	123,176
Renewable energy (%)	6.1	3.9	3.9
Renewable electricity (%)	13.5	8.8	8.6

[1] In 2021, Zoetis added fleet vehicles to our Scope 1 footprint. Adding fleet emissions to the Scope 1 footprint resulted in an additional 20,021 metric tons CO2e being added to the company's 2021 Scope 1 emissions. Data was not retrospectively added for previous years.

[2] GHG emissions from Zoetis owned and leased offices where data was available (accounting for 70% of our owned and leased office space) was added to our carbon footprint in 2021. Zoetis offices account for less than 0.5% of the 2021 emissions footprint. Data was retrospectively added for 2019 and 2020. In addition, Zoetis operates 19 reference laboratories that are located throughout the U.S. Emissions from these labs, which we expect to be de minimis, are not included in our emissions footprint.[3] In 2021, we commenced using market-based emissions factors for purchased electricity.

[4] Steam was added to our Scope 2 emissions and retrospectively applied to 2019 and 2020. Steam accounted for 10% of our Scope 2 emissions in 2021.

[5] For the purposes of reporting total emissions, 2021 combines Scope 1 and market-based Scope 2 emissions for 2021. For prior years, we have combined Scope 1 with location-based Scope 2 emissions. Scope 1 and market-based Scope 2 emissions are the basis of our carbon neutrality commitment and we will be using this to measure our performance.

[6] Energy usage from Zoetis owned and leased offices where data was available (accounting for 70% of our owned and leased office space) was added to our energy footprint in 2021. Zoetis offices account for less than 0.5% of the 2021 energy footprint. Data was retrospectively added for 2019 and 2020. In addition, Zoetis operates 19 reference laboratories that are located throughout the U.S. Energy usage from these labs, which we expect to be de minimis, are not included in our energy footprint.[7] Steam was added to our energy metrics and retrospectively applied to 2019 and 2020. Steam accounted for 7.8% of our energy use in 2021.

[7] Steam was added to our energy metrics and retrospectively applied to 2019 and 2020. Steam accounted for 7.8% of our energy use in 2021.

Environmental Metrics

WATER (CUBIC METERS)	2021	2020	2019
Water intake	3,288,114	2,907,422	3,070,960
Water discharge	2,476,575	2,647,329	2,681,002
Water recycled	58,047	50,000	Not available
Water intake intensity (per $1MM revenue)	**427**	**435**	**491**
Water discharge intensity (per $1MM revenue)	**322**	**397**	**373**

NON-HAZARDOUS WASTE (KILOGRAMS)	2021	2020	2019
Non-hazardous waste — total[8]	11,410,917	12,922,114	10,390,293
Landfilled	4,919,540	Not available	Not available
Incinerated	474,821	Not available	Not available
Recycled/reused/energy recovery	6,016,556	5,630,506	3,919,978
Non-hazardous waste intensity (per $1MM revenue)	**1,481**	**1,928**	**1,707**
Non-hazardous waste recycled intensity (per $1MM revenue)	**781**	**840**	**637**

[8] In 2021, Zoetis commenced a program of improved waste segregation and management. This resulted in us removing 1,283,000 kilograms of construction and demolition debris from our routine operation waste in 2021.

Environmental Metrics

HAZARDOUS WASTE (KILOGRAMS)	2021	2020	2019
Hazardous waste – total	13,610,759	9,455,723	12,594,248
Landfill	1,181,817	Not available	Not available
Incinerated	2,502,738	Not available	Not available
Recycled	9,926,202	2,665,399	1,973,233
Hazardous waste intensity (per $1MM revenue)	**1,745**	**1,375**	**2,012**
Hazardous waste recycled intensity (per $1MM revenue)	**1,272**	**398**	**315**

To learn more about how we nurture the world and humankind by advancing care for animals, visit zoetis.com/sustainability

FORWARD-LOOKING STATEMENTS

This 2021 Sustainability Progress Update and 2021 ESG and SASB Index include forward-looking statements 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; future operating or financial performance; 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 2021 Sustainability Progress Update and 2021 ESG and SASB Index, 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2021, 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, www.zoetis.com, or on request from Zoetis.

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