



2022 Sustainability Report Executive Summary

TOGETHER WE ARE MAKING A DIFFERENCE FOR A BETTER WORLD



zoetis

Driven by purpose, we are building a better future for people, animals and the planet

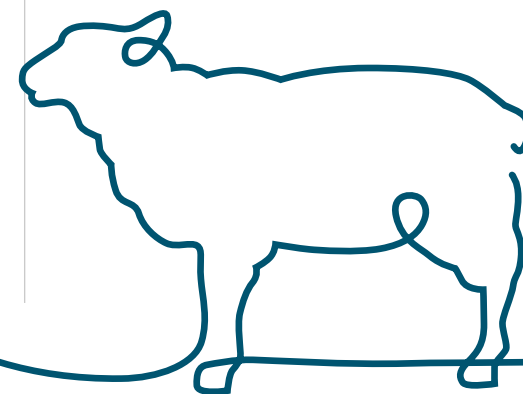


As we nurture the world and humankind by advancing care for animals, we at Zoetis are building a better future for people, animals, and the planet we share. In fulfilling that purpose, our dedicated colleagues are helping us achieve our ambitious Driven to Care sustainability strategy. We have prioritized advancing sustainability in animal health to shape a better future, and thanks to our colleagues, we are making meaningful and measurable progress on that journey.

Our Driven to Care aspirations provide a roadmap for how Zoetis is making an impact and driving achievement of the United Nations (UN) Sustainable Development Goals (SDGs). We are delivering on our sustainability commitments to communities, animals and the planet,

demonstrating the value of animal health as a recognized positive contributor to society and the environment, and increasing access to care in emerging markets and underserved communities. Our dedicated and talented colleagues continue to make the difference in our success, driving our innovation in animal health and our progress toward achieving our sustainability targets.

True to our Core Beliefs, it's our colleagues who make the difference as we strive to achieve 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. The following pages highlight how we are continuing our journey to create a more sustainable environment, improve animal health and lift up the communities we serve.



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.

Animals

Innovate in Animal Health

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

Animals

Protect our Planet

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



Caring for Our Colleagues



Supporting our colleagues and cultivating a safe, flexible, diverse and inclusive workplace

Expanded benefit offerings for greater inclusion

To continue advancing inclusion at Zoetis, we have expanded benefits including enhanced paid parental leave, virtual academic tutoring for colleagues' children, childcare concierge services, self-care offerings from our Employee Assistance Program, and enhanced vacation offerings. In 2022, colleagues also gained access to a new healthcare advocacy service designed to help health plan members navigate and get the most out of their benefits.

Upholding our focus on colleague well-being, we have continued to support the empowering flexibility model where possible – enabling remote work and flexibility while also harnessing the value of in-person collaboration and connection. Throughout 2022, many office-based teams combined virtual and in-office work. Moving forward, we will continue to focus on nurturing our culture and building community through both intentional in-person collaboration and virtual teaming opportunities.

Leading@Zoetis

To support driving manager effectiveness and development, in 2022 we launched Leading@Zoetis, expanding our investment and commitment to developing our people

leaders. Since then, the majority of our managers have participated in this live virtual training.



Diverse Leadership and Board of Directors

At Zoetis, we are committed to identifying and attracting people whose unique backgrounds, experiences, and areas of expertise enable them to be impactful leaders and board members. Our Executive Team consists of 10 members, including individuals who bring a diverse range of backgrounds to the table. Specifically, four members identify as Asian, Black, or Hispanic/Latinx, and six members are women, including our CEO. As well, Zoetis' Board of Directors is made up of 12 members that now include five women and four individuals from racially and ethnically diverse backgrounds.

We are on track to meet or exceed all diversity, equity and inclusion (DE&I) targets by 2025

Increase representation of women director level and above globally from 32% to 40%

32% → 40%

Increase overall representation among people of color in the U.S. from 21% to 25%

21% → 25%

Increase representation of Black colleagues in the U.S. from 4% to 5%

4% → 5%

Increase representation of Latinx colleagues in the U.S. from 5% to 6%

5% → 6%





Caring for Our Communities



Supporting our communities and veterinary professionals, expanding veterinary care access to underserved populations, and providing animal care in disaster relief

In 2022, Zoetis provided approximately **\$7.4 million** in contributions to support communities. This includes supporting 186,000 pet owners in need through monetary and in-kind contributions and helping more than 560,000 animals impacted by disasters.

Since it was announced in 2021, the Zoetis Foundation has supported initiatives across **20 countries totaling \$6.6 million** in grants, toward its commitment to distribute \$35 million in grants by the end of 2025. The Foundation grants focus on advancing opportunities for veterinarians and livestock farmers in the areas of Education, Well-being and Livelihoods.

In addition to our colleagues' volunteer efforts across Europe, the Foundation also provided support for humanitarian and relief efforts in **Ukraine**, making a \$150,000 grant to the Red Cross, a \$100,000 grant to Veterinarians Without Borders to support impacted companion animals, and matching over \$96,000 in contributions to the Red Cross by Zoetis colleagues.



The Zoetis Foundation addressed challenges in the veterinary profession by funding veterinary scholarships and advancing DE&I in the profession through outreach to minority youth

- Since its inception, the Foundation has supported more than **800 scholarships** by providing **\$3.2 million** in grants.
- 48% of students supported by the Zoetis Foundation/Association of American Association of Veterinary Medical Colleges (AAVMC) Veterinary Student Scholarship Program are members of traditionally marginalized or underrepresented communities and 21% identify as LGBTQ+.
- The Foundation is a Founding Sponsor of Vet for a Day, a program that gives underrepresented kids ages 12-15 across the United States an immersive look at careers in veterinary medicine. In 2022, with the support of grant funding from the Zoetis Foundation, **Vet for a Day** expanded to six additional cities and reached **300+** minority youth.



Innovating in Animal Health



Securing a sustainable future through animal health

As the world's population approaches the United Nation's projected 10 billion people by 2050, some of our greatest challenges are emerging at the intersection of human, animal, environmental and economic health.

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

By enhancing the health of livestock, the innovative solutions we discover and develop can help contribute to the economic and environmental well-being of farmers and communities as well as support global food security. We continue to focus on disease prevention through vaccination, and in 2022 in Brazil, Canada, India, Mexico and the U.S., we received approvals for or launched **new vaccines to support healthier cattle, pigs and poultry**, as well as received approval for new labels for beef cattle implants and a new broad-spectrum parasiticide for cattle. Improvements in animal health have positive implications for animal welfare and productivity.



We also continue to invest in advancing solutions for **livestock methane emissions**. Our progress includes announcing a research collaboration with Pastoral Greenhouse Gas Research Consortium and the New Zealand Agricultural Greenhouse Gas Research Center to identify methane inhibitor molecules, as well as research demonstrating the **impact of genetics and genomic predictions on environmental sustainability outcomes**.



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

As the animal health industry strives to reduce the need to use antibiotics and promote a One Health approach, Zoetis' commitment to bringing innovation focused on prevention (vaccines), genetic testing, diagnostics, data analytics and supporting our customers with responsible use education along with other factors, has resulted in a decrease of our livestock antibiotic sales in recent years. We have an established **antimicrobial resistance monitoring program that has been in place for 25 years** to ensure antibiotics remain effective for decades to come.

We continue to engage with industry working groups, including Business Council for the United Nations and the International Consortium for Antimicrobial Stewardship in Agriculture, to drive stronger collaboration. Additionally, we have supported the U.S. FDA's Guidance for Industry 263 to transition remaining over-the-counter products containing medically important antibiotics to veterinary prescription status.

Combat diseases that pose the greatest risk to animals and humans

Through our Center for Transboundary and Emerging Diseases (CTED), we develop and support access to **vaccines for high-impact infectious diseases** including Avian Influenza, African Swine Fever, Canine Influenza, Foot and Mouth Disease, Rabies and SARS-CoV-2.

Grow access to vet care in emerging markets

Zoetis supports further development of sustainable veterinary care in Sub-Saharan Africa through our African Livestock Productivity and Health Advancement (A.L.P.H.A.) and A.L.P.H.A. Plus initiatives, which **expanded to include seven additional countries in Africa**.





The Drive to Protect Our Planet



Stewarding our resources responsibly and minimizing our impact

Minimize our carbon footprint

In 2022, we set a goal to be carbon neutral in our own operations by 2030, with a focus on our Scope 1 and 2 emissions from our manufacturing and R&D operations, office locations and fleet vehicles. We also accelerated our RE100 commitment to source 100% renewable electricity by 2030.

On our journey to achieve carbon neutrality we developed and implemented a roadmap to drive efficiency at our R&D and manufacturing sites, utilize more fuel-efficient hybrid and electric vehicles for our fleets, and through power purchase agreements for our U.S. electricity needs.

We have made considerable progress toward our RE100 commitment in 2022. In fact, **nine of our 29 manufacturing sites are operating with 100% renewable electricity.** We also installed photovoltaic solar arrays at four of our sites.

Managing our water use

Our progress on water stewardship continues as well. For sites located in high-water stress regions—such as Olot, Spain and Catania, Italy—we are developing projects that will allow us to treat and reuse water onsite, significantly reducing the amount of hazardous wastewater sent for treatment and reducing the site's overall water needs.

Carbon Neutral Workstreams

1 Reduce Emissions

Optimize use of utility systems to minimize energy waste. Design and embed energy efficiency and decarbonization into capital projects



2 Minimize Fleet Emissions

Reduce fleet emissions by increasing the use of electric, hybrid and more fuel-efficient vehicles



3 Source Renewable Electricity

Source 100% renewable electricity in all our operations



4 Purchase Carbon Offsets

Bridge remaining emissions with the purchase of carbon offsets



Rethinking our packaging to reduce its environmental footprint

We created sustainable packaging guidance for suppliers for all packaging materials delivered to Zoetis, and developed our Sustainable Product Pathway, a framework to consider product impacts across their lifecycle. In addition, our dedicated colleagues have introduced market-specific improvements including recycling programs for TeatSeal and reduced packaging footprints for Rimadyl® and Cerenia®.

We have also selected a packaging specification management system which will advance our ability to track and report data on our packaging materials.

Managing Energy Consumption in Catania, Italy

Across Zoetis, our colleagues are the driving force behind Driven to Care. That is why we empower them to identify ways to make our operations more efficient. Colleagues at our Catania, Italy fermentation facility led a multiyear green energy initiative. This included the installation of Zoetis' first trigeneration unit, two new energy efficient chillers, LED lighting throughout the site and photovoltaic solar panels, which will improve the site's overall efficiency and sustainability.





Sustainable Governance Framework



Highlights

Strong governance of sustainability strategy drives accountability

- Our sustainability and ESG practices are important priorities for our Board of Directors, CEO and Executive Team, and cascade across our organization; to inform the Board's ultimate oversight of our sustainability program and strategy, each committee of the Board contributes to the oversight of select areas of sustainability.
- Compensation paid to our Executive Team members under our annual incentive plan is tied to shared and individual objectives organized around our six strategic priorities.

Increased disclosures and transparency, building on our approach to effectively communicate our sustainability efforts and progress toward our strategy

- Expanded our Task Force on Climate-related Financial Disclosures (TCFD) report to include a more detailed discussion of our risk assessment process and identification of climate risks and opportunities.
- Disclosure through the CDP Climate Change and Water questionnaires.
- Implementing a centralized cloud-based sustainability data management system for all our sites.

Human Rights

Zoetis recently implemented a [Global Human Rights Policy](#) to formalize our expectations for all of our colleagues and our supply chain globally to advance the protection of human rights.

SUSTAINABLE DEVELOPMENT GOALS

Our Driven to Care strategy directly supports 11 of the United Nations Sustainable Development Goals



ESG Disclosures



Honors and Recognition

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



For our COVID-19 vaccine for animals, named among Fast Company's Most Innovative Companies for 2022, ranking eighth in the Corporate Social Responsibility category



For our African Livestock Productivity and Health Advancement (A.L.P.H.A.) initiative, named to 2022 Fortune Change the World list



Recognized as one of the 2023 World's Most Ethical Companies®



Named among Best Places to Work for LGBTQ+ Equality, with a top score of 100 on the Human Rights Campaign's Corporate Equality Index (CEI) in 2022



Listed among Seramount 100 Best Companies for Working Parents for the ninth consecutive year in 2022



Named a 2022 Seramount Best Company for Dads for the second consecutive year



Named a 2022 Seramount Best Company for Multicultural Women



Named a 2022 Seramount Best Company for Executive Women



Named a Noteworthy Company and Top Company for Board of Directors by DiversityInc





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

DISCLOSURES

This 2022 Sustainability Report Executive Summary 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 industry regulation and animal healthcare 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 2022 Sustainability Report Executive Summary, 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, www.zoetis.com, or on request from Zoetis.

This 2022 Sustainability Report Executive Summary 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. Some of our disclosures in this Executive Summary and in the Sustainability Report are based on assumptions due to the inherent measurement uncertainties. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. The information set forth in this Executive Summary and in the Sustainability Report reflects the 2022 calendar year unless otherwise noted and Zoetis reserves the right to update its measurement techniques and methodologies in the future.

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