



16 November 2021

To whom it may concern

### **Modern Slavery Statement 2021**

1. This is the second annual Modern Slavery Statement for Zoetis Australia Pty Limited and Zoetis Australia Research & Manufacturing Pty Limited (**Zoetis**).
2. This joint statement is lodged to meet Zoetis' obligations under the *Modern Slavery Act 2018* (Cth) (**Act**) and covers the Australian financial year ending 30 June 2021 (**Reporting Period**).

### **Background**

3. Zoetis continues to be committed to complying with all laws and regulations applicable to its operations. This includes being resolutely opposed to modern slavery, in all its forms, and being fully supportive of the Universal Declaration of Human Rights.

### **The structure, operations and supply chains of the reporting entity**

4. Zoetis is a wholly owned subsidiary of its ultimate parent company, Zoetis Inc, which is listed on the New York stock exchange and is the world's largest producer of medicine, vaccine, diagnostic, biodevice and genetic goods and services for pets and production animals, including fish (**Products**). Members of the Zoetis Inc group market Products in approximately 45 countries and sell Products in more than 100 countries.
5. The Zoetis Inc's manufacturing network is constituted by 28 sites in 11 countries. Each Zoetis manufacturing site is designed to meet chemical and infectious agent safety regulatory requirements, among others. These manufacturing facilities are sometimes co-located with research and development operations which allow new products to be developed and rigorously tested before then moving to commercial production.
6. In Australia, Zoetis Australia Pty Limited is primarily comprised of Product sales, distribution and marketing personnel and operations, known as commercial whereas Zoetis Australia Research & Manufacturing Pty Limited is comprised of two principal functions. The first is a research function (part of the global research and development function known as Veterinary Medical Research & Development or VMRD) and the second is a manufacturing function (part of the global manufacturing and supply function known as GMS).
7. While Zoetis' largest supplier is ultimately its parent company, Zoetis' suppliers also include various domestic and international suppliers (including some based in countries such as Belgium, China, New Zealand and the United States).
8. Zoetis Inc has implemented global ethical policies with respect to slavery, ethics and human rights under its global Corporate Compliance Program. These policies reflect Zoetis Inc's global commitment to acting ethically and with integrity in all countries of operation.
9. As a wholly owned subsidiary, Zoetis is bound by the policies implemented by its parent company and can access global resources administered by Zoetis Inc. it is also reliant upon these policies in relation to international supply managed by

its parent company.

## **Global corporate compliance program**

10. The Corporate Compliance Program includes many elements. Select parts of that program are set out below.
11. Firstly, the Zoetis *Global Code of Conduct* details Zoetis' corporate philosophy and prescribes non-negotiable, minimum standards of compliance by which it operates with suppliers. This Code prescribes its compliance structures, applicable laws and procedures that govern Zoetis Inc's approach to acting in a consistently ethical manner. Zoetis Inc's global Code of Conduct also details Zoetis' global ethical stance, including with respect to anti-bribery and corruption, its supporting equal opportunity and being against workplace bullying/violence.
12. Zoetis Inc's global Code of Conduct expressly states (in its Human Rights section) its commitment to respecting international human rights, providing:

*We are committed to respecting the human rights and dignity of everyone, and we support international efforts to promote and protect human rights. We will not tolerate abuse of human rights in our operations or in our supply chain.*

*Each of us can help support efforts to eliminate abuses such as child labour, slavery, human trafficking and forced labour.*
13. Secondly, Zoetis' *Global Compliance Helpline* is a confidential whistle-blowing resource that allows employees globally to report on possible violations of the global Code of Conduct, corporate policies or procedure or any applicable laws, rules or regulations as determined by country of operation. In addition, the Compliance Helpline can be used as a means to get information or receive advice anonymously. This is supplemented by a local Whistle-blower protection policy for eligible disclosures related to Australia.
14. The Compliance Helpline is a resource that gives effect to Zoetis Inc's global policy of anti-retaliation and confidentiality towards employees. Indeed, Zoetis Inc maintains an "Open Door Policy" which encourages employees to raise concerns to any supervisor, manager, Legal, Human Resources or the Compliance Department, without fear of retaliation.
15. The Compliance Helpline is operated by third party ethics and compliance representatives who provide summaries of all reported calls to the Chief Compliance Officer for assessment or any other appropriate further action. Zoetis Inc's internal Chief Compliance Officer is responsible for overseeing the compliance with the Corporate Compliance Program. This includes training, monitoring systems, developing informational resources, and investigating potential violations of company policy or applicable laws.
16. Colleagues who are found to have committed a breach of company policy or applicable laws are held accountable through disciplinary action, which may include dismissal.
17. Thirdly, Zoetis' ongoing live and online compliance education program ensures that all employees have access to an intranet site which contains the company's global policies, including the global Code of Conduct. On some subjects, all Zoetis Inc employees (including contingent workers or contractors) are required to complete online annual training and additional specific training as warranted.
18. Zoetis remains bound by these above ethical policies and resources comprising the global Corporate Compliance Program in addition to its own domestic efforts to assess and address modern slavery risks.

**Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls**

19. Zoetis recognises that supply chains may be susceptible to practices of modern slavery on a domestic or international basis. On this understanding, Zoetis has comprehensively mapped its supply chains and conducted risk assessments of all new and existing suppliers. Factors of risk have included geographical location, industry of operation, product or service offered, the size of the supplier, and the amount of money spent with Zoetis.
20. Given Zoetis' operations in R&D and production, the majority of suppliers engaged are either utilities or professional service-providers hired on an *ad-hoc* basis. The nature of these services includes, among others, telecommunications services, employment and recruitment services, and clinical trial services. Zoetis has assessed most of its service-based suppliers as bearing relatively low risk in relation to modern slavery.
21. Zoetis did, however, identify greater risks arising from physical products sourced from countries with differing regulatory labour standards. Specifically, Zoetis has identified its suppliers providing commercial fridges and clothing/promotional items as bearing comparatively higher risks of modern slavery. This risk assessment was premised on the understanding that supply chains are susceptible to practices of modern slavery when specialising in low-value goods and/or based in countries with minimal labour protections.
22. Zoetis has therefore determined to allocate greater scrutiny and attention to those suppliers over subsequent reporting periods.

**Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes**

23. Zoetis recognises that the fight against modern slavery requires a comprehensive and continuous effort supported by all actors. This resolute opposition to modern slavery is a foundational aspect of Zoetis approach to conducting business as an ethical and compliant corporate citizen.
24. Zoetis has established a management team, to conduct an annual review of Modern slavery compliance within Zoetis. This team met on various occasions in 2021 to assess the status of its various compliance activities and policies.

*Mapping supply chains*

25. Zoetis is taking the following actions to manage supply chain relationships responsibly:
  - **Verification:** Zoetis evaluates its suppliers through a business review process focused on risk-based assessment and we reserve the right to terminate any group we engage with if they do not agree to comply with this policy or we discover infringement or unacceptable actions by them.
  - **Contracts:** Zoetis' standard contracts with suppliers require that the supplier confirms that the materials incorporated into the goods comply with the laws regarding slavery and human trafficking of the country or countries in which it does business and that it is also in compliance with all applicable laws. Zoetis operates a zero-tolerance policy to slavery and human trafficking. No supplier contracts will be awarded to any supplier not able to comply with the undertakings detailed in the Act and any breach of the Act by a supplier will result in dialogue with that supplier and potentially the termination of that supply contract.

- **Reporting:** In the event of slavery or human trafficking occurring or an allegation being made the matter will be reported to our compliance team to determine appropriate action. We have a system in place to encourage the reporting of concerns and the protection of whistle blowers.
- **Our Policies:** We are committed to ensuring that there is no modern slavery or human trafficking in our product supply chain or any part of our business. Our policies (as stipulated above) reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere.
- **Training:** Zoetis provides compliance trainings to all employees which include the principles of the Act on a regular basis.

**Describe how the reporting entity assesses the effectiveness of such actions**

26. The quality control process for procurement is well established and supported by audits, either by external regulators or Zoetis’s own internal audit team.
27. Over future reporting periods, Zoetis will have access to increased information as to the effectiveness of its already implemented policies and strive towards continuous improvement of those policies.

**Describe the process of consultation with any entities that the reporting entity owns or controls**

28. Zoetis does not currently own or control any entities for the purposes of section 16 of the Act and interacts only with suppliers not owned nor controlled by Zoetis.

**Conclusion**

29. Zoetis is committed to the implementation of its anti-slavery policies and collaborating with all suppliers in order to eliminate any potential risk of modern slavery in its supply chains or operations.
30. Zoetis is proud of its progress achieved during this Reporting Period and acknowledges that the fight against modern slavery is ongoing.

Yours sincerely

*Mark Worsman*

Mark Worsman  
Senior Director, Legal

*This statement is approved by the boards of each of the two reporting entities covered by this statement. The report was completed and approved on 16 November 2021.*

*The boards of each reporting entity have the same Board members.*

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*Lance Williams, Director  
16 November 2021*