

17 November 2022

To whom it may concern

Modern Slavery Statement 2022

1. This is the third annual Modern Slavery Statement for Zoetis Australia Pty Limited and Zoetis Australia Research & Manufacturing Pty Limited (together **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 2022 (**Reporting Period**).

Background

3. Zoetis remains 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 the Products in approximately 45 countries and sell the Products in more than 100 countries.
5. The Zoetis Inc's manufacturing network constituted by 28 sites in 11 countries during the reporting period. 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 Inc. Zoetis' suppliers also include various domestic and international suppliers (including some based in countries such as Belgium, China, Switzerland 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. Zoetis is also reliant upon these policies in relation to international supply managed by Zoetis Inc.

Global corporate compliance program

10. Zoetis Inc's Corporate Compliance Program includes many elements. Select parts of that program are set out below.
11. Firstly, the Zoetis Inc's *Global Code of Conduct* (**Global Code**) details Zoetis Inc's, and therefore Zoetis', corporate philosophy and prescribes non-negotiable, minimum standards of compliance by which it operates with suppliers. This Global 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 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 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 Global Code, 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 local whistle-blower protection policies 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. 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 (which are also detailed in this Modern Slavery Statement).

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. During the 2021-2022 Reporting Period, Zoetis engaged 23 new suppliers in aggregate. Building on actions commenced in previous reporting periods, Zoetis has continued to apply risk-assessments of new and existing suppliers over the Reporting Period. 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 recognises that supply chains may be susceptible to practices of modern slavery on a domestic or international basis. On this understanding, and in accordance with Zoetis' prior Modern Slavery Statements, Zoetis has continued to allocate greater scrutiny and attention to higher-risk suppliers over various 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' senior management team, which includes its Senior Legal Director, conducts an annual review of modern slavery compliance within Zoetis. This team met on 9 May 2022 to assess the status of its various compliance activities and policies. Some of those compliance activities and policies are detailed below.

Modern Slavery Bulletins

25. During the Reporting Period, Zoetis sent out two separate email bulletins to all Zoetis employees in order to raise internal awareness of modern slavery and Zoetis' obligations under the Act. Specifically, those bulletins:
 - defined modern slavery and described its various forms;
 - reinforced Zoetis' resolute position against modern slavery practices; and

- encouraged employees to report any potential or known instances of modern slavery practices within the Zoetis supply chain to the Global Compliance Helpline.
26. Through disseminating these informative bulletins, Zoetis intends to further engender an organisational culture within Zoetis that is aware of modern slavery practices and committed to facilitating Zoetis' compliance with the Act.

Modern Slavery Questionnaire

27. During the Reporting Period, Zoetis conducted a risk of assessment of its new and existing suppliers and sent out a Modern Slavery Questionnaire to 6 suppliers which were assessed as bearing a comparatively higher risk than other Zoetis suppliers. The Modern Slavery Questionnaire contained 21 questions designed to assess that responding supplier's human rights and labour standards and required responding suppliers to report on the actions that the responding supplier has undertaken to prevent or address modern slavery risks in their business or supply chains.
28. In addition to reporting on actions undertaken to prevent and combat modern slavery risks, the Questionnaire also requires responding suppliers to report on any actions taken to ensure compliance with the Act among suppliers in the supplier's own supply chains.
29. At the end of the Reporting Period, Zoetis had received 6 completed responses from Zoetis suppliers responding to the Modern Slavery Questionnaire. All of the responses received by Zoetis in relation to its Modern Slavery Questionnaire satisfied Zoetis that modern slavery risks are being adequately managed by its suppliers.
30. Zoetis will follow up with the remaining suppliers to obtain the responses requested.

Australia Supplier Code of Conduct

31. To supplement the Zoetis Inc's Global Code, Zoetis introduced an *Australian Supplier Code of Conduct (Australian Code)* during the 2021-2022 Reporting Period and posted this Australian Code on Zoetis' website.
32. The Australian Code highlights Zoetis' corporate values and prescribes the non-negotiable, minimum standards to which Zoetis expects all suppliers to adhere.
33. The Australian Code states at paragraphs 4-6:

At Zoetis, we expect all our suppliers and contractors to not engage in modern slavery. As defined in the Modern Slavery Act 2018 (Cth), this includes forced or compulsory labour, human trafficking, debt bondage and child labour. This requires, at a minimum, that suppliers and contractors comply with all applicable legislative requirements relating to modern slavery, including the reporting requirements mandated by the Modern Slavery Act 2018 (Cth).

Internally, suppliers and contractors should have their own policies opposing and prohibiting modern slavery in all business operations and supply chains. The standards contained in this policy should be promoted to all partners and subcontractors in their own respective supply chains.

Given that Zoetis has reporting requirements mandated by Australian law, suppliers and contractors must be willing to confirm their compliance, in writing, with applicable laws and standards relating to modern slavery. This may include providing Zoetis with requested materials confirming such compliance. These materials should contain truthful and complete information and should be provided in a timely manner. Suppliers and contractors are expected to have their own mechanisms for detecting instances of non-compliance within their operations and supply chains and report any instances of non-compliance to Zoetis.

34. Under the Australian Code, Zoetis reserves the right to terminate any agreements or

business relationships if suppliers or contractors contravene the provisions contained in the Australian Code.

Describe how the reporting entity assesses the effectiveness of such actions

- 35. The quality control process for procurement is well established and supported by audits, either by external regulators or Zoetis's own internal audit team.
- 36. 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

- 37. 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

- 38. 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.
- 39. 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 was created at the direction of the boards of each of the two reporting entities covered by this statement. The report was completed and approved on 17 November 2022.

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

Melissa McEwan

Melissa McEwan, Director
17 November 2022