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May 27, 2024

To whom it may concern,

Forced Labour in Canadian Supply Chains 2023

Zoetis Canada Inc. (Corporation number: 969588-5), with a business address of 16,740 Trans-Canada Highway, Kirkland, Quebec, HJ9 2M5, Canada (**Zoetis Canada**) hereby submits a report detailing the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used by it or in its supply chains, pursuant to the Fighting Against Forced Labour and Child Labour in Supply Chains Act (**Act**).

This report is submitted for the period between December 1, 2022 and November 30, 2023 (**Reporting Period**). For ease of reference, Zoetis Canada is referred to as “**we**” or “**us**” in the remainder of this report.

This is the first annual report submitted by Zoetis Canada.

Other entities of the Zoetis Inc. group (**Zoetis**) are also subject to reporting requirements under supply chain legislation in the United Kingdom, Australia, the State of California (U.S.A.), Norway and India.

Background

Zoetis is a global leader in the animal health industry, focused on the discovery, development, manufacture and commercialization of medicines, vaccines, diagnostic products and services, biodevices, genetic tests and precision animal health. We have a diversified business, marketing products across eight core species: dogs, cats and horses (collectively, companion animals) and cattle, swine, poultry, fish and sheep (collectively, livestock); and within eight major product categories: parasiticides, vaccines, dermatology, anti-infectives, pain and sedation, other pharmaceutical products, animal health diagnostics and medicated feed additives. For over 70 years, we have been innovating ways to predict, prevent, detect, and treat animal illness, and we continue to stand by those raising and caring for animals worldwide - from livestock farmers to veterinarians and pet owners. Our commitment to enhancing the health and quality of life of the communities in which we live and work is grounded in the belief that everyone should be treated fairly and with respect. At Zoetis, our purpose is to nurture the world and humankind by advancing care for animals.

We are committed to respecting the human rights and dignity of everyone, we support all efforts to promote and protect human rights, and we oppose modern slavery. We will not tolerate abuse of human rights in our operations or our supply chain, and we are committed to implementing policies and procedures designed to mitigate the risk of modern slavery in our operations and supply chains.

Zoetis has continued to advance its efforts in support of this commitment throughout the Reporting Period.

Structure, Operations and Supply Chains of the Reporting Entity

Structure

The reporting entity submitting this report is a wholly owned subsidiary of its ultimate parent company, Zoetis Inc., which has a class of equity securities listed on the New York Stock Exchange and is the world's largest producer of animal health medicines, vaccines, diagnostic, biodevice and genetic goods and services (**Products**).

Zoetis Canada has a business presence in Canada:

- a. it has a place of business in Canada,
- b. it does business in Canada,
- c. it has at least \$20 million in assets in Canada for at least one of its two most recent financial years, and
- d. it has generated at least \$40 million in revenue for at least one of its two most recent financial years.

Operations

Zoetis sells the Products in more than 100 countries. During the Reporting Period, Zoetis' manufacturing network comprised 29 manufacturing sites in 11 countries. Some manufacturing sites are co-located with research and development operations, which allow new products to be developed and tested before progressing to commercial production. Zoetis' global manufacturing and supply chain is supported by a network of Contract Manufacturing Organizations (**CMO**). As of December 31, 2023, this network comprised 109 CMOs.

Zoetis Canada is Zoetis' primary 'commercial' function in Canada, handling areas including product sales, distribution, marketing, personnel and operations.

Supply Chains

Zoetis' supply chains are comprised of:

- a. the Zoetis' manufacturing network operated by Zoetis Inc. and its subsidiaries; and
- b. various domestic and international suppliers.

The Zoetis' manufacturing network is the largest supplier of Products to Zoetis Canada.

The reporting entity is subject to Zoetis' global supply policies. Regarding supplies to Zoetis Canada, Zoetis Canada relies upon Zoetis' global policies concerning modern slavery compliance. Zoetis has a dedicated compliance function and an internal audit team.

Risk of Modern Slavery in Zoetis' Operations and Supply Chains

Based on the following, we believe the risk of modern slavery in our operations and supply chains is low:

- our Enterprise Risk Management (**ERM**) program is designed to identify and drive mitigation of the company's strategic risks, and to date, our ERM program has not identified the risk of modern slavery as a significant risk in Zoetis' operations or supply chains;
- we have personnel policies, procedures and training pertaining to, among other things, hiring practices, working hours and workplace conduct that we believe mitigate this risk in our business;

- no modern slavery or human rights issues in our operations, at our suppliers or in our supply chains have been reported to us via our compliance reporting mechanisms or the Zoetis Ethics Helpline, and
- our ongoing monitoring of publicly available news sources has not yielded modern slavery or human rights concerns related to our suppliers or supply chain.

Actions Taken to Address Modern Slavery Risks

Zoetis is taking the following steps to manage our supply chains' relationships responsibly:

- **Policies:** We are committed to ensuring that forced labour, child labour, slavery or human trafficking does not occur in our operations or supply chain. Our policies reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls designed to ensure that forced labour, child labour, slavery and human trafficking do not occur in our operations or supply chain. Our relevant policies include:
 - o [Global Human Rights Policy](#): This policy summarizes our policies and procedures that have been implemented to mitigate the risk of modern slavery in our operations (including our Code of Conduct, Supplier Conduct Position Statement, and Supplier Conduct Principles), with which all our employees, contractors and suppliers are required to comply. Among other things, the Global Human Rights Policy establishes our zero-tolerance policy on modern slavery, including child labour, slavery and human trafficking, and specifies governance and reporting requirements that are designed to help support our human rights commitments.
 - o [Supplier Conduct Principles](#): These principles outline the conduct we expect all of our supply partners to adhere to in support of the belief that responsible business behaviours and practices best serve society and business. Included in these principles is our stance on modern slavery, namely that suppliers shall not use child labour, forced, bonded or indentured labour or involuntary prison labour. Zoetis expects suppliers to conduct risk-based due diligence with their suppliers and supply chains to ensure that they adhere to Zoetis' principles against modern slavery.
 - o [Supplier Conduct Position Statement](#): This statement addresses our expectations with respect to all suppliers regarding compliance with our Supplier Conduct Principles.
 - o [Code of Conduct](#): Our Code of Conduct describes how we operate and guides the decisions we make, and all employees, contractors, and Zoetis third parties are required to adhere to these standards. The Code covers explicitly our commitment to respecting human rights, and training is assigned to all new employees upon hire and to existing employees regularly.
 - o [Anti-Bribery / Anti-Corruption Principles](#): Corruption is a common red flag for potential human rights issues, and Zoetis is committed to the highest standards of ethical conduct and integrity in our business activities globally. This document outlines our position on preventing and prohibiting bribery, including in accordance with the U.S. Foreign Corrupt Practices Act, UK Anti-Bribery Act, and all other anti-bribery and anti-corruption laws wherever we conduct business. Zoetis will not tolerate any form of bribery by or of its employees, agents or consultants, or any person or body acting on its behalf.
- **Verification / Diligence:** Zoetis evaluates its suppliers through an internal business due diligence review process. This process is designed to identify potentially higher-risk suppliers for, where appropriate, additional diligence, increased monitoring, or the application of other controls.

- **Contracts:** Our standard contracts with suppliers require them to comply with all applicable laws, including laws regarding forced labour, child labour, slavery, and human trafficking of the country or countries in which they do business. Zoetis operates a zero-tolerance policy with respect to forced labour, child labour, slavery and human trafficking. We reserve the right to cease doing business with any supplier we engage with if they do not agree to comply with our policies (outlined below) or we discover infringement or unacceptable actions by them.
- **Training:** Zoetis' education program ensures that all employees have access to an intranet site which contains the company's global policies. On some subjects, all Zoetis employees (including contingent workers or contractors) must complete online annual training and additional specific training as warranted.
- **Audits:** We periodically conduct routine evaluations and onsite assessments of our suppliers to confirm their compliance with our standards and policies and all applicable laws, rules and regulations. We use a risk-based approach to determine which suppliers to assess and the frequency of such assessments. Assessments are conducted by either internal personnel or external contractors based on the risk, location, and expertise needed for the assessment. Suppliers are expected to satisfactorily address any identified issues and demonstrate that corrective action has been taken. Failure to comply or to correct non-complying situations are grounds for termination of the business relationship.
- **Reporting:** Allegations of forced labour, child labour, slavery or human trafficking are reported to the Zoetis' Compliance team to determine appropriate action. We have robust systems in place that require the reporting of concerns and the protection of whistle-blowers. The global Safe to Say Helpline acts as a confidential whistleblowing resource, allowing employees globally to report on possible or suspected violations of the Zoetis' Code of Conduct, applicable laws, or any other relevant policies (as determined by the country of operation). The helpline:
 - maintains an "Open Door Policy" which encourages employees to raise concerns to any relevant department without fear of retaliation;
 - provides a means for employees to get or receive advice anonymously; and
 - is a system managed by a third party, NAVEX, which provides Zoetis with a comprehensive and confidential reporting tool where Zoetis colleagues, contingent workers, and third parties can raise concerns about potential violations of law, regulation, improper conduct and/or Zoetis' policy. The Corporate Compliance and Employee Relations Teams are then responsible for ensuring that Zoetis investigates and appropriately resolves these concerns in accordance with Zoetis' Core Beliefs and Code of Conduct.

The Compliance team is responsible for training, monitoring systems, developing international resources, and investigating potential violations of company policy or applicable laws.

Allegations are to be reported immediately to Zoetis' Compliance department through the following channels:

- By email: Compliance@zoetis.com;
- By phone: Compliance Helpline Number (U.S. and Canada): 1-855-322-9944; or
- Online using the Compliance Helpline Web-Reporting Tool: <https://zoetis.ethicspoint.com>.

Conclusion

Zoetis operates a zero-tolerance policy with respect to all forms of modern slavery, including forced labour, child slavery and human trafficking.

Zoetis continually assesses how it can develop and enhance its policies concerning modern slavery.

We are proud of the progress achieved during the Reporting Period and the opportunity to further advance the fight against modern slavery over future reporting periods.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for Zoetis Canada. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting Period.

Yours sincerely,

Jair Garcia
Jair Garcia (May 27, 2024 16:02 EDT)

I have the authority to bind Zoetis Canada Inc.

Jair Garcia, Senior Vice-President Canada and Director

This statement was created at the direction of the Board of the reporting entity covered by this statement. The Board gave that direction, and the report was completed and approved in May 2024.

Jean-Claude Dorval
Jean-Claude Dorval (May 27, 2024 08:04 EDT)

Jean-Claude Dorval, Director

John Drinkell
John Drinkell (May 28, 2024 10:54 EDT)

John Drinkell, Director