Pharmaq Norway Transparency Act Statement 2022

June 2023

This Statement describes the activities of Pharmaq AS and Pharmaq Analytiq AS (collectively "Pharmaq Norway," "we," "us" and "our") to address fundamental human rights and decent working conditions in our business and supply chain during the year ended December 31, 2022. This Statement is published pursuant to the "Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions" (the "Transparency Act").

Section 1: a general description of the enterprise's structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions.

A. Structure and Area of Operations

Pharmaq Norway is an indirect wholly owned subsidiary of Zoetis Inc. ("Zoetis"). 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 technology. Zoetis has 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 seven major product categories: parasiticides, vaccines, other pharmaceutical products, dermatology, anti-infectives, medicated feed additives and animal health diagnostics. Zoetis' 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.

Pharmaq Norway develops, manufactures, sells, and distributes vaccines and other fish health products to the global aquaculture industry, as well as providing targeted research and effective analyses with the aim of safeguarding fish health and welfare in the aquaculture sector through real-time qPCR, histopathology, and microbiology services. The main markets for Pharmaq Norway are the salmon and trout farming industries in Norway, Chile, Scotland, and Canada. Pharmaq Norway also has an important role as a supplier of fish health products to the sea bass industry in the Mediterranean region, the tilapia industry in Latin America, and the pangasius industry in Asia.

Although the majority of Pharmaq Norway's international suppliers are located in the European Union and the United States, we also rely on a small number of suppliers that are domiciled in other areas (including some based in Brazil, India, and Turkey).

B. Guidelines and Procedures

1. Policies

Zoetis and Pharmaq Norway are committed to respecting the human rights and dignity of everyone and to supporting efforts to promote and protect human rights. We will not tolerate abuse of human rights in our operations or in our supply chain and we are committed to implementing policies and procedures designed to mitigate this risk in our operations and supply chain. These include the following corporate policies, which have been adopted and implemented by Pharmaq Norway:

- **Global Human Rights Policy**: Zoetis has adopted a Global Human Rights Policy that applies to all of its employees and operations worldwide, including Pharmaq Norway and its employees. This policy confirms our resolute commitment to respecting, promoting, and protecting human rights, as well as implementing policies and procedures designed to identify and mitigate the risk of abuse of human rights in our operations and supply chain.
- **Supplier Conduct Principles**: These principles outline the conduct Zoetis expects of all supply partners in support of the belief that society and business are best served by responsible business behaviors and practices. Included in these principles is Zoetis' stance on fundamental human rights and decent working conditions.
- **Supplier Conduct Position Statement**: This statement addresses Zoetis' expectations with respect to all suppliers regarding compliance with our Supplier Conduct Principles.
- **Code of Conduct**: Zoetis' Code of Conduct describes how we operate and guides the decisions we make, and all employees and contractors are required to adhere to these standards. The Code specifically covers our commitment to respecting human rights.
- **Anti-Bribery / Anti-Corruption Principles**: Corruption is a 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 policy outlines our position on preventing and prohibiting bribery, including in accordance with the US Foreign Corrupt Practices Act, UK Anti-Bribery Act, and all other anti-bribery and anticorruption 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.

With respect to Zoetis' own operations, the company's Environment, Health & Safety (EHS) policies include topics such as workers' rights, health and safety, and the protection of the environment. Zoetis regularly monitors and reviews site performance, including the performance of Pharmaq Norway, to help ensure that standards of conduct meet the high expectations Zoetis sets for employees and other colleagues.

2. Training

All Pharmaq Norway employees, including all of the members of both entities' Boards of Directors, are required to complete annual Code of Conduct training to ensure adequate awareness and knowledge of our ethical principles, including our commitment to respecting human rights.

All Zoetis colleagues receive Diversity, Equity, and Inclusion ("DE&I") training on inclusion and unconscious bias, as well as valuing differences, avoiding exclusion, and spotting and avoiding microaggressions. Zoetis training offerings for people managers includes modules on inclusive leadership, narrative storytelling, allyship and courageous conversations. In 2022, Zoetis launched its Cultural Explorer training in eight languages to encourage respectful curiosity and open conversation about differences to deepen mutual understanding and value for our colleagues' unique contributions to the workplace.

3. Reporting Mechanisms

We are committed to ethical conduct and integrity in our business activities globally. For this reason, we encourage all employees, suppliers, and partners to report any allegations of fraudulent or unethical behavior by Zoetis or its employees. Zoetis maintains an "Open Door Policy" that encourages employees to raise concerns to any supervisor or manager, Legal, Human Resources, or the Compliance Department, without fear of retaliation.

Allegations related to fundamental human rights and decent working conditions are reported to Zoetis' Compliance team to determine appropriate action. We have robust systems in place that require reporting of concerns and the protection of whistle blowers. 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
- Online using the Compliance Helpline Web-Reporting Tool: **https://zoetis.ethicspoint.com**.

The Compliance Helpline is operated by third party ethics and compliance representatives who provide summaries of all reported calls to Zoetis' Chief Compliance Officer for assessment and any appropriate further action.

C. Zoetis Supplier Due Diligence

At Zoetis, responsible supply chain management is core to how we do business. Zoetis operates within a framework of principles aligned with ethical, social, and environmental responsibilities to help ensure sustainability of our business and the communities in which we operate. A network of external suppliers is essential to enable manufacture of our medicines, vaccines, diagnostics, and technologies that help pets live longer, healthier lives and which improve the health, welfare, and productivity of food-producing animals. We are committed to using suppliers that demonstrate strong performance in EHS management. Zoetis is taking the following steps to manage our supply chain relationships responsibly:

- **Verification / Diligence:** Zoetis evaluates its suppliers through a risk-based internal due diligence 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:** Where appropriate, our contracts with suppliers require them to comply with all applicable laws, including laws regarding forced labor, child labor, slavery, and human trafficking of the country or countries in which they do business. Zoetis operates a zero-tolerance policy with respect to forced labor, child labor, slavery, and human trafficking. Supplier contracts are not awarded to any supplier that is unable to comply with these principles. We reserve the right to cease doing business with any supplier we engage with if they do not agree to comply with our Supplier Conduct Position Statement, our policies, or we discover infringement or unacceptable actions by them.
- **Audits:** Zoetis periodically conducts routine evaluations and onsite assessments of our suppliers to confirm their compliance with our standards and policies and all applicable laws, rules, and regulations. Zoetis uses a risk based approach (EHS risk combined with business continuity risk) to determine which suppliers to assess and the frequency of such assessments. These corporate-level procedures could include assessments of Pharmaq Norway suppliers if sufficient risk is identified. Assessments are conducted by either internal personnel or external contracts 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 failure to correct non-complying situations are grounds for termination of the business relationship.

D. Pharmaq Norway Transparency Act Due Diligence

Pursuant to the Transparency Act, Pharmaq Norway has adopted a supplier due diligence process model that is in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct (the "Guidance"). The Guidance's risk-based approach recommends conducting a scoping exercise to identify the most-likely areas of human rights risk to enable the company to prioritize its supplier assessments. Consistent with these recommendations, Pharmaq Norway undertook a scoping exercise that examined, among other factors, relevant geographic and sectoral / product risk factors, and which was managed by a cross-functional team of subject matter experts. The scoping exercise identified Pharmaq Norway suppliers and partners that were the focus of our due diligence assessments in 2023.

Consistent with the Transparency Act and the Guidance, Pharmaq Norway's due diligence assessment was directed at, among other potential issues, our suppliers' activities and controls related to relevant internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966, and the International Labor Organization's core conventions on fundamental principles and rights at work.

Section 2: information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence.

Pharmaq Norway's Transparency Act due diligence risk assessment used geographic and sectoral / product risk factors to attempt to identify areas where there might be a potentially elevated risk of adverse impacts in our supply chain. The areas identified were freight forwarding, outsourced clerical and IT services, and warehousing and logistical services.

No serious findings or actual impacts were identified as a result of our assessment of these areas, although minor gaps were identified related to suppliers' formalization of human rights policies and immaturity in certain other program elements. We are developing a program to follow up with suppliers and ensure agreed actions are implemented.

In addition, based on the following, we believe that the risk of adverse impacts on fundamental human rights and decent working conditions, such as modern slavery, in our operations and supply chain is low.

- Zoetis' corporate level 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 chain.
- Pharmaq Norway has personnel policies, procedures, and training pertaining to, among other things, hiring practices, working hours and workplace conduct that we believe mitigate these risks in our own business.
- No modern slavery or human rights issues in our operations, at our suppliers, or in our supply chain have been reported via our compliance reporting mechanisms or the Zoetis Ethics Hotline.
- Zoetis' ongoing monitoring of publicly available news sources has not yielded modern slavery or human rights concerns related to our suppliers or in our supply chain.

Section 3: information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these mea–sures.

Although no serious findings or actual impacts were identified as a result of our assessments, minor gaps were identified related to suppliers' formalization of human rights policies and immaturity in certain other program elements. We are developing a program to follow up with suppliers and ensure agreed actions are implemented.

In the next reporting period, Pharmaq Norway intends to conduct the following initiatives:

- Develop a program to follow up with suppliers and ensure agreed actions are implemented. The expected result of this initiative is to promote Zoetis' commitment to human rights and support Pharmaq Norway's compliance with the Transparency Act.
- Through enhanced communications and training, raise employee and supplier awareness of the Transparency Act, Zoetis' commitment to ethical behavior, and the mechanisms available to report issues. The expected result of this initiative is an increased understanding, among the Zoetis and supplier employees who are most likely to encounter potentially adverse impacts in their day-to-day work, of the seriousness of Zoetis' commitment to promoting fundamental human rights and decent working conditions. This should provide confidence that, if these issues are manifested in our operations or supply chain, they will be identified and reported.
- Assess our Transparency Act compliance program to identify potential improvements, including any opportunities for deeper integration of the program with Zoetis' ERM program and third party risk management systems. The expected result of this initiative is a more effective program that takes advantage of the support systems and automation offered by Zoetis' enterprise-wide risk management programs.
- Zoetis intends to continue development of an enterprise-wide modern slavery / human rights due diligence and supplier risk management program that will support and supplement the actions taken by Pharmaq Norway under the Transparency Act. The expected result of this initiative is to ensure further compliance with the Transparency Act and other applicable laws outside Norway that will become effective in 2024.

The central goal of all these initiatives is to continuously improve our program and provide assurance that we are thoroughly assessing and addressing the potential risk of adverse impacts on fundamental human rights and decent working conditions in our operations and supply chain. Ultimately, these efforts are designed to ensure compliance with the Transparency Act and further support Zoetis' commitment to ethical conduct and integrity in our all business activities.