

Testimony Presented to the Agriculture Committee of the Michigan House of Representatives on SB 148
and SB 149

September 27, 2023

Zoetis

Good morning, Chairwoman Reggie Miller and committee members. Zoetis was unable to testify this morning due to short notice and research obligations. However, Zoetis did want to submit testimony on SB 148 and SB 149.

As the world's leading animal health company, Zoetis is driven by a singular purpose: to nurture our world and humankind by advancing care for animals. After innovating ways to predict, prevent, detect, and treat animal illness for more than 70 years, Zoetis continues to stand by those raising and caring for animals worldwide – from veterinarians and pet owners to livestock farmers and ranchers. The company's leading portfolio and pipeline of medicines, vaccines, diagnostics, and technologies make a difference in over 100 countries. A Fortune 500 company, Zoetis generated revenue of \$8.1 billion in 2022 with approximately 13,800 employees.

Zoetis has had a large footprint in Kalamazoo, Michigan for several years. We have 4 facilities in Kalamazoo at this time. We have a strong history of supporting local organizations in and around Kalamazoo. In the past four years, Zoetis has contributed over \$400,000 to local community organizations including: Michigan After School Association, Big Brothers Big Sisters, KC Ready 4's, 4-H and Girl Scouts Horse Camp.

Here in Kalamazoo, our scientists continue their work to discover and develop the next generation of innovative products that ultimately help Zoetis to live its purpose – to nurture the world and humankind by advancing care for animals.

Some other key points about Zoetis presence in Kalamazoo:

- Zoetis employs 1,500+ colleagues in the State of Michigan – 99% in Kalamazoo County.
- ~800 colleagues are based in our R&D facilities and ~700 colleagues in our manufacturing facilities. 300+ contract workers, representing a wide range of activities, also work at the four facilities.
- +\$150 million in wages/salaries, including bonuses, generated in Kalamazoo County. The average colleague annual base pay is \$95k.
- Recently invested ~\$400 million in our Michigan sites, including upgrades to our lab and office spaces and animal care facilities, to support our colleagues and their innovative work.
- Zoetis employs over 75 veterinarians across the country. Sixty-five of them reside in Michigan.
- Zoetis invests in a top-notch Intern Program each year to retain talent in Michigan.

Zoetis, as the world's leader in animal health care ensures that all our work with animals within Zoetis facilities or performed by our external partners is conducted with the highest standards of animal care and welfare. While compliance with the 164-page requirements for care of animals detailed in the Federal Animal Welfare Act is a priority, in many ways, Zoetis views these as minimum standards. Zoetis is committed to the gold standard of animal care as evidenced by our accreditation with AAALAC

at all our U.S. sites with a goal of accreditation at all our global sites for which we are nearing the realization of this goal.

Zoetis is dedicated to helping animals live longer, healthier lives through the discovery and development of breakthrough medicines and therapies. Animal-based research in the pharmaceutical industry remains critical in the discovery, evaluation and regulatory processes that lead to the development of products designed to save or improve animal lives throughout the world. We remain fully committed to the development and use of scientifically validated alternative testing methods deemed acceptable to regulatory authorities and that do not compromise patient or user safety or the effectiveness of our medicines.

We ensure that all use of animals globally is reviewed for scientific merit, considers the 3R's — Replacement, Reduction and Refinement—and is conducted in an ethical way in accordance with our Policy on Animal Care and Welfare. This policy reflects our commitment to ensure that animals used in our research and medicine production are treated humanely. It includes provisions for site accreditation by AAALAC International and country-defined regulatory monitoring and local ethical oversight committee monitoring. Our standards of animal care and welfare meet or exceed those required by applicable local, national, or international laws and regulations.

Oversight for all animal care and welfare programs begins with the Quality and Innovation Committee of our Board of Directors, with Executive Team members reporting at least annually to the Committee. Our policy is set by our Animal Welfare Board, comprised of Zoetis colleagues, and our Animal Care and Ethics Council ensures that the policy is implemented at all our sites that use animals. This policy is overseen by our Executive Team and applies to all colleagues, contractors and third-party affiliates who undertake any activity on behalf of Zoetis that involves animals. Zoetis conducts monitoring of animal welfare programs, both at onsite locations and with external partners around the globe. Regular welfare audits are conducted by individuals experienced in animal welfare regulations, auditing practices and sound professional judgment. The goal is to ensure compliance with local animal care and welfare standards and Zoetis policies. Site audits are conducted at least annually, and external third-party sites are audited based on the outcome of our third-party risk assessments.

As we further our commitment to animal welfare, our global animal welfare compliance function includes a Board-certified veterinary behaviorist to design our behavioral wellness programs which includes enrichment, enhanced animal housing and training of the individuals that work with the animals.

The guiding principles of the internationally established 3Rs underpin the humane use of animals in scientific research and testing. For as long as it remains necessary to use animals in the discovery, development and evaluation of new veterinary medicines and therapies, we embrace the principles known as the 3R's of animal research. The 3Rs include replacing animals with alternative methods whenever possible, reducing the number of animals required and refining studies to ensure humane conditions. To implement the 3Rs effort, Zoetis has an internal program called Transition Away from Animal Testing (TAFAT) where colleagues are committed to developing and validating in vitro tests as alternatives to traditional in vivo tests required by regulatory agencies for product release. We have targeted the reduction of the use of animals in product release testing as a vital aspect of adhering to the principles of the 3R's. In 2022, the TAFAT program has successfully gained regulatory approval for non-animal release tests for one of our Leptospirosis vaccines for dogs and our Rabies vaccines in the EU

which will replace the use of animals for routine release testing, as well as progressed other tests in development. Zoetis now also takes an "in vitro first" approach to potency test development for new vaccines.

The use of animals in research is a privilege, but it is also a regulatory requirement. We cannot deliver on our commitment to nurture the world and humankind by advancing care for animals without successful registration of the innovative solutions our scientists bring to the world. That innovation cannot have the global impact it was developed for without registration by the Federal Government and that registration process requires the use of animals. Because this is the reality, Zoetis invests in the best possible talent for the implementation and operation of our animal facilities and global animal welfare oversight programs. In addition to a global behavioral wellness function led by one of the few Veterinary Behaviorists in the United States, Zoetis employs Board Certified Veterinarians with the American College of Laboratory Animal Medicine to provide exceptional animal care and research use oversight to all our global sites. Zoetis Laboratory Animal Medicine Veterinarians are recognized global experts having published, contributed to American Veterinary Medical Association policy and guidance, and serving as consultants for AAALAC and members of AAALAC Council. It is this group of passionate and dedicated veterinarians that have the final say on all decisions that impact the experiences of our animals.

Empowered by the Animal Welfare Act and supported by the Zoetis Institutional Official and Zoetis Board of Directors, it is in every research animal's best interest to continue to let these veterinary experts speak on their behalf using the science of animal welfare as the guiding principle. Our veterinarians are specialists and focus 100% of their career efforts to understanding the unique needs of these special animals. To protect these animals, we must leave the decisions for adoption to these experts who know them best. Zoetis has maintained a successful internal adoption program for more than 10 years. The Attending Veterinarian and the clinical veterinary staff in consultation with the Veterinary Behaviorist assess each individual animal for suitability for adoption. Animals receive preventive veterinary care, spay/neuter if needed, and adopter interviews and preparation have led to countless successful placements over the years.

While it is understandable to desire reporting of numbers of adoptable animals for monitoring of research facilities, it is important to consider the impact to the delivery of innovation to human and veterinary patients if this reporting is required. Mechanisms for oversight of research facilities are robust and effective externally through Federal Law and assigned to USDA APHIS as well as through required internal mechanisms as described in the Animal Welfare Act. Annual reporting of animal numbers is part of this oversight. Lastly, legally mandated mechanisms exist for reporting of animal welfare concerns which receive prompt investigation by USDA APHIS. The addition of disclosure of numbers of adopted animals without the understanding of the complexity of decision making required to ensure the welfare of the potential adoptees can only lead to public concern and consequently the disruption of delivery of critical therapies for the world.

At Zoetis, we share your concern for animal welfare. We embrace our responsibility to ensure their care. We fear for them if we are no longer in control of their destiny. We look to you for your partnership in ensuring their welfare and safety. Removing animal number requirements and allowing facility veterinarians to manage the internal adoption programs will be a positive contribution for these animals.



Zoetis in Michigan

Global Research
& Development
Headquarters

Zoetis, the world's leading animal health company, is dedicated to helping animals live healthier lives through the discovery and development of breakthrough medicines and therapies. Our global Research & Development (R&D) activities are headquartered in downtown Kalamazoo, Michigan. After innovating ways to predict, prevent, detect, and treat animal illness for more than 70 years, Zoetis continues to stand by those raising and caring for animals worldwide – from veterinarians and pet owners to livestock farmers and ranchers. Our leading portfolio of medicines, vaccines, diagnostics and technologies make a difference in over 100 countries, and the initial discovery and development work begins in Kalamazoo.

Our work is never done. We are always looking to solve our customers' next unmet need. To help veterinarians provide the best care to pets and farm animals. Our labs and offices in Michigan have played crucial roles in the development of our most innovative treatments to are helping pets live longer, healthier lives with the people who love them.

We have a strong history of supporting local organizations in and around Kalamazoo. In the past

four years, Zoetis has contributed over \$400,000 to local community organizations including: Michigan After School Association, Big Brothers Big Sisters, KC Ready 4's, 4-H and Girl Scouts Horse Camp.

Here in Kalamazoo, our scientists continue their work to discover and develop the next generation of innovative products that ultimately help Zoetis to live its purpose – to nurture the world and humankind by advancing care for animals.

- Zoetis employs **1,500+ colleagues** in the State of Michigan – **99% in Kalamazoo County**.
- **~800 colleagues** are based in our R&D facilities and **~700 colleagues** in our manufacturing facilities. **300+ contract workers**, representing a wide range of activities, also work at the four facilities.
- **+\$150 million in wages/salaries**, including bonuses, generated in Kalamazoo county. The average colleague **annual base pay is \$95k**.
- Recently invested **~\$400 million in our Michigan sites**, including upgrades to our lab and office spaces and animal care facilities, to support our colleagues and their innovative work.

Learn more at zoetis.com

zoetis



Veterinary Technical Expertise

Our R&D organization employs 75 veterinarians across the U.S., representing 26 of the 32 accredited veterinary schools - including 11 veterinarians who were trained at Michigan State University. Sixty-five of those veterinarians work through our site in Kalamazoo, and 56 are based in Michigan. We are proud to attract veterinary talent from across the U.S. to our global R&D headquarters in Kalamazoo, and this strong veterinary presence helps instill a culture of care within our company.

Investing in Talent

Our R&D group has hosted more than 100 interns – more than half from Michigan colleges and universities – over the last three years. This program continues to grow each year as Zoetis works to expand talent in the communities where we work.

COVID Vaccine for Animals Developed in Michigan and Donated to Zoos Around the World

Following initial work and studies, Zoetis donated its experimental COVID-19 vaccine for animals for emergency use in the Great Ape population at the San Diego Zoo in January 2021. Since then, we are proud to have donated over 26,000 doses of our COVID-19 vaccine to over 200 zoos, including in Michigan, and 20 conservatories, sanctuaries and other animal organizations located in over a dozen countries including Canada, Chile and the U.S. Our COVID vaccine has been used to help protect the health and well-being of more than 300 mammalian species in zoos and sanctuaries.

Avian Influenza Vaccine Donated to Help Protect California Condors

We have donated 100,000 doses of our H5N1 vaccine for use by the US Fish & Wildlife Service as part of their efforts to protect California condors from highly pathogenic avian influenza. This vaccine was initially developed in our facilities in Kalamazoo, and it received a USDA conditional license in 2016.

Zoetis has a long history of donating products to support wildlife veterinarians in their work to care for unique and special animals.



Committed to Animal Care and Welfare

Animal-based biomedical research in the pharmaceutical industry remains a vital component of the discovery, evaluation and regulatory processes, which lead to the development of products that save or improve animal lives throughout the world. The state of scientific knowledge and experience with these potential new medicines and therapies in animals is frequently critical to this evaluation and required by regulatory authorities worldwide to ensure the quality, efficacy and safety of our products.

Alternatives to Animals

Zoetis is fully committed to the development and use of scientifically validated alternative testing methods that are acceptable to regulatory authorities and do not compromise patient safety or the effectiveness of our medicines.

Commitment to the 3R's

For as long as it remains necessary to use animals in the discovery, development and evaluation of new veterinary medicines and therapies, we embrace the principles known as the 3R's of animal research: replacement, reduction and refinement.

Our Policy on Animal Care and Welfare reflects our commitment that animals are treated humanely. It includes provisions for site accreditation by AAALAC International and country-defined regulatory monitoring and local ethical oversight committee monitoring.

Learn more at zoetis.com

zoetis

