



RESEARCH & DEVELOPMENT

HIGHLIGHTS

Signed an agreement with Medicines for Malaria Venture (MMV) to provide MMV with access to the Pfizer library of novel chemical entities to screen for compounds that could be developed into new treatments for malaria.

Obtained first accreditation in the pharmaceutical industry by the Association for the Accreditation of Human Research Protection Program (AAHRP) for protection of human rights in clinical research.

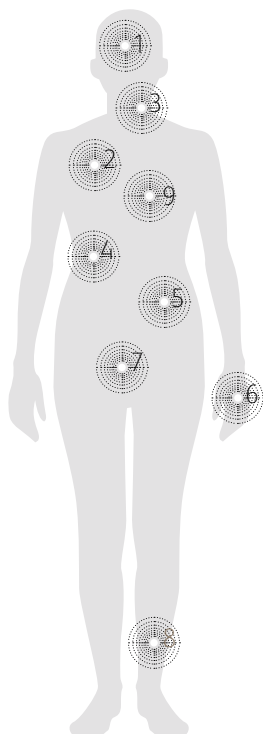
Registered over 1,183 trials to www.clinicaltrials.gov. In addition, 885 summaries of trial results have been posted on www.clinicalstudyresults.org.

As advances in medical care help more and more people live longer lives, the need for new medicines to keep people healthy continues to grow. Pfizer researchers and scientists are working to discover and develop new ways to treat and prevent life-threatening and debilitating illnesses like Alzheimer's disease and cancer, as well as to improve wellness and quality of life across a range of therapeutic areas. At Pfizer, we are focusing on developing treatments for unmet medical needs inspired by a single goal: patient health. This is why we are dedicated to developing promising new medicines to prevent and treat the world's most serious diseases. We believe that from progress comes hope, and the promise of a healthier world.

Pfizer's research & development teams are focused on nine therapeutic and disease areas that span a broad range of medical needs. Our current pipeline reflects a therapeutic-area focus with 100 programs in Phase I through Phase III. From March 2008 to September 2008, 21 programs advanced in the pipeline—12 of them in the identified high-priority disease areas of diabetes, oncology, inflammation/immunology, Alzheimer's disease, psychoses and pain.

Pfizer's recently established business units—for Primary Care, Specialty, Oncology, Established Products, and Emerging Markets—are designed to respond to customers' and patients' changing needs and to ensure the alignment of research and development activities with these needs.

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PFIZER DISEASE RESEARCH AREAS

1 NEUROSCIENCE

Alzheimer's disease
Schizophrenia
Bipolar disorder
Autism

—

2 ALLERGY/ RESPIRATORY

Allergic Rhinitis
Asthma
COPD

3 INFECTIOUS DISEASE ANTIBACTERIAL

Antibiotics, focused
and broad-spectrum

—

4 INFECTIOUS DISEASE ANTIVIRAL

Hepatitis C
HIV

—

5 ONCOLOGY

Anti-angiogenesis
agents
Cytotoxic agents
Immunotherapy/
Vaccines
Signal
transduction agents

6 INFLAMMATION

General
Anti-Inflammation
agents
Rheumatoid Arthritis
Osteoarthritis
Super
Anti-Inflammation

—

7 GENITOURINARY SEXUAL HEALTH

Gynecology
Urology

8 PAIN

Inflammatory pain
Neuropathic pain
Nociceptive pain
Osteoarthritis pain
Severe chronic pain

—

9 CARDIOVASCULAR METABOLIC ENDOCRINE DISORDERS

Diabetes

Please note that the designation "Disease Research Area" does not include programs that are continuing in clinical trials through in-licensed or co-development collaborations but do not have corresponding active discovery research programs. Furthermore, Pfizer may initiate new programs as necessary in response to new discoveries and unmet medical needs.

Pfizer is committed to the discovery, investigation and development of innovative treatment options for cancer patients worldwide, including the use of targeted agents in specific patient populations in several advanced and difficult-to-treat cancers. Our robust pipeline consists of 21 biologics and small molecules in clinical development and over 200 clinical trials, including a robust Phase III clinical trial program for Sutent. By working collaboratively with academic institutions, researchers, governments and licensing partners, Pfizer strives to transform treatment by targeting the right drug for the right patient at the right time.

Expanding Research for Neglected Diseases

We have a shared responsibility to conduct research about diseases that disproportionately affect people in the developing world and will continue our efforts to help meet this global health challenge. As one company, however, we are limited in our ability to solve such universal health problems and recognize that multisector solutions are needed. We believe that public-private partnerships are essential to making progress on this front, with each partner contributing unique assets and expertise toward common goals.

EFFORTS TO COMBAT MALARIA

Malaria continues to be an endemic disease in sub-Saharan Africa and is one of the leading causes of infant mortality. The World Health Organization estimates that in 2006, 247 million people worldwide had malaria and 881,000 died from the disease.¹ Ninety percent of these deaths occurred in Africa. In addition to our Mobilize Against Malaria initiative described in the *Access to Medicines* section of this report, Pfizer has significant ongoing research programs to develop new antimalarial drugs. The following are examples of research where Pfizer is advancing the fight against malaria:

- EXPLORATORY RESEARCH PARTNERSHIPS**
 Pfizer is collaborating with the World Health Organization's Special Programme for Research in Tropical Diseases (WHO-TDR) to target malaria and other neglected diseases by giving TDR access to Pfizer's library of medicinal compounds and bringing scientists from developing countries into Pfizer's laboratories for training in drug discovery techniques. This collaboration, based at Pfizer's Sandwich, U.K. site, has identified a number of novel compounds with antimalarial activity.

Pfizer scientists and three WHO-TDR Fellows are now working together to modify these compounds to have improved pharmaceutical properties. If successful, this effort will feed potential new therapies into our malaria pipeline while providing state-of-the-art training in drug discovery for the WHO-TDR Fellows.

Pfizer will be hosting two developing world clinical researchers as part of the new TDR program of Clinical R&D career development fellowships, funded by the Bill and Melinda Gates Foundation. During the 12-month program, each Fellow will receive specialized in-house training and acquire experience in clinical project management, regulatory compliance and good practices while assisting with clinical trials on new therapies for malaria and tuberculosis.

Pfizer has also agreed to provide Medicines for Malaria Venture (MMV) with access to Pfizer's chemical library to screen for compounds that have potential to be developed into novel treatments for malaria.

While these are early-stage research efforts, with effective new treatments still years away, public-private collaborations starting at the beginning of the drug discovery process are vital to ensure a pipeline of potential new medicines to combat the emergence of resistance.

- AZITHROMYCIN/CHLOROQUINE**
 Pfizer has identified, in consultation with global stakeholders, that the combination of azithromycin and chloroquine (AZCQ) could be a safe and effective option for Intermittent Preventive Therapy (IPTp) in pregnant

women in sub-Saharan Africa. This is significant in that there is a high unmet medical need due to increased resistance and/or safety concerns with existing drugs and a shortage of drugs for IPTp in the global malaria R&D pipeline. The findings are based on the results from two clinical trials for the treatment of symptomatic uncomplicated malaria in adults in sub-Saharan Africa. The clinical development of AZCQ for IPTp in sub-Saharan Africa is being planned in consultation with Medicines for Malaria Venture (MMV) and the London School of Hygiene and Tropical Medicines.

- EURARTESIM®** Pfizer and the Italian firm Sigma-Tau have a license and supply agreement for the companies to market Eurartesim®, a novel fixed-dose artemisinin-based combination therapy (ACT), in Africa. The drug, which is currently in clinical trials, aims to treat uncomplicated malaria in adults and children, while reducing the potential for re-infection. The product candidate, developed jointly by Medicines for Malaria Venture and Sigma-Tau, is expected to be filed for registration in 2009, and has already been granted orphan drug status by both the European and U.S. regulatory authorities.

Through this partnership, Pfizer is advancing global health and strengthening our business in emerging markets. While Sigma-Tau will have the rights to sell this drug to governments and other public entities, Pfizer will have general commercial rights to this medicine in Africa. This arrangement will allow Pfizer to expand access for underserved populations to this medicine while realizing a commercial return, an approach we believe will prove sustainable for our business and for society.

¹ World Health Organization. "World Malaria Report 2008." Available online at: <http://apps.who.int/malaria/wmr2008/>.

SHARING AN INNOVATIVE NEW HIV MEDICINE

In January 2008 Pfizer signed a royalty-free agreement with the International Partnership for Microbicides (IPM) to allow IPM to develop maraviroc, Pfizer's HIV treatment, as a microbicide for the prevention of HIV infection. Microbicides are products, such as gels and films, which could be applied vaginally to prevent transmission of HIV. Under this agreement, Pfizer will provide assistance to IPM to develop maraviroc as a vaginal microbicide. IPM has the rights to develop, manufacture and distribute the microbicide in developing countries.

Opportunities in New Technology

Pfizer is also investing in technology to improve the clinical benefit of our products and to deliver better patient management through tools that can predict and diagnose diseases, research patient outcomes, or assist in patient compliance and post-treatment monitoring.

We are also in search of physician-directed and patient-managed diagnostic tools for better patient monitoring. For doctors, these include simple-to-use office-based tools that quickly provide information to aid physicians in providing better diagnosis, treatment and ultimately better patient management. For patients these include portable devices that measure heart function, glucose level or blood pressure.

Clinical Trials

Clinical trials are one of the most important steps in the research process. Pfizer is committed to the safety of patients who take part in our clinical trials and to upholding the highest ethical standards. By establishing and following rigorous clinical trial, pharmacovigilance, and regulatory policies, we strive to maintain the highest ethical, scientific and clinical standards in all our clinical research around the world. We regularly review these policies to align them with Pfizer's vision, values and goals, and with our stakeholders' expectations, and have

posted our key policies for ensuring human subject protection on www.pfizer.com/clinicaltrials. We take great care to ensure that all of our sponsored clinical studies are conducted in accordance with local laws and regulations, as well as with established international standards.

In early 2009, Pfizer became the first pharmaceutical company to be accredited by the Association for the Accreditation of Human Research Protection Programs (AAHRPP) for ensuring the protection of human subjects taking part in early-stage clinical trials. This accreditation was awarded to our Phase I clinical research units in the U.S., Belgium and Singapore. To earn the accreditation, Pfizer participated in a rigorous, 15-month examination of the clinical research practices at these units.

We are also a leader in making the results of our trials available to the public and to our stakeholders. We publicly post clinical trial summary results of all our clinical trials, including those where further development has been discontinued. Summaries of 885 trial results have been posted thus far on www.clinicalstudyresults.org and more than 1,183 trials have been registered and posted on www.clinicaltrials.gov. This year, Pfizer began a pilot for distribution of information to participants in clinical trials from the Medical Heroes Program, sponsored by the Center for Information & Study on Clinical Research Participation.

COMPENSATION TO INVESTIGATORS IN CLINICAL TRIALS

Over the past few years, there has been a growing concern over how patients are recruited for clinical trials and about payments and bonuses to physicians who enroll patients in trials sponsored by pharmaceutical companies.

In 2008, Pfizer collaborated with almost 8,000 clinical investigators to conduct more than 280 studies to better understand how our medicines can be safely and effectively used to the benefit of patients. Pfizer compensates outside investigators for their work in conducting Pfizer-sponsored clinical studies and for providing services to Pfizer related to those studies. Financial compensation for conducting clinical trials for us, for consulting advice, or other services related to our studies and research programs, are only made for bona fide services rendered to Pfizer. Compensation is documented and must adhere to the

Pfizer Global Policy on Interactions with Healthcare Professionals and our policies for compensation of investigators.

As part of our new policy on compensation to investigators, Pfizer will begin posting information, in 2010, about payments made to those primary investigators and their institutions for Pfizer studies run in the U.S.

THE GLOBALIZATION OF CLINICAL TRIALS

Clinical trials of pharmaceuticals are expanding globally, in part to ensure that the intended demographic for medicine is the same demographic that participates in trials. We run trials in more than 60 countries and continue to identify new, qualified physician-investigators and research sites. In addition, we only place studies in those markets where the medicine will be made available (commercialized) if it is proven to be safe and effective. During 2009, Pfizer offered compassionate use or expanded access programs to patients who participated in our trials.

Pfizer trials are increasingly moving into countries in the developing world. Pfizer's research is done to international standards, including the *International Conference of Harmonization (ICH) Good Clinical Practices (GCP) Guidelines* (1996) and the principles in the *Declaration of Helsinki* (2008), regardless of where the trial site is located around the world. While our trials often offer health benefits to the patients who enroll, we do not pay patients to enroll in these trials. We also are careful in using placebos in our studies as controls, and do not use placebos, or withhold life-saving medicine, in any study where doing so would harm study participants. Additional information on our standard for multi-regional trials and how we respect the rights of participants are also posted on www.pfizer.com/globalizationoftrials.

As the number of our clinical trials in emerging countries continues to increase so does our reliance on qualified and highly competent local investigators. Training has become an essential activity. Training needs to include (and indeed may be more effective), if ethics committee members, regulators and others, in addition to investigators, all participate. Last year, Pfizer worked to establish investigator and study staff training pilots in India

and Korea that engaged experts outside of the investigators themselves. We are extending this outreach and training to other nations where we are expanding clinical trials, including Turkey, China, Brazil, India, Mexico and in Africa.

To improve the way that clinical trials are conducted, we have developed a series of case studies, focusing on challenges that Pfizer has faced in the developing world. These are intended to be used as discussion pieces with new partners in developing markets, and in internal training, and are posted at www.pfizer.com. In addition, Pfizer has made a grant to the Clinical Trial Centre of the University of Hong Kong for the development of a manual for ethics committee and IRB members that is intended to improve local capabilities, especially with regard to the review of multi-regional trials that involve the developing world.

Stem Cells

For more than a decade, Pfizer has been using animal or adult stem cells in its laboratories to help screen new compounds and identify safer and more effective medicines. We acknowledge the sensitive ethical issues surrounding stem cell use, and strongly oppose cloning, but we believe that stem cell research, conducted in accord with laws and regulations, is an important tool in the search for innovative new medicines.

With compelling evidence from this research, Pfizer has begun to explore accessing drug development technology from leading academic, biotechnology and pharmaceutical partners around the world, who also have experience with currently-available, human embryonic stem cell lines that meet the highest ethical standards set by leading scientific authorities. Pfizer's *Stem Cell Policy* (www.pfizer.com) guides the company's research activities and its exploration of new external partnerships.

Pfizer recently launched a new Regenerative Medicine Unit, whose mission is to build upon recent scientific progress in understanding the biology of all types of stem cells, and to leverage these opportunities to discover and develop a new generation of regenerative medicines for major medical needs. Through our work with strategic alliance partners, academic researchers and patient advocate groups, Pfizer seeks to further develop these technologies and provide new therapies for patients around the world.

Animal Care and Use

Pfizer's *Animal Care and Use Policy* (www.pfizer.com) reflects our absolute commitment that animals used in research are treated humanely. This means that any research involving animals is conducted only after appropriate ethical consideration and review. This review ensures that we provide a high level of care to experimental animals, and that there is

no scientifically appropriate and validated alternative to the use of animals that is acceptable to regulators, where relevant. For as long as it remains necessary to use animals in biomedical research for the discovery, development and evaluation of new medicines, we commit to maintaining the highest standards in the humane treatment of these animals.

STAKEHOLDER COMMENTARY

“Pfizer, as the world's largest pharmaceutical company, would be expected to have a dominant position in its corporate responsibility efforts related to diseases of the developing world but this was not always the case.

Recently this began to change dramatically at Pfizer, and a real sense of catch up with the leaders in this area (as for example tabulated in the *Access to Medicines Index*) now permeates Pfizer's actions and communications. Pfizer also now clearly has a partnership mindset, a key to successful execution in this space. In April 2009 Pfizer and the Medicines for Malaria Venture (MMV) signed an agreement designed to facilitate advancements in the battle against malaria. MMV will have access to the Pfizer library of novel chemical entities, in order to screen it for compounds with potential to be developed into new malaria treatments. Our partnership extends to collaborating on the Phase III clinical development of a novel intermittent preventive treatment for malaria in pregnant women. Such partnerships are key to building a strong antimalarial pipeline to ultimately reach the goal of malaria eradication.”

DR. CHRIS HENTSCHEL

CEO, MEDICINES FOR MALARIA VENTURE (MMV)

LOOKING FORWARD

Given the enormous potential benefits that our drug portfolio brings to patients and their caregivers, Pfizer is focusing on remaining a top tier health care company and a recognized leader in the development of innovative drugs and treatments for disease. The recent scientific advances that have been made in biologics therapies, stem cells, and new disease models, have tremendous potential, even against feared conditions such as paralysis. However, the cost of research and development to get a new drug approved and into the hands of doctors now exceeds \$1 billion, with only one in 10 drugs in clinical trials gaining regulatory clearance. Other issues also remain with the clinical trial process, including the increasing number of trials required in developing countries.

It is clear that today's regulatory and economic challenges need to be addressed in ways that preserve our ability to innovate for the benefit of millions of patients who depend upon us to live healthier lives. This will require a working partnership involving the industry, government regulators, academia, physicians, pharmacists, patient advocate groups and drug benefit payers. Pfizer is collaborating with all of these parties in order to achieve a common goal of providing safe, effective, high value therapies to patients in need. It will truly take a global effort and the contributions of everyone to successfully address these challenges.



ACCESS TO MEDICINES

HIGHLIGHTS

Formed a new Global Access Strategy group to explore innovative approaches to increase access to medicines in the developing world.

Expanded Global Health Fellows program to work with underserved communities in Europe and the United States to improve the efficiency and impact of small- to mid-sized health care organizations and access to health care.

Launched MAINTAIN™ program in the United States to help eligible unemployed individuals and their families maintain access to their Pfizer medications.

Providing adequate access to medicines and health care is one of the most challenging issues facing society today. While scientific knowledge and health care products and services have advanced exponentially over the last generation, millions of people around the world still die from preventable and curable diseases because they lack access to basic medicines and medical services. Disparities in health and health care remain pervasive and problematic. The World Health Organization estimates that one-third of the world's population is unable to get even the cheapest essential drugs for common diseases. And this issue is not limited to the developing world—in the current economic environment, individuals in developed nations increasingly face serious challenges in obtaining good-quality medical care.

The implications of existing disparities are dramatic. Poor health impedes individuals' ability to seek educational opportunities, to attain regular employment and to reach full lifespans. Disparities in health and health care are not only a burden on communities and individuals, but are also a considerable cost to our society.

The barriers to access are significant and entrenched throughout health care systems. In developing countries, health care infrastructures are often inadequate to provide care and distribute medicines, and in the developed world, these systems are often beyond the reach of the uninsured. Additionally, pharmaceutical companies have not traditionally focused on diseases of the developing world due to the limited potential for return on investment, especially considering the extent of investment required for novel drug development.

PFIZER'S APPROACH

We believe that improving access to medicines around the world is one of our most pressing responsibilities. We recognize that we have yet to meet our full

potential, as reflected in pharmaceutical company rankings such as the Access to Medicines Index ranking, and value the feedback and insights provided by the many stakeholders we engage and partner with on access to medicine issues. This year, we launched a two-pronged approach to help people get the medicines and services they need:

- A Global Access Strategy within the Emerging Markets Business Unit, dedicated to exploring and developing new business models that will improve access to quality medicines in a commercially viable, socially responsible manner to patients facing cost as a barrier to basic health care.
- A robust portfolio of global health programs to improve access for patients and build health care capacity globally.

We believe that by integrating our new commercial access strategy into the business, and supplementing it with strong global health programs, Pfizer will be best positioned to meet public health needs in a sustainable manner, now and in the future.

Building a Sustainable Global Access Strategy

Approximately 4 billion people, 72 percent of the world's population, live on less than three dollars a day. In general, these individuals do not have regular access to essential health care. Instead, most of their care is focused on acute and emergency care, and quality care delivered by trained health care workers is often unaffordable. Providing good-quality health care (including medications) to this population remains one of the most challenging and urgent humanitarian issues of our time.

As a global health care company, Pfizer acknowledges the depth of these global health challenges, yet we see these statistics as indicators of opportunity as well as challenges. Between 50 to 90 percent of annual total health care expenditures by the world's poorest people, approximately \$30 billion annually, goes to pay for medicines. This represents an extraordinary business opportunity for Pfizer to address the needs of a traditionally neglected consumer.

Our recognition of these opportunities, along with input from many global health organizations, has led to the creation of a Global Access team within the new Emerging Markets Business Unit. In many developing countries, health care infrastructures are weak and funded through governments or charitable organizations, and awareness of disease prevention and health care is limited.

Approaching the underserved as valued patients and customers offers new opportunities and challenges for Pfizer. We will continue to define our overall approach and explore a variety of frameworks, and have committed to testing several pilot strategies:

EXPLORING FINANCE MODELS FOR HEALTH CARE We work with partners to enhance understanding of microfinance programs and their ability to increase access to medicines and health care for the underserved populations in emerging markets. For example, in September 2008 Pfizer developed a partnership with Grameen Health to explore sustainable models for health care delivery in the developing world. Pfizer and Grameen Health will jointly evaluate ways to improve Grameen Health’s existing health care delivery systems and primary care clinics in rural Bangladesh with the goal of identifying appropriate business models that ultimately can be replicated in other countries. We have also developed a partnership with PlaNet Finance, a nongovernmental organization that works in more than 60 countries to alleviate poverty through the development of microfinance and microinsurance. Through this partnership, we will assess existing sources and availability of medicines, patient purchasing patterns, and the level of access to medical services among the working poor in China, a population of approximately 500 million. With findings from the research, which is expected to be completed by the end of 2009, Pfizer and PlaNet Finance will work to identify models that will help improve access to medicines and health care services in China.

We recognize that pricing and licensing are important issues to our stakeholders and we are committed to continuing to explore these tools, particularly as we develop our global access strategy.

DEVELOPING NEW COMMERCIAL MODELS We aim to increase access to affordable, high-quality medicines. For example, in a move that could change health care delivery for millions of people, Pfizer Venezuela has launched *Comunidad más saludable* or “Healthier Community,” a sustainable, locally-designed, community-based initiative aimed at improving access to care for the nation’s poor. *Comunidad más saludable* utilizes community sales representatives who visit health clinics in low-income neighborhoods with which they are familiar to promote Pfizer products and encourage health care professionals’ education and diagnostics capabilities. At the doctor’s office, patients receive—together with their prescription—direct discount coupons for improved access to Pfizer products. Patients also enroll in value-added disease management programs to improve treatment compliance.

ENGAGING INSTITUTIONAL BUYERS We are creating a business model to enable business expansion and to support efforts to make quality medicines available to the poor in developing countries through key agencies such as UNICEF and USAID. Given the input of many stakeholders, including the members of Pfizer’s Emerging Markets Customer Advisory Board, we see several opportunities for customers to work with Pfizer to build a sustainable business model. The Advisory Board helps Pfizer better understand economic and health policy trends, market dynamics and socio-political developments unique to emerging markets. Through this group, Pfizer engages global business leaders, health care stakeholders, academic experts and representatives from nongovernmental and multilateral organizations.

CONDUCTING R&D FOR DISEASES OF THE DEVELOPING WORLD We are leveraging Pfizer’s existing programs in diseases that are prevalent in the developing world to address neglected diseases.

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PROVIDING ACCESS TO INNOVATIVE PRODUCTS Incorporate global access elements in planning for new products to meet the needs of underserved populations. More information on this work is available in the *Research & Development* section of this report.

Throughout 2009, the Global Access team will launch additional pilot programs to assess the strategies above. For instance, we will explore how new business partnerships with other pharmaceutical companies can expand our ability to develop and distribute medicines to underserved patients. We expect that these pilots will lead to a new formal strategy that will be designed to sustainably support our growth in emerging markets as well as to improve access to medicines for hundreds of thousands of the most underserved patients in the world.

PROVIDING FOR UNDERSERVED PATIENTS IN DEVELOPED COUNTRIES Our Established Products Business Unit extends our commitment to access by providing underserved patients in developed countries with affordable medicines characterized by Pfizer’s reputation for quality, safety and innovation. A key component of this work is the exploration of new partnerships, as evidenced by our collaborations with Aurobindo Pharma and Claris Lifesciences over the past two years. In total, we have added 128 generic products, including the basic building blocks of health care such as anti-infectives and pain medications, to our broad range of off-patent Pfizer medicines available in the United States, Europe, Canada, Asia, Australia and New Zealand. We will continue to expand our product offering, increasing access to affordable medicines to a growing number of patients with diverse health care needs.

Quality and supply reliability—both of which are too often lacking in the generics industry—are also important factors in patient access. Pfizer’s broad and deep manufacturing capabilities, and proven track record of safety and efficacy, ensures patients have consistent access to medications they can trust.

Our Established Products Business Unit will also help patients who need treatments that are not readily available on the market. Leveraging our unique scientific and manufacturing capabilities, and taking advantage of scale, Pfizer will make inroads into “niche” categories such as sterile injectables, biosimilars and orphan drugs.

Pfizer and GlaxoSmithKline (GSK) recently agreed to create a new HIV company focused solely on research, development and commercialization of HIV medicines. The new business which combines the pipeline and marketed HIV portfolios of both companies, will be more sustainable and broader in scope than either of the existing companies. The new company will continue GSK's and Pfizer's commitments to improve access to HIV medicines for everyone. Not-for-profit pricing for HIV medicines will continue for those countries most in need, and the new company will continue to facilitate new voluntary licenses to diversify production and expand capacity in these markets. The new company will also conduct research and development activities specifically to address access to HIV medicines in developing countries. In particular, the new company will increase its research effort into treatments and formulations for children living with HIV and it will oversee a new fund to help prevent mother-to-child transmission of HIV in the developing world, with a particular focus on Sub-Saharan Africa. An integration steering committee, with representatives from both companies, has been established to prepare for the operation of the new company upon the closing of the transaction.

Pfizer Global Health Programs

Through our collection of philanthropic global health programs, we invest the full range of our resources—people, skills, expertise and funding—to improve global health. These investments, implemented in partnership with national governments, international agencies, nongovernmental organizations, multilateral organizations or academic institutions, address the following key objectives:

- Improving patient access to medicines and health services
- Building capacity and strengthening the knowledge of health care providers and the public health community so they can expand prevention and health delivery systems

Through these targeted strategies, we invest in effective and sustainable health care delivery and we empower our colleagues, strengthen our stakeholder relationships, and ultimately have a positive impact on society and our business.

STAKEHOLDER COMMENTARY

“The Neglected Tropical Diseases are coming to be neglected no more and the most extraordinary part of the story may just turn out to be the role of pharmaco-philanthropy.

This story stands in stark contrast to the view my fellow medical students had of pharmaceutical companies 40 years ago when these young doctors became the first class to return the black bags and stethoscopes that a pharmaceutical company offered. We could not imagine a day when the world's largest pharmaceutical company, would commit to donate as much Zithromax as necessary to reach the global goal of eliminating blinding trachoma by 2020, as Pfizer did earlier this year. This story represents a true paradigm shift—on many fronts—and it is impossible to overstate its importance. Pfizer's commitment will help engage and mobilize governments and nongovernmental partners around the world and Pfizer's pharmaco-philanthropy may be the single most important component in the battle against blinding trachoma.”

MARK ROSENBERG

EXECUTIVE DIRECTOR, THE TASK FORCE FOR GLOBAL HEALTH

IMPROVING ACCESS

Pfizer is committed to improving patient access to medicines and health care services by:

- Donating medicines and making them available to patients in need;
- Providing treatment or services (e.g., health screenings, surgeries);
- Delivering information to patients about treatment adherence;
- Implementing programs that increase access to prescription medicine;
- Directing people in need to patient assistance services.

Product donation is an important facet of Pfizer's access to medicine programs. In the U.S., Pfizer offers prescription assistance through Pfizer Helpful

Answers®—our family of programs to help people without prescription coverage save on many Pfizer medicines, no matter their age or income. People with limited income may even qualify to get their medicines for free. In the past five years (2004–2008), Pfizer Helpful Answers has helped over 5.1 million patients receive over 51 million Pfizer prescriptions, the equivalent of \$4.1 billion worth of free medicines and savings.

In response to the recent economic downturn, Pfizer launched a new program called MAINTAIN™ (Medicines Assistance for Those Who Are in Need) to help eligible unemployed Americans and their families who have lost their health insurance maintain access to their Pfizer medicines for free. This program was initiated by Pfizer employees, and their donations will be matched by the Pfizer Foundation.

In the developing world, Pfizer founded and continues to support the International Trachoma Initiative to address the suffering caused by blinding trachoma. Through this joint initiative with the Task Force for Global Health, the World Health Organization, the Bill and Melinda Gates Foundation, the Carter Center, Lions Clubs International, USAID and the Edna McConnell Clark Foundation, Pfizer has donated more than 145 million treatments of the antibiotic Zithromax® (azithromycin) for use in 18 countries. We have also supported the training of thousands of health care workers in trachoma treatment and surgery. This program has helped developing countries

such as Morocco move toward the eradication of blinding trachoma as a public health problem.

BUILDING CAPACITY

Pfizer works to expand the prevention of disease and improve health care delivery systems by:

- Working with providers and communities to increase health care worker training and patient education on both disease prevention and treatment options
- Strengthening the organizational capacity of health partners to support access to care, from disease prevention to diagnosis and treatment.

Education is a critical part of health care. It can improve disease prevention and ensure timely and appropriate medical care. We believe that in order to improve health systems, we must strengthen the organizational capacity of institutions offering care and the broader public health community.

For example, the Global Health Fellows program seeks to build local health system capacity in underserved communities. In partnership with nongovernmental and multilateral organizations, Pfizer colleagues commit to assignments lasting up to six months to expand access to care, prevention and treatment for

PUBLIC POLICY

Expanding Access and Improving Quality through Health Care Reform

As a key player in the health care system, Pfizer has come to understand we have a role to play in improving health care access and delivery. Pfizer supports comprehensive health care reform that provides affordable health care coverage and improves quality of care. We believe that ensuring increased coverage and better care for everyone is a shared responsibility—of the private sector, the public sector and of individuals.

Within the U.S., Pfizer has taken steps to address many of the problems preventing Americans from being their healthiest. Our approach is described in eight health care reform principles that we believe will provide a solid foundation for achieving patient-centered health reform. These principles can be found on the *Public Policy* section of our Web site.

Pfizer is actively engaged in the current efforts to reform the U.S. health care system, and shares common goals with the Obama administration's efforts to change the health care system—improved access, more focus on prevention and wellness, and lower costs for patients. Our CEO, Jeff Kindler, has made U.S. health care reform one of his top personal priorities and speaks on the subject regularly to a wide variety of audiences. For instance, he recently participated in the White House Health Reform Summit along with members of Congress from both political parties, citizens from around the country, and stakeholders representing health care providers, business, labor unions, consumers, and health plans. He also co-authored an opinion piece with Andy Stern, President of the Service Employees International Union—the largest union in North America representing hospital, home care and nursing home workers—on the need for health care reform in the U.S. Jeff Kindler is also using his leadership position in the

business community to try to seek consensus among large employers about key aspects critical to the reform efforts.

Pfizer is also involved in health care reform outside the U.S. In the United Kingdom, for instance, Pfizer has been a key participant in dialogues with the National Health Service and health departments of the U.K. to develop a price regulation scheme that improves patients' access to medicines while promoting pharmaceutical industry innovation and competitiveness. In Ireland, Pfizer has launched a series of National Health Debates designed to engage leading commentators and encourage the general public to articulate perspectives and concerns on health care.

In Japan, Pfizer established the Pfizer Health Research Foundation in 1992 as a nonprofit organization with responsibility to support and develop the field of health research, including pharmacoeconomics and outcomes research in Japan. To promote health research in Japan, the foundation develops advanced research themes and subsidizes precedent studies in the health research field through interdisciplinary academic methodologies. To date, the foundation has sponsored 506 grants covering topics such as health care systems, health care policy, health economics, pharmacoeconomics, health care quality, health care service, patient satisfaction and developing health care resources. The fruits of the granted research are fed back to society with the intent of stimulating government policy.

In 2009 Pfizer and the Turkish Government signed a memorandum of understanding to support pharmaceutical partnerships in research and development in Turkey. The government committed to fostering an innovation friendly climate, enabling access to innovative therapies and building a strong intellectual property framework to support research.

devastating diseases such as HIV/AIDS, tuberculosis and malaria. During their assignments, Fellows train and support their local counterparts, transferring skills and together creating sustainable local solutions. Since 2003, more than 200 Global Health Fellows have invested over 160,000 hours of service working with nongovernmental organizations in 39 countries to deliver health care and health system support. We have recently piloted a program expansion to the U.S. and Eastern Europe out of recognition that needs exist in both the developing and the developed world. The program was recently recognized by the United States Corporation for National and Community Service for leadership and excellence in pro bono skills-based corporate volunteering.

Our Global Health Partnerships Program, funded by Pfizer and the Pfizer Foundation, is advancing cancer- and tobacco-control efforts by investing \$47 million over four years (2007–2010) to support innovative regional and global partnerships in oncology and tobacco control reaching 46 countries. The Pfizer Foundation provides technical assistance, capacity-building, and evaluation support to grantee partners while Pfizer country offices provide local resources and expertise. These partnerships will also serve as global models in improving cancer-related health outcomes. Pfizer is also evaluating program impact, including public education and efforts to address policy and advocacy, changes to patient behavior and attitudes toward smoking and smoking-related disease, increases in the number of patients screened for cancer, and reductions of cancer and smoking-related health problems.

→ READ MORE AT
WWW.PFIZER.COM/GLOBALHEALTH

LOOKING FORWARD

Access to medicines continues to be both a challenge and an opportunity for Pfizer. Historically, much of the conversation has focused on how the burden of providing access can be shared between pharmaceutical companies and governments. Companies have also struggled with how to balance meeting the global needs for access with the challenges and costs of research and development. Moving forward, Pfizer, in conjunction with stakeholders and partners, will attempt to reframe this debate by focusing less on the tension between philanthropic access and commercial success and more on creating a socially and commercially sustainable Global Access Strategy.

We recognize that there will continue to be challenges around the prices of medicines and health care delivery, especially in the developing world. For many people, any price is cost-prohibitive, and we will need to continue to partner with our stakeholders to find ways to provide access to necessary medicines for those who may be left out of a commercial business model. We also believe that medicines are only one component of providing access to health, and we therefore remain committed to our programs to build capacity for health care delivery around the world.

OVERVIEW OF PFIZER'S INVESTMENTS IN HEALTH

PROGRAM

PARTNERS

IMPACT ON SOCIETY

2009 PROGRAM GOAL

PFIZER HELPFUL ANSWERS® (2004)

Pfizer Helpful Answers® is a family of assistance programs for the uninsured and underinsured who need help getting Pfizer medicines. These programs provide Pfizer medicines for free or at a savings to patients who qualify. Some programs also offer reimbursement support services for people with insurance. Programs that provide free Pfizer medicines include: Connection to Care,™ Sharing the Care,™ and the Pfizer Hospital Partnership Program.

INFECTIOUS DISEASES INSTITUTE (IDI) (2004)

Center of Excellence for prevention, treatment, training and research in Uganda that strengthens regional capacity in HIV/AIDS, malaria and tuberculosis

DIFLUCAN PARTNERSHIP PROGRAM (2000)

Partnerships with governments and NGOs in developing countries to donate Diflucan for two fungal opportunistic infections associated with HIV/AIDS and support training of health care providers in HIV/AIDS care

GLOBAL HEALTH FELLOWS (2003)

Volunteer program where Pfizer sends approximately 50 employees a year on 3–6 month assignments to work with NGOs and governments around the world to help improve health care infrastructure for the underserved.

INTERNATIONAL TRACHOMA INITIATIVE (ITI) (1998)

Program to eliminate trachoma, the world's leading cause of preventable blindness, through the donation of Zithromax and an integrated public health strategy that includes training health care professionals, community health education, and water and sanitation improvements.

PHA partners with numerous community groups and patient advocate groups to help spread the word about available help. Partners include: the National Association of Hispanic Nurses, the National Urban League, the National Association of Community Health Centers, the Men's Health Network and the Hispanic Federation

Makerere University, the Academic Alliance and Accordia Global Health Foundation, the Ugandan Ministry of Health and Mulago Hospital, and the Infectious Diseases Society of America

IMA World Health, Axios International, IDA Foundation, governments and NGOs

Partner NGOs include: USAID/PEPFAR, mothers2mothers, Health Volunteers Overseas, Family Health International, Population Services International, the Columbia University Access Project, the International AIDS Vaccine Initiative, IntraHealth and Project HOPE.

Founded by Pfizer and the Edna McConnell Clark Foundation; recently partnered with the Task Force for Global Health; additional partners include governments, nongovernmental organizations, corporations, UNICEF, the Carter Center, the Bill and Melinda Gates Foundation, Lions Club, agencies of the United Nations and the WHO.

In the past five years (2004–2008), Pfizer Helpful Answers has helped over 5.1 million patients receive over 51 million Pfizer prescriptions, the equivalent of \$4.8 billion worth of free medicines and savings.

Since 2004, nearly 4,000 health care workers from 27 countries have received training in various aspects of the prevention and care of HIV/AIDS and related infectious disease and indicate they train, on average, 20 additional health care workers per month. IDI provides ongoing care and treatment to approximately 9,000 HIV/AIDS patients, and conducts regular outreach to strengthen other providers in the region. More than 20 projects are currently underway in IDI's research department, which works closely with Uganda's Ministry of Health to improve national policy and practice.

To date the partnership has provided over \$840 million in medicine to more than 2,000 sites in 63 countries, with training and education of 20,000 health care professionals. Trained more than 20,000 health care professionals to help improve patient treatment and care.

To date over 200 Fellows have been selected to serve as physicians, epidemiologists, nurse educators, supply chain experts, IT specialists, and business consultants in 39 countries.

To date Pfizer, through ITI, has provided 145 million treatments of Zithromax® to patients in 18 countries and trained thousands of health care workers, who, in turn have completed more than 400,000 surgeries to treat advanced cases of trachoma. In 2006, after six years of work, Morocco became the first country to complete the campaign for trachoma control and is working towards WHO certification of disease elimination. Over the last 10 years, Pfizer has provided \$1 billion of pharmaceutical and financial donations to ITI.

Continue to improve access to Pfizer medicines by expanding Connection to Care® and Pfizer Pfriends® into Puerto Rico and the U.S. Virgin Islands. These programs provide Pfizer medicines for free or at a savings to patients who qualify.

Respond to the economic crisis by creating a new patient assistance program—Pfizer MAINTAIN.™ The Pfizer MAINTAIN Program helps eligible people in financial need continue to get their Pfizer medicines if they have recently become unemployed and do not have prescription coverage.

Build capacity of health systems in Africa for the delivery of sustainable, high-quality care and prevention of HIV/AIDS and related infectious diseases through training, research and advanced clinical services.

To provide treatment for two AIDS-related fungal infections—cryptococcal meningitis and esophageal candidiasis—through partnerships with governments and nongovernmental organizations in developing countries with a greater than 1 percent prevalence of HIV/AIDS.

Strengthen short- and long-term monitoring and evaluation of fellowship assignments, strengthen internal recruitment for senior level candidates, and create new partnership opportunities

To leverage resources and expertise, creating new partnerships to fight trachoma and other neglected tropical diseases; build on ITI's success in promoting the SAFE strategy, a comprehensive public health approach that combines treatment with prevention, involving sight-saving surgery, mass treatment with the Pfizer-donated antibiotic Zithromax®, facial cleanliness, and environmental improvement to increase access to clean water and improved sanitation.

PROGRAM	PARTNERS	IMPACT ON SOCIETY	2009 PROGRAM GOAL
<p>MOBILIZE AGAINST MALARIA (2007)</p> <p><i>A five-year, three-country initiative that engages and educates treatment providers and patients to improve prompt and effective treatment for malaria in Senegal, Ghana and Kenya.</i></p>	<p>Evaluation team: London School of Hygiene and Tropical Medicine, KEMRI-Wellcome Trust, Health Partners Ghana</p> <p>Implementation Partners: Population Services International (PSI), Family Health International/ Ghana Social Marketing Foundation (GSMF), IntraHealth International</p>	<p>In Ghana, conducting training sessions for Licensed Chemical Sellers enabling more than 660 chemical sellers in 13 districts to provide better malaria education to over 20,000 people, dispense medicines according to national protocol, refer complicated malaria cases and pregnant women to nearby health centers.</p>	<p>Through grants, technical assistance, evaluation support, and networking resources, Pfizer partners with leading NGOs to find promising interventions that improve utilization and effectiveness of malaria treatment.</p>
<p>GLOBAL HEALTH PARTNERSHIPS (2007)</p> <p><i>Four-year program to support innovative public health partnerships that will serve as global models in addressing emerging challenges in cancer control and tobacco control in 46 countries across five continents.</i></p>	<p>Pfizer's partners include: Action on Smoking and Health (ASH) Alianca de Controle do Tabagismo (ACT)/Tobacco Control Alliance International, Akebono-Kai, American Cancer Society, Cause Marketing Fundraiser of South Africa, China Tobacco Control Association, Comprehensive Cancer Center at Freiburg University Medical Center, Korean National Council of Women, European Organization for Research and Treatment of Cancer (EORTC), George Washington University Cancer Center, Good Dog Foundation, Heart & Stroke Foundation of Ontario, Health Policy Institute Japan, Health Promotional Foundation, Hellenic Respiratory Society, Hungarian Academy of Teaching Family Physicians, International Union Against Cancer (UICC), Irish Cancer Society, Japan Dental-Medical Association for Tobacco Council, Mexican Council on Tobacco, Philippine Business for Social Progress, QUIT UK/European Network of Quitlines, SAMBA, Shanghai Municipal Center for Disease Control and Prevention, The New Hope in Health Foundation, The Ralph Lauren Center for Cancer Care and Prevention and The Veronesi Foundation.</p>	<p>To date, the Global Health Partnerships program has supported 29 grantees in 46 countries across five continents addressing emerging challenges in cancer and tobacco control. Our cancer control grantees are developing national networks to build the standard of care in eight countries, providing screening of thousands of persons for early detection of cancer, expanding programs to help patients navigate through complicated systems of cancer care, and providing training to increase the organizational capacity of more than 20 NGOs in Asia, Latin America and North Africa. Our tobacco grantees are helping to build networks and alliances for tobacco control in nine countries, educating thousands of physicians, encouraging thousands of smokers to quit, working to protect thousands of non smokers from secondhand smoke, and increasing awareness about the harm of tobacco use among tens of thousands of people.</p>	<p>Strengthen the evaluation capacity of grantees to compile a global evaluation framework around tobacco control and cancer control</p>
<p>CONNECT HIV (2007)</p> <p><i>Program designed to complement existing HIV prevention efforts and help stop the spread of HIV/AIDS by supporting integrated approaches that bring together prevention, access to care and treatment.</i></p>	<p>Evaluation team: Academy for Educational Development, Johns Hopkins University.</p> <p>Twenty grantee partners: Black Coalition on AIDS, STOP AIDS Project, AIDS Interfaith Residential Services, Latino Commission on AIDS, BEBASHI, St. Hope Foundation, Northeast Florida AIDS Network (NFAN), New York Harm Reduction Educators, Prevention Point Philadelphia, California Prevention and Education Project (CAL-PEP), Foothill AIDS Project, Positive Impact, AIDS Care Services (ACS), Piedmont Health Care Consortium, Hyacinth AIDS Foundation, Philadelphia FIGHT, Shanti Project, Chicago House and Social Service Agency, Test Positive Aware Network, The Family Center</p>	<p>To date, over 6,000 individuals at high risk for contracting HIV/AIDS have been reached with prevention messaging and educational programs; 573 HIV-positive individuals have learned how to prevent transmission to their partners; 262 HIV-positive individuals were guided through the process of accessing high quality care; and over 300 HIV-positive individuals are improving their adherence to treatment. Funded programs have focused primarily on communities of color, those in economic need, recently incarcerated individuals, marginalized populations, and those in unstable employment and/or housing situations.</p>	<p>Share promising models and learnings with grantee partners and HIV/AIDS experts to demonstrate the effectiveness of integrated approaches</p>



PATIENT SAFETY

HIGHLIGHTS

Launched the Pfizer Medicine Safety Education Web site (www.pfizer.com/medicinesafety), which works to bridge the gap in knowledge about how medicine safety is determined, monitored, and communicated to health care professionals, patients and journalists.

Continued to rigorously conduct reviews of all existing nonclinical safety data prior to testing a drug candidate for the first time in a human clinical trial.

Provided anti-counterfeiting training to enforcement agencies and continue to test products free of charge to determine their authenticity. Since the program's inception in 1998, training for authorities has been conducted in 79 countries.

Patient safety is a paramount concern for Pfizer from the moment a new compound is discovered, and for as long as a medicine is prescribed. It is our ethical and regulatory responsibility to monitor the safety of our medicines everywhere they are marketed. Once a drug compound is approved, we continue to monitor its safety and work with governments and others to secure the supply chain and prevent counterfeiting.

We are committed to broadening safety awareness and therefore strive to improve patient safety communications. We are also exploring mechanisms to improve communications between Pfizer and patients and health care professionals, when adverse effects are reported, so that we can aggregate data and respond appropriately. Pfizer employs more than 2,000 medicine safety specialists including research scientists, physicians, nurses, pharmacists, epidemiologists and others. These colleagues work with regulatory authorities to understand, as precisely as possible, the risks and benefits of our medicines before and after they are cleared by regulatory authorities. Our safety processes include collecting adverse event reports, conducting observational studies, and funding independent safety studies that are conducted by third-party investigators.

Communicating Patient Safety Information

We encourage patients and caregivers to contact us or their doctors if someone has experienced any adverse effect that might be related to one of our medicines. Information about how to contact Pfizer is posted on our Web site and included in our medicine packaging.

Our new online tool, the *Medicine Safety Education Web site* (www.pfizer.com/medicinesafety), is designed to help U.S. health care providers, public health professionals, patients and caregivers learn more about medicine safety. It contains valuable information about how to report an adverse effect and how to contact both Pfizer and the Food and Drug Administration. Specific sections are also tailored for different audiences. For health care professionals, the site provides information on understanding risk and

working as partners with patients. For patients and caregivers, it provides tips for understanding the risks and benefits of medicines and for protecting their own safety.

Adverse Event Reporting

Every medicine, even commonly used medications such as aspirin, carries the risk of adverse effects. Pfizer is committed to examining reported adverse incidents to identify and react appropriately to any safety concerns with our medicines.

To help speed the identification of potential safety concerns, Pfizer is a collaborator with Brigham and Women's Hospital, a teaching hospital of Harvard Medical School, in a study to improve digital reporting of adverse events. Using patient electronic medical records, doctors can report adverse events by indicating when patients have been taken off drugs, answer a few questions and submit the adverse event report. A third-party public/private liaison organization then sends these notifications to the FDA and to the pharmaceutical company. We hope that this study will help doctors more quickly and conveniently report any suspected adverse events, and help us and those who regulate us improve our ability to react more quickly and appropriately when safety concerns arise.

The study, which stopped collecting data in June 2009, demonstrated that it's possible to reduce the burden of reporting for doctors using electronic health records to the point where they will report certain types of adverse events at the point of care. This will mean companies like Pfizer, regulators and doctors will have the benefit of meaningful information about experiences with medicines across patient populations more quickly than is possible using existing paper-based systems.



Safety in R&D

Throughout a medicine’s life cycle there are a number of risk and benefit assessments that take place. This work is carried out by a joint drug safety and clinical initiative of Pfizer Drug Safety Research & Development (DSRD), which has developed a consensus recommendation on the safety of clinical trials that will be first carried out in human subjects.

Post-Marketing Studies

Although Pfizer’s clinical trials are always designed to uncover potential side effects and risks of medicines before they are introduced to the public, additional risks as well as benefits can become apparent after our drugs have been approved and are consumed by broader and larger populations. We acknowledge that our responsibility for the safety of our medicines does not end when they are approved, and we have committed substantial resources to information about the performance of our medicines after they have been publicly released. We are also committed to providing transparency about our post-marketing activities and continue to provide user-friendly, up-to-date information on our studies through our Web site.

→ READ MORE AT
WWW.PFIZER.COM/RESEARCH

Counterfeiting & Distribution

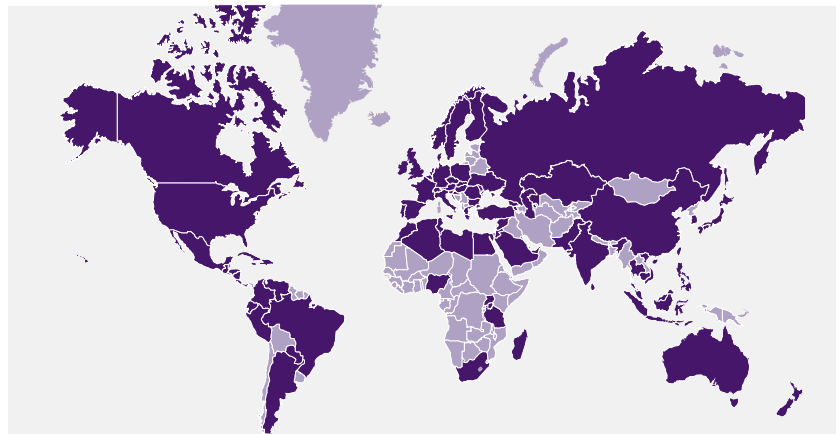
Pfizer has taken a leadership position among pharmaceutical companies with its commitment to protect consumers of our medicines from the dangers posed by counterfeits. Pharmaceutical counterfeiting is on the rise globally—the WHO estimates that while less than 1 percent of medicines in developed countries are counterfeit this increases to between 10 and 30 percent in developing countries. This risks the health of millions of patients who take for granted that their prescription medicines are both safe and effective. Counterfeit medicines often lack the active pharmaceutical ingredient of the authentic product, depriving patients of the expected therapeutic benefit. Worse yet, counterfeit medicines may include toxic materials.

Although the U.S. pharmaceutical distribution system is among the safest in the world, incidents of counterfeiting continue to increase. Of the approximately 45 million counterfeit tablets seized by authorities since 2004, 11.1 million were seized in 2008 alone, nearly 29 percent over 2007.

Pfizer has established business practices to secure the distribution system and has increased cooperation with law enforcement agencies to prosecute counterfeiters and promote public policies that reduce counterfeiting. For example, we provide training to enforcement agencies and test products free of charge to determine their authenticity. Since the program’s inception in 2008, training for authorities has been conducted in 79 countries. We have also made a considerable investment in Radio Frequency Identification Devices and other technologies to deter and detect counterfeiting operations. We will continue to protect the integrity of our products by partnering with wholesalers, pharmacists, regulators and law enforcement agencies around the world to advocate for more public investment in enforcement, and for stronger penalties for those found guilty of counterfeiting medicines.

COUNTERFEIT PHARMACEUTICALS

As of June 2009, counterfeit products have been confirmed in at least 85 countries.



- Countries without confirmed counterfeit products
- Countries with confirmed counterfeit products

STAKEHOLDER COMMENTARY

“I consider Pfizer to be the global pharmaceutical industry leader in scientific excellence and corporate responsibility.

The company gives top priority to safe use of medicines and has integrated risk management concepts throughout the product life cycle. Having sought strategic advice from independent experts, Pfizer senior management proactively introduced a sound governance system throughout the organization. There are early indicators that this system is enabling Pfizer to make robust decisions with a focus on health and well-being of patients. Pfizer has taken early and effective actions, whenever needed, in order to minimize risks to patients. The company is now well placed to evaluate for positive impact of its actions and safety initiatives on public and individual health metrics. Pfizer has led the provision of general safety and risk management information directly to the public. They now plan to engage stakeholders more closely in the life cycle management of Pfizer medicines: another innovative first-in-industry initiative from Pfizer that should be highly commended.”

DR. PANOS TSINTIS

MEDICAL DIRECTOR, CHOICE PHARMA

LOOKING FORWARD

Patient safety concerns will continue to be a priority for Pfizer. New drugs hold the promise of improving patients' lives and promoting healthy lifestyles. We seek to increase partnerships with government and enforcement agencies overseas to address safety concerns in the supply chain. We will also remain committed to transparency on safety issues and post-marketing research. As we improve our ability to identify and track adverse events, we will also need to improve our ability to communicate these concerns responsibly to patients and health care providers.



SALES & MARKETING

HIGHLIGHTS

Began disclosing all funding in the U.S. for medical education grants and other support to medical and patient organizations in May 2008.

Committed to new PhRMA Code on Interactions with Health Care Professionals (HCP), in January 2009, reinforcing highest ethical standards in interactions with health care professionals.

Committed to updated PhRMA Guiding Principles on Direct to Consumer (DTC) Advertising About Prescription Medicines, effective March 2009, reflecting strengthened commitment to DTC communications that best serve the needs of patients, consumers and the health care community.

Ethical Marketing

We believe that ethical conduct begins by providing employees the guidelines along with tools to understand them, and how they apply to the work that we do. At Pfizer, our sales and marketing employees must follow a number of guidelines, all of which are available on the *Responsibility* section of www.pfizer.com. All sales employees receive training on health care ethics as well as product and disease knowledge. The primary objective of our sales force is to provide accurate medical and product information so that physicians can make informed treatment decisions. Therefore, all members of the sales force are expected to know the medical foundation of diseases and treatments, as well as the latest research findings on Pfizer and competitors' products. Specific health care law compliance, including effective documentation, is also a major part of training for sales employees around the world. All Pfizer colleagues in sales, marketing and management are required to complete ethics training and pass a test on ethics and compliance every year.

The new PhRMA HCP Code (www.phrma.org/code_on_interactions_with_health_care_professionals) adds an

Pfizer is committed to responsibly promoting our products. We believe that it is important to educate patients and providers about new health care treatments. However, we also acknowledge stakeholders' concerns that sales and marketing practices need to provide accurate information, and that physicians who prescribe our products not be influenced by anything other than the merits and value of the medicine being marketed. Pfizer follows an approach to sales and marketing that starts with integrity in our business practices, transparency in our reporting about these practices, and compassion for those who find it difficult to afford our medicines.

additional level of oversight rigor for sales and marketing ethics in the U.S. Companies now have the opportunity to complete an annual certification signed by the CEO and the CCO to announce support of the Code and to confirm that they have processes and procedures in place to assure compliance. The PhRMA DTC Guiding Principles (www.phrma.org/dtc) have a similar pledge from members to abide by the Principles.

We will continue to evaluate opportunities to monitor our performance against the highest standards and submit to periodic third-party audits to ensure that we are meeting our goals.

Interactions with Health Care Professionals

At Pfizer, we believe that interactions with health care professionals should be founded on three principles:

1 PRIMACY OF THE HEALTH CARE PROFESSIONAL/PATIENT RELATIONSHIP
We recognize that the primary duty of practicing health care professionals is to their patients. Therefore, our relationships with health care professionals must support, and be consistent with, the professional and fiduciary responsibilities health care professionals have to their patients. Fundamentally, our interactions with health care professionals must advance patient care and support the ethical and compassionate practice of medicine.

2 CORPORATE RESPONSIBILITY
Facilitating access to quality health care is a fundamental responsibility of governments, but to succeed, all stakeholders (including industry, health care professionals and patients) must work together. We are committed to doing our part—by developing new medicines designed to prevent, treat or cure disease, by working with other stakeholders to make medicines and health care information available to patients and health care professionals, and by supporting the creation and implementation of sustainable health care solutions.

3 TRANSPARENCY
We recognize that our interactions with health care professionals can give rise to apparent or actual conflicts of interest. We support the disclosure of financial and other interests and relationships that may create apparent or perceived conflicts of interest in research, education or clinical practice. In addition, in our dealings with health care professionals employed by, or affiliated with, government or regulatory authorities, care will be taken to ensure that they comply with all applicable laws.

In 2006, we adopted *Pfizer's Global Policy on Interactions with Healthcare Professionals* which incorporates common legal and ethical standards from many of Pfizer's major markets, including the U.S. (Pfizer White Guide, PhRMA Code) and around the world (EFPIA Code on Promotion of Medicines, IFPMA Code of Pharmaceutical Marketing Practices) and applies them to our operations in 180 countries.

PROMOTIONAL ACTIVITIES

Pfizer is committed to accuracy and transparency in the promotion of medicines to health care professionals. By providing substantiated information about the usage, safety, efficacy and other aspects of the clinical profile of our medicines, Pfizer helps health care professionals use our products safely and effectively. We train our sales representatives to provide not only information on the benefits of our medicines, but also information on when our products should not be used, what side effects or adverse reactions have been described, and other warnings or precautions about their use.

Samples of Pfizer medicines are termed “starters” and provided to health care professionals in accordance with local laws so that patients and their health care professionals can become familiar with the medicine. Pfizer maintains strict

guidelines on the use of starters, including bans on using starters to solicit or reward prescribing practices, providing starters for health care professionals’ personal use, or selling, purchasing or trading starters. All Pfizer businesses providing starters track and maintain records on all samples provided.

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 → READ MORE AT
WWW.PFIZER.COM/RESPONSIBILITY

Direct to Consumer Advertising

Pfizer is committed to responsibly promoting our products. We believe that it is important to educate patients and providers about new health care treatments. However, we also acknowledge stakeholders’ concerns that sales and marketing practices need to provide accurate information and that physicians

who prescribe our products not be influenced by anything other than the merits and value of the medicine being marketed. Pfizer follows an approach to sales and marketing that starts with integrity in our business practices, transparency in our reporting about these practices, and compassion and support for those who find it difficult to afford our medicines.

We believe that responsible consumer advertising has significant and proven value to help consumers identify disease conditions and engage in more informed conversations with their health care providers. These conversations can result in life-changing diagnoses and treatment decisions. Pfizer supports the continuing ability to provide information to consumers about medicines, but we acknowledge that some stakeholders have concerns about consumer advertising of prescription medicines.

PUBLIC POLICY

Disclosing Payments to Health Care Professionals

At Pfizer, clear and candid relationships with health care professionals are of paramount importance to our business. In furtherance of this objective, in 2009, we announced plans to make publicly available our compensation of U.S. health care professionals for consulting, speaking engagements and clinical trials. The disclosure will include payments made to practicing U.S. physicians and other health care providers, as well as principal investigators, major academic institutions and research sites for clinical research. This makes Pfizer the first biopharmaceutical company to commit to reporting payments for conducting Phase I–IV clinical trials in addition to disclosing payments for speaking and consulting. Pfizer is committing to share this information in order to provide greater clarity and understanding of the valuable scientific innovations and improved patient care that result from these collaborations with health care professionals.

These kinds of collaborations are an essential part of medical progress and without them we would not be able to continue delivering the medical innovations that the global health community has come to expect.

In 2008, we collaborated with almost 8,000 clinical investigators to conduct more than 280 studies to better understand how our medicines can be safely and effectively used to the benefit of patients. Pfizer makes payments to investigators and research institutions to compensate them for the work done on the company’s behalf. As part

of this initiative, we will ensure that payments are posted in an accurate, clear and consistent manner that clearly demonstrates the recipient name or institution, the payment made and the service provided.

Pfizer’s plans reflect the spirit of recent proposed legislation regarding payments to physicians in that it includes payments to practicing physicians and other health care providers as well as to principal investigators and institutions for Phase I–IV clinical trials sponsored by Pfizer. We plan to publish our first annual online update on www.pfizer.com in early 2010. The report will include payments made from July 1, 2009, going forward. Parameters under consideration include reporting payments to recipients whose aggregate amount exceeds \$500 in a calendar year, including the value of non-monetary items, such as meals, that exceed \$25 in value.

Specifically, this includes disclosing all payments to all practicing health care providers who can prescribe medicines, major institutions for ongoing clinical trials, and principal investigators and other entities for Phase I–IV clinical trials sponsored by Pfizer beginning after July 1, 2009.

The payments include those for clinical development and commercial consulting, promotional speaking, Phase I–IV clinical trials, investigator-initiated research and meals and other non-monetary items.

Pfizer is dedicated to ensuring that consumer communications are accurate, evidence-based, reflect an appropriate balance of risk/benefit information, and are consistent with FDA labeling. We continue to evolve our approach to DTC advertising in consultation with stakeholders. We have reaffirmed our commitment to adhere to and exceed industry standards as outlined by the *PhRMA Guiding Principles on Direct-to-Consumer Advertising About Prescription Medicines*. Some highlights of our approach include more extensive, systematic engagement with health care professionals to get their feedback on new campaigns early in our development process. We are also committed to ensuring greater clarity in our advertising regarding the presentation of health care professionals as representatives. In addition, our CEO and Chief Compliance Officer sign an annual certification pledge to uphold the PhRMA Principles. We voluntarily submit our new TV advertising to the FDA for their review prior to airing and educate physicians about a new product for at least six months after product approval and before introducing branded broadcast and print advertisements so that physicians are equipped with accurate information to discuss medicines with patients.

These changes are a natural progression of Pfizer's commitment to make our consumer communications more effective in motivating patients to talk with health care professionals and as part of our overall commitment to provide the right information to stakeholders. We will continue to seek ways to provide health care information to patients in meaningful ways and be responsive to all stakeholders.

LOOKING FORWARD

As the science of medicine continues to advance, Pfizer will maintain our dedication to responsibly educating physicians and patients about innovations in health care and how to use our portfolio of prescription medicines safely and effectively. Over the next two years, we will build upon our past disclosure efforts by beginning to disclose payments to individual health care providers for their work with us.

As Pfizer becomes an increasingly global company, we will also continue to examine, evaluate and, where appropriate, revise our sales and marketing policies to ensure that our practices in emerging markets meet the same high standards for transparency and accuracy we have in more mature markets.

Also, we recognize that health care reform measures in the U.S. and around the world may impact the current standard for relationships between patients and physicians. We will monitor the impact of changes to health care systems and adjust our sales and marketing policies accordingly to ensure that principles are upheld.



ENVIRONMENT,
HEALTH
AND SAFETY

HIGHLIGHTS

Attained three of our four public goals to reduce atmospheric emissions before or within the goal period.

Reduced overall illness and injury rates globally, including marked improvements in U.S. fleet safety performance.

Certified EHS management systems (ISO 14001, OHSAS 18001) maintained at 70 percent of Pfizer's manufacturing facilities and 100 percent of our major R&D sites.

Recognized by US EPA Climate Leaders for attainment of our first generation greenhouse gas goal and our commitment for a second generation goal.

Named by the Carbon Disclosure Project (CDP) as one of the top companies for our commitment to and disclosure of climate change information for the second consecutive year.

Pfizer has a long-standing commitment to environment, health and safety performance. We are proud of our environmental programs and our many achievements over the years. In the spirit of continuous improvement, we are also pursuing a more strategic and integrated approach to our environmental initiatives that will provide the foundation for a more environmentally sustainable model.

We continue participation in organizations around the world to better understand significant environment, health and safety issues, enabling Pfizer and other companies to work toward viable and sustainable solutions such as sharing best practices in energy efficiencies. Pfizer engages local stakeholders and our colleagues, and partners with government, non-governmental organizations, industry and academia through awareness programs, technology transfer and sharing best practices worldwide.

While the criticality of issues such as access to medicines has typically predominated in the pharmaceutical and health care sector, responsible environmental, health and safety (EHS) practices have increasingly sparked the interest of stakeholders. We recognize that advancing good health and maintaining safety extends through the discovery, development, and distribution of medicines, to preserving natural resources and creating a healthy environment and workplace.

Climate Change

At Pfizer, we recognize that climate change, and its potential impact on global health, is one of the most serious environmental challenges facing society today. We are committed to seizing opportunities throughout our business to lessen our impact and have set ambitious goals to drive our activities. These goals and our performance are highlighted in the performance overview at the end of this section.

ENERGY EFFICIENCIES

Pfizer has made substantial efforts to reduce our carbon and energy footprint through global conservation and energy efficiency efforts, and consolidation of certain operations. A wide range of projects, such as equipment retrofits, combined heat and power systems, and renewable energy installations contributed to significant emissions avoidance.

Pfizer also has a public goal to obtain 35 percent of our electricity from clean energy sources by 2010, an aggressive goal in this changing economic landscape. Although we have made excellent progress, our clean energy goal has been challenging to attain. The current shortfall is due to a number of factors including closure of some plants with cogeneration capacity and the financial viability of current clean energy technologies. Although Pfizer will not fully achieve our goal to have 35 percent of our electricity usage come from clean energy sources by 2010, we remain committed to the implementation of clean energy technologies where it makes sound environmental and business sense.

→ READ MORE AT
WWW.PFIZER.COM/ENVIRONMENT

GREENING OUR FLEET—LOCAL ACTION FOR GLOBAL OPERATIONS

Operations associated with our fleet accounted for 12 percent of our total carbon footprint last year. Beginning in 2007 and continuing today, Pfizer is implementing projects to reduce the impact of our nearly 32,000 automobiles. So far, we have identified the greatest potential to immediately reduce Pfizer's fleet footprint in selecting the appropriate vehicle and engine size commensurate with intended purpose and use.

Resource Conservation and Waste Minimization

Pfizer is committed to advancing good health in the communities in which we operate. Our global environment, health and safety management program is centered on minimizing the potential impacts of our operations as we contribute to sustainability by reducing our emissions to the air and water, minimizing the waste we produce, and improving our methods of recycling, reuse and recovery.

ABATING OUR EMISSIONS

To help protect the Earth's ozone layer, we are committed to controlling and, wherever possible, eliminating the release of harmful compounds, including ozone depleting compounds (ODCs) and volatile organic compounds (VOCs) from our operations. In both cases, Pfizer set separate public goals, and has realized significant emissions reductions.

COMPLIANCE

Unfortunately, despite our best efforts to meet and exceed industry standards, we have experienced incidents where we have

failed to comply with regulation. In 2008 Pfizer paid a civil penalty of \$975,000 to settle allegations by the U.S. EPA that our former Groton manufacturing facility violated certain Hazardous Air Pollutant regulations (leak detection and repair requirements) between 2002 and 2005. When initially notified in 2006, Pfizer acted promptly to assure the facility's compliance.

→ READ MORE AT
WWW.PFIZER.COM/ENVIRONMENT

REMIEDIATING ENVIRONMENTAL LIABILITIES

Contamination of soil and groundwater at industrial sites can pose risks to the environment as well as the health and safety of those working at the sites and living in the surrounding communities. As we contribute to a more sustainable future, Pfizer works to prevent such contamination by reducing overall waste footprint and through our robust due diligence process for evaluating potential liabilities resultant from transactional activities. When contamination is found, we mitigate any immediate risk, assess the potential impact and deploy remediation efforts aligned with areas of concern.

→ READ MORE AT
WWW.PFIZER.COM/ENVIRONMENT

UNDERSTANDING WATER

The availability of potable water is one of the most important global health issues of our time—and one that may be further exacerbated in coming years by our changing climate. There is also growing consensus that this emerging issue may become a crisis as sustainable access to water is challenged, presenting risks not only to individuals but also to the private sector.

While Pfizer's use of water in our research centers and manufacturing facilities is relatively small compared to some other industries, responsible management of water is an important element of our global EHS program. We work to protect this resource by

implementing standards that require facilities worldwide to quantify water use, prioritize water conservation measures, and support community efforts during drought conditions.

→ READ MORE AT
WWW.PFIZER.COM/ENVIRONMENT

Product Stewardship

Environmental responsibility entails the full life-cycle analysis of our products, extending beyond traditional producer responsibility. As the innovator of numerous novel compounds, Pfizer seeks to understand and ensure effective management of the health, safety and environmental risks during the discovery, development, manufacture, use and disposal of our products.

PHARMACEUTICALS IN THE ENVIRONMENT

Trace amounts of pharmaceuticals and other organic chemicals have been detected in the aquatic environment. Stakeholders are concerned that the presence of trace amounts of medicines, known as Pharmaceuticals in the Environment (PIE), could have an effect on the aquatic environment and also on human health.

Pfizer recognizes our stakeholders' concerns and has taken action. For many years, Pfizer facilities have worked to reduce releases of products and other materials to the environment and have conducted risk assessments to ensure these releases do not have an adverse impact on public health or the environment. We have also participated for several years in efforts led by pharmaceutical industry groups to better understand PIE and the associated risks. Through these collaborations, we have advanced the science, encouraged debate, and shared our knowledge with regulators, policy makers, and the public through Web sites like SMARXT Disposal.

However, we must do more to address stakeholder concern. Pfizer adheres to principles of responsible environmental stewardship and we have increased our commitments and stepped up initiatives to tackle the complex issues associated with PIE.

Our strategies include:

- Continuing to engage and collaborate with the scientific community, policy makers, regulatory agencies, patient groups and nongovernmental organizations aggressively advancing the body of knowledge related to PIE; and
- Partnering with other pharmaceutical companies and government agencies to further explore unused medicine disposal options, participating in product take-back programs in countries that have initiated them.

Green Chemistry

Our Green Chemistry Program seeks to integrate EHS considerations throughout the research, discovery, development and manufacture of our products.

Green Chemistry is becoming intrinsic to the way all Pfizer scientists and engineers perform their work—it is about advancing scientific innovation, which lies at the heart of our strength as a company, to reduce our environmental footprint. Last year, notable projects embracing Green Chemistry principles included:

- "Naturalizing" Lyrica®—taking advantage of nature's own chemical catalysts (enzymes) through biocatalysis. The enzymatic synthesis of pregabalin will save more than 200,000 metric tons of chemical waste between 2007 and 2020.
- "Greening" Lipitor®—manufacturing atorvastatin with a new biocatalysis process that realizes significant energy savings by changing the temperature at which a reaction is performed.

→ READ MORE AT
WWW.PFIZER.COM/ENVIRONMENT

PRODUCT DESIGN



Workplace Responsibility

Pfizer colleagues worldwide remain our most valuable asset and the foundation of our success. Our priority is to provide a safe and healthy work environment for every Pfizer colleague. We have implemented a company-wide set of policies, standards and programs, combined with site-level management systems and initiatives tailored to the particular safety issues and needs at each location and business line function.

We are committed to:

- Significantly improving our health and safety performance;
- Maintaining effective management of inherently high-risk operations; and
- Ensuring the health and wellness of colleagues through careful management of workplace exposure.

REDUCING INJURIES AND SUSTAINING A CULTURE OF SAFETY

Overall, Pfizer has a solid health record and good safety performance. However, we have room for improvement with respect to our lost-time and total injury and illness rates.

Late in 2007, we began making significant progress in collecting additional metrics to identify areas to improve safety performance and to inform us of priorities. In early 2008, we set aggressive internal goals and targets and have begun realizing improved performance.

SAFEGUARDING OUR FIELD FORCE AND THOSE WHO SHARE THE ROAD

Driver safety is an area identified as a significant risk and a high priority for improvement. Motor vehicle accidents represent the greatest risk to our sales force and regrettably, in 2007 Pfizer lost two colleagues who were fatally injured in vehicle-related accidents, underscoring the need to improve safety.

A Global Fleet Safety Standard is being implemented, which includes focus on increasing driver safety awareness, conducting mandatory motor vehicle record reviews, and acting on colleague behaviors that compromise driver safety. In 2008, the U.S. Fleet Safety program has shown a 21 percent reduction in motor vehicle accidents.

→ READ MORE AT
WWW.PFIZER.COM/ENVIRONMENT

STAKEHOLDER COMMENTARY

“There is an urgent need to move toward a sustainable global economy and Pfizer, as one of the largest pharmaceutical companies in the world, has a unique role to play in driving this change.

Pfizer should accelerate its efforts to reduce its impacts, from climate change to water to toxins as this ultimately affects the people that are at the core of Pfizer’s business. Pfizer should build upon its existing carbon reduction commitments and demonstrate leadership by actively supporting national and global climate policy.

Energy and water go hand-in-hand. One of the most disruptive results of climate change will be water scarcity and declining water quality, the impacts of which will be felt most by vulnerable populations of emerging economies. There is nothing more critical to good health than access to clean water and Pfizer has an opportunity to take the lead by developing a comprehensive water strategy. This will help the company to first understand its water footprint and then to set goals to minimize impacts and to prepare for potential business risks.”

ANDREA MOFFAT

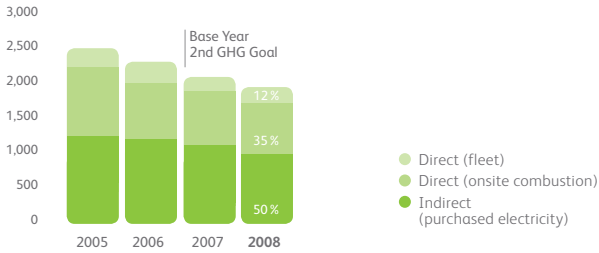
SENIOR DIRECTOR OF CORPORATE PROGRAM, CERES

LOOKING FORWARD

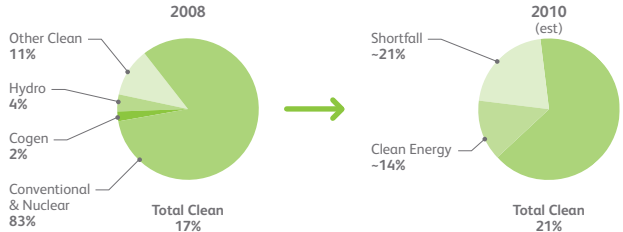
Pfizer’s environment, health and safety programs are an integral part of our work to build a healthier world. We are eager to ensure our EHS programs help build a more sustainable future, ensuring the health and safety of our colleagues and protecting the environment. We recently launched a process to develop a new Environmental Sustainability roadmap that will help us identify priority strategies for the environmental issues that are most important to our stakeholders and to our business.

**1. GHG EMISSIONS (ABSOLUTE)
SECOND GENERATION GOAL**

ABSOLUTE GHG EMISSIONS (TCO2EQ)—THOUSANDS

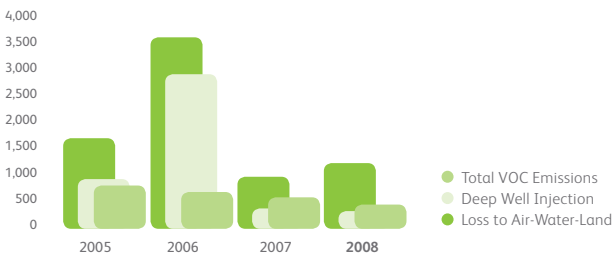


2. CLEAN ENERGY



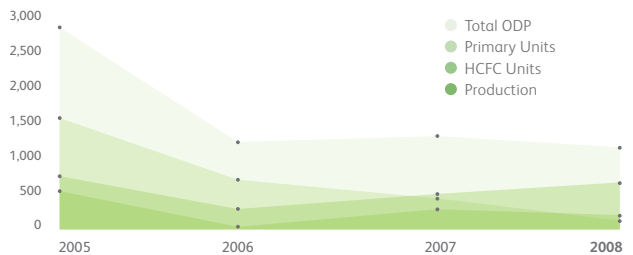
3. VOLATILE ORGANIC COMPOUNDS (VOCs)

KG THOUSANDS



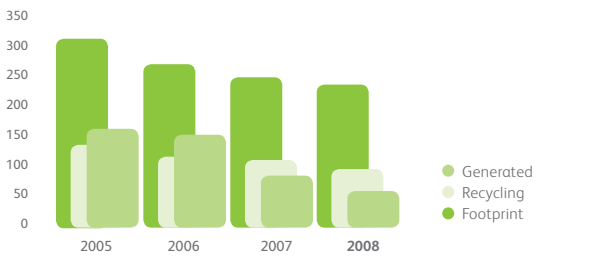
4. OZONE DEPLETION POTENTIAL (ODP)

KG R-11 EQUIVALENTS



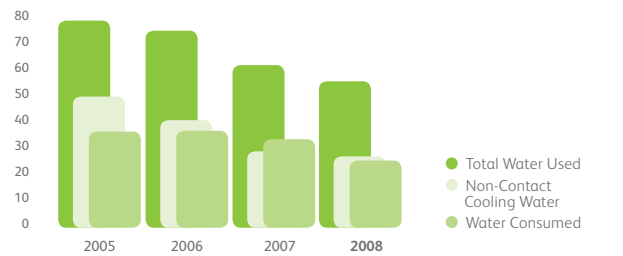
5. TOTAL WASTE—FOOTPRINT & RECYCLING

KG MILLIONS



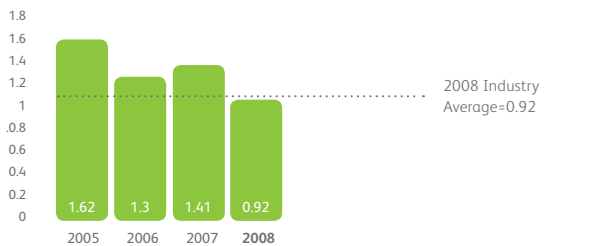
6. WATER FOOTPRINT

MILLION M³



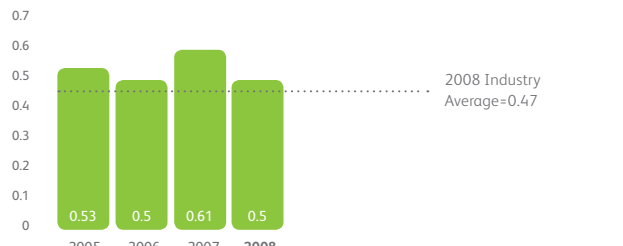
7. TOTAL INJURY/ILLNESS RATES (TIR)

CASES PER 100 COLLEAGUES



8. LOST-TIME INJURY/ILLNESS RATES (LTIR)

CASES PER 100 COLLEAGUES



Environmental data is baseline adjusted in accordance with the WRI Protocol for Reporting GHGs. Facility closures are included in the data while those divested are not. Injury and illness data does not follow WRI—it is rate-based and therefore not baseline adjusted.

Data scope is directed by the EHS Guidelines. With the exception of some of our offices, the global population of sites includes manufacturing, R&D, commercial and logistics centers.

EHS performance data does not include our supply chain/outourced manufacturing operations.

KEY PERFORMANCE INDICATORS (2005–2008)

INDICATOR	GOAL	PERFORMANCE (YEAR END)	STATEMENT	GOAL/ STATUS
COMPLIANCE	BASELINE EXPECTATION 100% compliance, zero penalties	2008 Groton fine \$975K NOTE Pfizer publicly reports penalties paid >\$100K	Settlement for U.S. EPA allegations (former manufacturing facility LDAR 2002–05).	N/A
CLIMATE CHANGE 1ST GENERATION GOAL GHG	2000–07 Public goal to reduce GHG emissions 35% on relative basis	2007 Achieved goal 43% 2007–08 Additional ↓20%	Attributed to energy efficiency projects, facility closures.	●
CLIMATE CHANGE 2ND GENERATION GOAL GHG GRAPH 1	2008–12 Public goal to reduce GHG emissions 20% on absolute basis from baseline year 2007	2008 On target ↓6% energy consumption (absolute) ↓8% GHG emissions (absolute) 2005–08 ↓20%	Attributed to Global Energy Conservation program (energy efficiency projects, colleague awareness initiatives).	●
FLEET EMISSIONS	2008–12 Internal goal to reduce GHG emissions annually by 5% (absolute)	2008 On target ↓6% (absolute) contribution to overall public goal	FOCUS increasing use of fuel cards, introducing more hybrids and dual-fuel vehicles, moving to midsize vehicles.	●
CLEAN ENERGY GRAPH 2	2010 Public goal to meet global electricity needs using 35% clean energy	2008 17% (actual) 2010 21% (projected)	Good progress—however, challenging goal to attain. Projected 14% shortfall—closure of certain plants with cogen technology and financial viability of current clean energy technologies.	●
VOLATILE ORGANIC COMPOUND (VOC) EMISSIONS GRAPH 3	2002–08 Public goal to reduce VOC releases to air and water by 40%	2006 Achieved goal 43% 2007–08 Additional ↓35% NOTE Bar graph illustrates total releases of VOCs	↑ Emissions 2006 resulted from steam stripper malfunction. As allowed under permit, water containing solvent was alternatively injected into the onsite deep well.	●
OZONE DEPLETION POTENTIAL (ODP) EMISSIONS GRAPH 4	2002–07 Public goal to reduce ODP by 80%	2006 Achieved goal 82% 2007–08 Additional ↓28% 2005–08 ↓71%	Continued to monitor to ensure decline in ODP.	●
OZONE DEPLETING COMPOUNDS (ODC) PHASE-OUT	2007 Public goal to phase-out Class 1 ODCs in large heating, ventilation, air conditioning and industrial process equipment	2007 3 sites did not meet phase-out 2008 2 sites remain with Class 1 ODCs (representing <5% of applicable units)	Phase-out of primary units complete with the exception of two sites—waivers were approved based on production schedule and unit replacement costs.	○
WASTE REDUCTION GRAPH 5	BASELINE EXPECTATION Drive down waste footprint, increase recycling rates 2009 AND ANNUAL Internal goal to drive waste minimization opportunities: • At least two solvent recovery and reuse projects at each API site • Non-hazardous waste reduction goals at 100% of sites, focus on reduction of electronic waste	2007–08 ↓14% total waste generated 2005–08 ↓30% in total waste generated 2005–08 46% average recycling rates (relative to total waste generated) NOTE 2005–08 8 points increase (from 49% to 57%) in non-hazardous waste recycling rate.	The total amount of waste generated continues to decline, resulting in less waste sent to landfills for incineration and other treatment. Overall recycling rates remain constant; however, due to site level efforts, non-hazardous rates significantly improved.	N/A
WATER FOOTPRINT GRAPH 6	BASELINE EXPECTATION Continue to conserve water by setting internal targets at site level	2007–08 ↓16% total water use 2005–08 ↓40% total water use 50% of the water used is non-contact cooling water returned to its source	Attributed primarily to closure of manufacturing operations and facility-specific energy efficiency and water conservation projects.	N/A
INJURY & ILLNESS PERFORMANCE	BASELINE EXPECTATION People are not injured and do not sustain ill health as a result of their work. 2007–2010 Aggressive internal goal to reduce injury and illness rates by 40% from baseline year 2006	2007 1 fatality	Fatally injured following an off-site NYC steam pipe explosion	N/A
TOTAL INJURY & ILLNESS RATE GRAPH 7	2006 BASELINE 1.30 2010 TARGET 0.75	2007 1.41 2008 0.92 2007–08 ↓34% 2005–08 ↓43%	Additional ↓19% in rates needed in 2009. FOCUS Locations with highest rates, concentrated ergonomics programs, and improving fleet safety in the sales force.	○
LOST-TIME INJURY & ILLNESS RATE GRAPH 8	2006 BASELINE 0.50 2010 TARGET 0.30	2007 0.61 2008 0.50 2007–08 ↓18% 2005–08 ↓6%	Additional ↓40% in rates needed in 2009. FOCUS See above	○
FLEET SAFETY	2008–2010 Internal goal to achieve 100% implementation of Global Fleet Safety Standard BASELINE EXPECTATION Significantly reduce motor vehicle accidents (MVAs), No fatal MVAs	2008 ↓21% MVA U.S. Fleet Fatalities (sales colleagues, MVA) 2007 2 colleagues	Implementation of Fleet Standard on target. FOCUS Increasing driver safety awareness, mandatory MV record reviews and acting on compromising driver safety behaviors.	N/A

NOTATIONS

LDAR=leak detection and repair requirements
GHG=greenhouse gas
HCFC=hydrochlorofluorocarbon

HVAC=heating, ventilation, air conditioning
↓=decrease (reduction)
↑=increase

STATUS KEY

● Goal achieved or on target
○ Goal partially achieved or at risk for not reaching target

● Goal not achieved or not expected to reach target



GOVERNANCE

HIGHLIGHTS

Revised *Corporate Governance Principles* to provide that the Board will annually elect a Chairman of the Board, who may or may not be the CEO.

Updated Lead Independent Director Charter to better reflect responsibilities of this position.

Amended bylaws to give shareholders ability to call special meetings.

Redesigned executive compensation program to align our practices with our pay for performance philosophy as well as our shareholders' interests.

Board Governance

Pfizer is governed by a 14-member Board of Directors. All are independent except Jeff Kindler, our Chairman and Chief Executive Officer, and William C. Steere Jr., Pfizer's Chairman Emeritus since 2001. Pfizer holds annual elections for directors, in connection with which the Corporate Governance Committee reviews the qualifications of all directors, evaluating skills and talents to assure a balance of disciplines and perspectives. The Corporate Governance Committee also seeks to further enhance the Board through gender and ethnic diversity.

Pfizer's Board of Directors follows a set of *Corporate Governance Principles* and conducts an annual review to assure that the Principles are timely and effective, and supports the Board's oversight and accountability on behalf of shareholders.

With a keen awareness of the importance of independent oversight on behalf of shareholders, the Board voted in early 2009 to remove the presumption that the role of Chairman of the Board would be held by the Chief Executive Officer. Instead, the Principles now provide that the Board will annually elect a Chairman of the Board, who may or may not be the CEO. If the individual elected as Chairman of the Board is the CEO, the independent directors will also elect a Lead Independent Director whose

The current financial crisis has brought more scrutiny than ever before to the governance of corporations. At Pfizer, we have long understood the importance of good governance to our ability to operate as a trusted member of society. That's why we established a corporate governance department in 1992—the first in a U.S. company—and why we seek to ensure that good governance and responsible business principles are rooted in the culture and values of our organization and the way we do business every day.

responsibilities include calling meetings of the independent directors and presiding over executive sessions of the independent directors. To better reflect these responsibilities, the Board also updated the Lead Independent Director Charter. Constance J. Horner is currently serving as Lead Independent Director.

The revised *Corporate Governance Principles* and Charter of Responsibilities of the Lead Independent Director are available on the *Corporate Governance* section of our Web site.

As part of its ongoing consideration of corporate governance issues, the Board amended Pfizer's bylaws to give shareholders the ability to call special meetings. Previously, only the Chairman and the Board could call special meetings of shareholders. The revised bylaws are available on the *Corporate Governance* section of our Web site. Our Board of Directors is taking a more active role in overseeing Pfizer's corporate responsibility agenda. Since Pfizer believes that our corporate responsibility efforts are an important aspect of our business success, the Board's Corporate Governance Committee receives semiannual corporate responsibility updates and provides direction on prioritization of corporate responsibility issues.

Executive Compensation

Executive compensation has become a principal topic of discussion for many of our stakeholders. At Pfizer, the compensation of our Executive Leadership Team (the CEO and the executive officers reporting directly to him) is determined by

the Compensation Committee. Specifically, the Committee has direct responsibility for establishing annual and long-term performance goals and objectives for the CEO and reviewing the goals approved by the CEO for the other members of the Executive Leadership Team.

Our current Chairman and CEO, Jeff Kindler, was elected to these positions in 2006. His compensation is set by the Compensation Committee and approved by the Board. Jeff Kindler does not have an employment contract, and his retirement benefits are based on the same formula as for other salaried employees.

In support of our philosophy to align the interests of the executive officers with those of our shareholders, Pfizer executives are required to own Pfizer common stock equal in value to a multiple of salary, ranging from at least five times salary for our CEO to at least four times salary for the other members of our Executive Leadership Team. Ownership must be achieved over a five-year period.

As a result of a comprehensive evaluation of our compensation programs and practices that commenced in 2007, including feedback from shareholders, the Compensation Committee has taken several actions to redesign elements of our compensation programs to assure that they (a) are aligned with our pay for performance philosophy and our shareholders' interests, and (b) are an effective tool to attract, motivate and retain executive management. Among other things, in early 2009, Pfizer implemented a new Executive Severance Plan for our executive officers. The new plan, based on Pfizer's broad-based severance program for U.S.-based employees, reduces severance levels,

2008 ACTIONS

ACTION	RATIONALE
Implemented a redesigned short-term annual incentive program.	To more closely align annual incentives with the achievements of Pfizer's financial and strategic goals, and to ensure that our executive compensation program is aligned with our pay for performance philosophy and shareholders' interests, and is also an effective tool to attract, motivate and retain executive management.
Implemented a redesigned, annual long-term incentive program for executives.	To promote the achievement of Pfizer's annual objectives during our transformation period while maintaining close alignment with our shareholders' return on investment.
Following a comprehensive review of executive severance practices and programs, eliminated existing change in control agreements and adopted an executive severance plan based on our broad-based severance program for U.S. based employees.	To reduce severance levels upon a termination of employment on a change in control, eliminate potential gross-ups on certain severance payments, and offer a consistent and competitive severance program.

eliminates potential tax gross-ups, and offers a consistent and competitive severance program.

Over the last year, the topic of giving shareholders a "say on pay"—a non-binding, advisory vote on executive compensation—has been widely debated in the business and investment communities as well as at the government level. At Pfizer's 2009 annual meeting, its shareholders approved, by a majority of the votes cast, a non binding proposal asking the Board of Directors to give shareholders an advisory "say on pay" vote. Because of Pfizer's direct engagement with its investor community about executive compensation and other important governance issues, the Board had recommended a vote against this proposal. However, the Board views the majority vote as an important message from shareholders and is committed to seeking the best course of action for Pfizer and its investors.

PUBLIC POLICY

Lobbying and Political Contributions

At Pfizer, we believe that public policy engagement includes defining and supporting policy positions that facilitate or improve our ability to do business in a commercially and socially sustainable manner. However, we recognize that it is important that our engagement is conducted in a legal and transparent manner.

Pfizer's lobbying and political contributions are guided first and foremost by federal and state lobbying registration and disclosure laws in the U.S. We also have a Corporate Procedure for Political Contributions by Pfizer Inc to ensure the company and use of its resources are in strict compliance with election laws and regulations around the world. The procedure restricts the use of Pfizer resources to support federal and state candidates, political parties and political committees.

We recognize that compliance needs to be supported by information. Pfizer reports regularly on lobbying expenses—in 2008, our total reported U.S. federal lobbying expenses were \$12,180,000. We also publicly disclose semiannually our corporate political and employee contributions made through the Pfizer Political Action Committee, a nonpartisan organization that provides opportunities for employees to participate in the U.S. political process. A full report is available in the *Lobbying and Political Contributions* section of our Web site.

Pfizer has also voluntarily signed onto the European Commission's new register of interest representatives in 2008. Through the register, we declared 2007 expenses related to interest representation of €750,000–800,000—broadly in line with other firms of a similar size.

Pfizer recognizes the importance to its shareholders of executive compensation and corporate governance practices. Consequently, Pfizer will continue to regularly consult with shareholders on both areas and seek continuous improvement in ways that will best meet the needs of its shareholders and business. For a detailed explanation of Pfizer's compensation philosophy, which is set by the Compensation Committee and approved by the Board, please see the Compensation Discussion and Analysis section of Pfizer's March 12, 2009, Proxy Statement.

→ READ MORE AT
WWW.PFIZER.COM/INVESTORS

Ethics & Compliance

Pfizer's Corporate Ethics and Compliance Program, established under the direction of our Board of Directors, supports the company's unyielding commitment to high standards of legal and ethical conduct. Through the program, our Corporate Compliance Officer and staff provide oversight and guidance to ensure compliance with applicable laws, regulations and company policies, and foster a positive, ethical work environment for all employees.

Ethical conduct starts with the Board of Directors at Pfizer, who follow the *Code of Business Conduct and Ethics for Directors*. Colleagues worldwide receive *Pfizer's Code of Business Conduct*, known as the "Blue Book," which explains Pfizer's commitment to maintaining high standards and performing with integrity. Blue Book training was completed by over 16,000 colleagues in the U.S. During 2009 and 2010, the new online training will be rolled out to colleagues worldwide. Pfizer's desire to have a best-in-class compliance program is an indicator of its dedication and commitment to integrity. We have invested significant resources to provide the most advanced training, auditing and monitoring systems worldwide.

→ READ MORE AT
WWW.PFIZER.COM/RESPONSIBILITY

OUR VALUES

Pfizer's values distill our core beliefs and the defining features of our culture. Our values reflect the enduring character of Pfizer and its people. These values are:

- Integrity
- Community
- Performance
- Respect for People
- Innovation
- Leadership
- Customer Focus
- Teamwork
- Quality

Our values guide the actions of all Pfizer colleagues around the world and form the basis for our approach to corporate responsibility.

Interactions with Patient Advocacy Groups

Pfizer partners with patient advocacy organizations to support their programs and activities, such as health education and scientific research. This support takes many forms, including grants and charitable contributions for efforts that strengthen communities and work toward a healthier world. Partnering with these organizations allows Pfizer to better understand the needs of the patients who take our medicines, while helping the organizations inform and address the needs of those they serve.

Pfizer appreciates the need to provide information around these activities to alleviate stakeholder concerns. In 2008 Pfizer committed to reporting on all grants and charitable contributions to patient groups in the U.S. Pfizer is currently working with external stakeholders globally to determine the appropriate method and scope of disclosure worldwide, but because laws and rules vary from country to country, reporting will vary.

→ READ MORE AT
WWW.PFIZER.COM/RESPONSIBILITY

In the U.K., as a member of The Association of the British Pharmaceutical Industry (ABPI), Pfizer is required to declare a list of patient organizations with which we have involvement and describe the nature of these partnerships. We actually go beyond this requirement, and declare our full relationships with these groups. In providing funding to patient groups, Pfizer's guiding principle is to ensure that the organization's independence is not compromised and there is no dependency on funding we provide. Therefore, when disclosing our contributions on our Web site we also provide an approximate percentage of each organization's revenue that is represented by our funding.

Details of Pfizer U.K.'s charitable and in-kind donations made through the Pfizer U.K. Foundation and local community funds to organizations other than patient groups, are published in a wide range of external documents which are distributed among local and national stakeholders.

→ READ MORE AT WWW.PFIZER.COM/UK

Human Rights

Pfizer strives to uphold human rights in all of our business activities. We fully support the principles in the Universal Declaration on Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. Pfizer is also a signatory of the United Nations Global Compact, and we have committed to support the 10 principles on human rights, labor, environment and anticorruption.

Since our last report, we have received increasing queries from stakeholders about our human rights practices. In an effort to be responsive and formalize our support for the above principles and many of our existing practices, we established a new Human Rights Statement in 2008.

Pfizer supports the idea that people have a right to health, and, while we believe that governments have the primary responsibility for ensuring the realization of this right, we acknowledge the unique role we can play in promoting this right as well. We have developed many approaches to improve the health of people around the world through access to medicines and strengthening health care systems for underserved people, which are described in the *Access to Medicines* section of this report.

We also work to ensure that human rights are upheld in our supply chain through our participation in the Pharmaceutical Supply Chain Initiative and our Supply Chain Responsibility programs described in the *Manufacturing & Supply Chain* section of this report.

→ READ MORE AT
WWW.PFIZER.COM/RESPONSIBILITY

Litigation

Pfizer has reached an agreement with the Kano State government in Nigeria to settle Kano State’s claims arising from the 1996 Trovan clinical study, which was conducted during Nigeria’s worst meningitis epidemic in history. Under the terms of the settlement, Kano State will dismiss both the civil and criminal Trovan-related cases it filed against the company and various individuals, and Pfizer specifically denies any wrongdoing or liability in connection

with the 1996 study. Also in connection with the settlement, Pfizer has agreed to establish a Healthcare/Meningitis Fund from which study participants can receive financial support and will underwrite several healthcare initiatives chosen by the Kano State government that benefit the people of Kano State. For more information about the settlement reached with the Kano State government see the joint statement from Pfizer and Kano State posted on our web site.

The suits brought by the federal government of Nigeria are still pending but we continue to work towards an amicable resolution of those cases as well. Pfizer has been a partner with the people and governments of Nigeria for more than 50 years and believes that a mutually agreeable resolution of all of the Trovan cases is the best way to continue that relationship and allow Pfizer and the Nigerian governments to focus on what matters—improving healthcare for all Nigerians.

PUBLIC POLICY

Disclosing Grants for Health Care Education

Pfizer offers grants for independent continuing medical education (CME) intended to improve patient health status indicators through the provision of performance improvement strategies that integrate education, systems and quality.

A number of states in the U.S. have passed legislation that requires pharmaceutical companies to report marketing expenditures to the state. Pfizer supports disclosing funding for medical education grants and other support to medical and patient organizations as well as charitable contributions. Our policy is to fund only those CME programs that are administered through organizations that are engaged in

patient care or represent those who deliver patient care. These organizations are in the best position to achieve the highest recognized standards of quality in the medical profession today. We no longer directly support commercial CME organizations.

Finally in May 2008, as part of our effort to be more transparent about our collaborations with outside parties, Pfizer began disclosing all funding in the U.S. for medical education grants and other support to medical and patient organizations working to improve the health of patients.

STAKEHOLDER COMMENTARY

“Pfizer recognizes that listening to investors and stakeholders is a crucial part of good governance, and its staff and directors take the time to do just that.

The company has demonstrated its responsiveness by taking up requests by F&C and others to boost transparency of political contributions, and, more recently, broke new ground by reporting on its contributions to Patient Advocacy Groups. It also strives to produce compensation information that is truly useful to investors. However, the Board of Directors must not assume that dialogue can substitute for action. The Board’s response to two majority votes by investors in 2009 to introduce a so-called “say on pay” and to improve its special meetings provisions will be an important test of Directors’ accountability to the company’s owners.”

ELIZABETH MCGEVERAN

SENIOR VICE PRESIDENT, GOVERNANCE & SUSTAINABLE INVESTMENT, F&C INVESTMENTS

LOOKING FORWARD

Strong governance will continue to be an imperative at Pfizer. As we continue to expand globally and our supply chain becomes more diffuse, it will be important that our policies and support for colleagues be adapted to local needs and challenges around the world. Responsible business conduct lays the foundation for the rest of the company’s business strategies and corporate responsibility efforts, and we will continue our commitment to leadership in governance.



MANUFACTURING & SUPPLY CHAIN

HIGHLIGHTS

Conducted onsite quality audits of close to 400 potential and existing suppliers across the world during 2008.

Assessed the EHS and labor performance of 389 new or existing supplier facilities through onsite inspections during the last five years.

Provided 43 training sessions on improving EHS performance at 25 different facilities which were attended by 530 supplier colleagues throughout 2008.

PGM is establishing a competitive “make or buy” supply network. We expect to increase outsourced manufacturing of products from approximately 17 percent to 30 percent over the next three years. Key considerations for outsourcing decisions include the ability to supply, capacity flexibility, cost competitiveness, and technology, while assuring supply chain integrity/reliability, product quality, and regulatory compliance. Any potential supplier is evaluated on its ability to produce material in a manner that is fully compliant with all regulatory requirements.

Global Contract Manufacturing and Supply Chain Procurement

Global Contract Manufacturing (GCM) is part of PGM, responsible for managing approximately 150 contract manufacturers (CM) around the world. The GCM team is organized geographically with teams based in Brazil, Belgium, Singapore and the U.S. These teams are regarded as “virtual” sites and manage all aspects of CM performance in their respective regions. GCM leads a well-defined vendor selection process that includes due diligence inspections by Quality Operations and Environment, Health and Safety teams, as well as financial and legal evaluations. Negotiations on product supply terms and conditions result in formalized Supply and Quality agreements. Once a CM becomes a supplier to Pfizer, GCM engages in a

Pfizer Global Manufacturing (PGM) supplies products to Pfizer’s businesses. PGM is being transformed into a global strategic supply network, consisting of major plants located in Belgium, France, Germany, Ireland, Japan, Puerto Rico and the U.S. By the end of 2008, we had reduced our internal network of plants over a five-year period from 93 to 46. In 2008, as part of our Plant Network Strategy productivity initiative, eight plants were sold or closed in Canada, Germany, Italy, Sweden, Puerto Rico and the U.S. We plan to continue reducing our internal network of plants worldwide to 41 by 2010. It should be noted that often facilities are divested to other companies with an agreement to supply Pfizer for several years. This allows the acquiring company to develop additional business to make the plant sustainable. We never make these decisions lightly, realizing how difficult they are for our colleagues and their families who are impacted. However, we believe that the cumulative benefit to Pfizer will be a more focused, streamlined and competitive manufacturing operation.

comprehensive oversight process, driven by risk assessments that focus on compliance with quality and environmental standards, product supply, and cost management. As the level of outsourcing increases, GCM is expanding the scope of due diligence and oversight activities with a focus on business continuity and supply chain reliability.

Pfizer’s Worldwide Procurement organization supports our commitment to assure quality and safety in the manufacture of our human and animal health products by engaging only with suppliers who share our high standards for business and personal ethics. Our procurement professionals regularly engage with suppliers to reinforce Pfizer’s expectations in all operational business areas. This collaboration leads to improvement projects with significant performance benefits, such as reduced packaging and transportation costs, and elimination of undesirable chemicals through process improvements.

Operational Excellence

At Pfizer, we highly value our culture of innovation and continuous improvement. We continue to make progress with our Technology and Innovation strategy of reducing costs by \$5 billion over 10 years. Through this process, Pfizer continues to improve manufacturing processes for pharmaceutical active ingredients that not only reduce costs, but are also environmentally friendly, significantly reducing the amounts of organic solvents required.

The application of Lean Six Sigma principles assures that capable and efficient work processes are used to manufacture and deliver consistently high quality products to our customers. Pfizer has trained over 95 percent of colleagues worldwide in basic problem solving, which has resulted in over 8,000 improvement projects across the world in the last five years. Significant improvements to our key products have delivered a 40 percent reduction in both the time to make and ship the product as well as allowing a reduction in inventory.

Quality Operations

As a large global company, Pfizer manufactures products in many countries and markets them in over 150 countries. Our plants are routinely inspected by many regulatory agencies for conformance with regulations. In 2008, we hosted more than 75 regulatory inspections and have not received a single critical observation. With regards to global suppliers of raw materials and products, we conducted onsite quality audits of close to 400 potential and existing suppliers across the world during 2008. Suppliers who do not meet Pfizer’s quality requirements are not permitted to enter or remain in the supply chain until they are able to fulfill the requirements. In limited cases, Pfizer has located experienced quality professionals onsite who provide day-to-day support for a set period of time.

Pfizer uses innovative technology to protect the supply chain. The use of sophisticated analytical and tracking tools has been critical in identifying not only counterfeit products but also their sources. Pfizer works closely with government agencies to remove counterfeits from the supply chain thus benefiting the patient population. For more information on preventing counterfeiting, please see the *Patient Safety* section of this report.

Assessment and Improvement of EHS and Labor Practices at Key Suppliers

Pfizer is committed to using suppliers that demonstrate acceptable performance in both EHS and labor practices. Assessments help Pfizer manage business continuity, liability and reputation risks, while ensuring supply decisions align with company values. EHS and labor assessments are conducted for all new suppliers that meet certain criteria. Repeat evaluations are conducted periodically once a supply agreement is implemented. Pfizer’s onsite assessment of EHS and labor practices focuses on suppliers providing materials and services specific to the pharmaceutical industry, notably research and development, production of active pharmaceutical ingredients

and finished-dosage-form medicinal products. To safeguard against potential business interruption, we have included key outsourced logistics centers into the assessment program. Currently, suppliers who provide basic commodity raw materials and services are not within the scope of the assessment program. Based on our interactions with our peer companies, we believe that ours is among the most comprehensive and sophisticated programs of its type in the research-based pharmaceutical industry.

Pfizer is a signatory to the Pharmaceutical Supply Chain Initiative, also known as PSCI—a group of pharmaceutical companies who share the goal of helping their suppliers to achieve better environmental, health and safety performance while improving labor standards. Pfizer expects its key suppliers to implement PSCI’s Pharmaceutical Industry Principles for Responsible Supply Chain Management, which are available at www.pharmaceuticalsupplychain.org.

The need to complete an onsite assessment is driven by several factors and includes location, type and scale of manufacturing, product hazard characteristics, and supply criticality. Suppliers are assessed against Pfizer’s EHS and Labor “Supplier Expectations” which are based on Pfizer’s internal standards. Suppliers are assessed as either acceptable, requiring improvement or significantly below expected standards.

During 2008 a total of 97 onsite assessments of supplier facilities were completed with a further 18 visits to closely monitor performance and verify closure of improvement items.

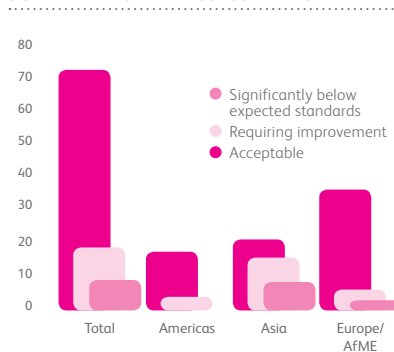
During the last five years of the assessment program more than 400 new or existing supplier facilities have been reviewed through onsite inspection. Of those facilities, 41 were identified as requiring improvement with 32 falling significantly below expected standards. At the end of 2008, Pfizer had supply relationships with 20 facilities that require improvement and a further six that are significantly below expected standards. Facilities requiring improvement are visited frequently to monitor corrective action plans and, depending on risks identified, are also a focus of Pfizer’s coaching and capacity building programs. Efforts to improve facilities falling significantly below standards are also completed, as well as development of exit strategies to alternate suppliers. In 2008, a total of eight facilities improved their rating from requiring improvement to acceptable; however, two facilities unfortunately saw a rating drop from “requiring improvement” to “falling significantly below expected standards.”

Pfizer has been notified or made aware of EHS incidents within the supply chain. In the majority of cases, Pfizer reviews incident investigations to understand root causes and corrective actions. Where possible, Pfizer EHS colleagues visit the supplier facilities for an onsite evaluation to verify investigations and to provide guidance when needed (this was not always possible for significant events where regulator restrictions took priority).

Coaching and Training Our Suppliers

Pfizer allocates resources to helping suppliers improve EHS performance and began providing training on a formal basis in 2006 to key suppliers in China and expanded in 2007 to cover India. In 2008, training focused again in India and China; however, coaching was also provided to suppliers in Latin America and Europe. A total of 43 training sessions were completed at 25 different facilities and attended by 530 supplier colleagues throughout the year. In India and China, training was delivered at supplier facilities and focused on process safety and industrial hygiene.

SUPPLIER FACILITY ASSESSMENTS



Feedback from suppliers regarding Pfizer's training programs has been excellent and has improved over time. The actual benefit of the training in the longer term is improved performance resulting in safer working conditions for employees and less risk for Pfizer. After three years of coaching in specific technical areas in China and India, we are now seeing better supplier performance through improved knowledge, management systems and capital investment. Unfortunately this has not been seen in all companies that attended the training, with two demonstrating a decrease in performance. Additional steps are being developed for these suppliers.

Increasing Supplier Diversity

The objective of our Supplier Diversity program is to build a supplier base that reflects the changing demographics of the consumer marketplace while helping Pfizer increase market share and shareholder value. In order to do this, we have implemented the following four-part strategy:

- Create opportunities through our sourcing process to increase our spending with minority and women-owned businesses.
- Align with advocacy organizations, such as the National Minority Supplier Development Council and the Women's Business Enterprise National Council (WBENC).
- Launch Supplier Diversity programs globally, starting in the U.K., Canada and South Africa.

Pfizer has been named a Top Corporation for Women-Owned Businesses by the WBENC, which marks the fifth consecutive year that Pfizer has won this prestigious award.

STAKEHOLDER COMMENTARY

“Corporate responsibility at Pfizer must be the work of every department on every day, and is what has attracted Aurobindo most as being one of the latest entrants into the Pfizer family of stakeholders.

Pfizer has not only selected us as one of the stakeholders this year, but really proved it to us by collaborating and working with our teams in supply chain. Pfizer performed an audit to determine supply chain capability, and diagnosed certain deficiencies giving us 2.5 points on a scale of 4 and suggested Advanced Planning Scheduling (APS) and Vendor Management Interface. These inputs have been taken very positively by Aurobindo and are now reaping benefits. With the implementation of the above inputs, we should be moving to a 3+ on a scale of 4. Aurobindo is keen to understand “technology and innovation strategy” for manufacturing facilities to reduce costs. Right first time strategy, green purchasing and responsible contracting are the strategies equally innovative. We will certainly look at Pfizer results in the months to come to learn and adopt wherever we can!”

MR. RAMAPRASAD REDDY
CHAIRMAN, AUROBINDO

LOOKING FORWARD

Pfizer is continuously evaluating opportunities for improving management and oversight of the supply chain. Pfizer has commissioned a panel of external experts to evaluate Quality and EHS systems for managing outsourced manufacturing operations. The objective of the panel is to assure that Pfizer has strong controls allowing continued development and maintenance of relationships with third party suppliers capable of consistently delivering acceptable product quality and appropriately managing environmental, health and safety performance. Pfizer will adjust systems and controls as necessary following the expert panel recommendations which are expected later in 2009.



COLLEAGUES & COMMUNITY

HIGHLIGHTS

Created a Global Women's Council, which is composed of both senior-level women and men from around the world who share the goal of speeding progress toward Pfizer being an employer of choice for women.

Contributed more than \$107 million to nonprofit organizations across the United States and Puerto Rico through the Pfizer Foundation's Employee Giving Programs in 2007 and 2008.

Honored by China Red Cross for our humanitarian response to the earthquake that struck Sichuan province on May 12, 2008. Pfizer donated more than 1,800 volunteer hours and contributed \$1.5 million in medicines and financial support to earthquake relief efforts.

We work toward this vision every day through a variety of programs. We have undertaken a number of initiatives to improve employee engagement, recognizing that engaged employees are not only better for our business but also derive more satisfaction from their work. Pfizer also recognizes the fundamental value of diversity and inclusion to our ability to innovate, and we have made a commitment to be a leader in this space. We also believe in the importance of supporting the communities in which we operate and have developed numerous initiatives at our sites around the world to respond to disasters, promote education and health, and increase employee volunteerism.

Colleague Engagement

Over the past few years, in the face of a rapidly changing business environment, Pfizer has strengthened its focus on employee engagement as a lever for business success. We understand that in order to instill a culture of innovation and continuous improvement, we must enable and empower our colleagues

At Pfizer, we recognize that our employees are the key to our success. Without the scientists, engineers, sales and marketing team, and many, many other Pfizer colleagues, our medicines could never be developed and distributed to our customers. We recognize that we can only succeed in implementing our ambitious business strategies if we make Pfizer a great place to work for our colleagues by creating a culture of opportunity, accountability and inclusion.

to continuously seek opportunities for progress. We believe that employee engagement launches a virtuous cycle of better performance (including productivity, profitability, retention and safety) leading to even higher levels of engagement.

Enabling and empowering colleagues begins by ensuring that they are informed on how the business is developing and how problems are being met and overcome. We have also created many avenues to increase communications throughout the organization. For example, company-wide Town Halls, which follow each quarterly report on our financial performance, provide an opportunity to explain how business strategies are being implemented and to detail how investors are responding to Pfizer's financial reporting. Conducted by webcast, these meetings also provide a forum for answering questions directly from colleagues around the world.

Through the Colleague Advisory Committee, a group of 15 colleagues from various global geographies and business disciplines, meet every few months with our CEO Jeff Kindler and other members of the Executive Leadership Team to discuss aspects of Pfizer's business. While the challenges and opportunities discussed vary from meeting to meeting, the key continuing link is the desire to mold our company's culture into one where leadership can be exhibited by every colleague, at every level. This is an important vehicle for the executive leadership team to get direct input from colleagues who are deep in the business or field. There is great dialogue with instant feedback and reaction from the CEO, where colleagues' voices are heard and respected.

Pfizer has also moved to put metrics behind its drive for greater employee engagement and inclusiveness. Two global employee surveys, managed through The Gallup Organization and designed to

measure both engagement and inclusion, have revealed significant strides at Pfizer between 2007 and 2008. In addition to the critical work our managers and colleagues are doing to improve the team climate—an aspect of pivotal importance to enabling and empowering our organization—the responses to these surveys have led to the implementation of innovative initiatives as integrated competencies for senior leaders, managers and colleagues, an innovation platform for idea generation and development and a new colleague-driven forum for networking.

Diversity & Inclusion

Studies have demonstrated that when diverse viewpoints are considered, better business decisions are made. Pfizer prizes diversity, not only in visible characteristics such as gender, age and ethnicity, but also in underlying characteristics such as thinking styles, life experiences and sexual orientation. However, having a diverse colleague population is not enough to ensure better business decisions. It also takes a commitment to inclusion, where all people feel valued, involved, supported and respected, and where ideas from all sources are given a fair hearing through the decision making processes of the enterprise.

Since our last report, Pfizer has developed an integrated diversity and inclusion (D&I) strategy that encompasses colleagues, customers, suppliers and the communities where Pfizer people work and live. The overarching D&I strategy—which is driven through each of Pfizer's business units and is the responsibility of each senior business leader—includes a global women's strategy, a multicultural strategy, and a strategy to build upon colleague resource groups, such as the Latino Network in the United States.

GOVERNANCE

To ensure that the enterprise D&I strategy is executed, Pfizer has also taken these steps:

- Named a Chief Diversity Officer, and placed her on Pfizer’s Senior Management Team, and expanded investment into the operation under her direct span of control as well as into the “community of practice” encompassing all those responsible for diversity and inclusion in Pfizer’s divisions.
- Created the D&I Worldwide Leadership Committee, headed by Pfizer’s president of Worldwide Pharmaceutical Operations. This committee is composed of 25 senior leaders, including six members of the Executive Leadership Team, and provides high-level strategy guidance and accountability for Pfizer’s D&I strategy. This committee meets regularly to identify barriers to achieving Pfizer’s D&I goals and to take action to overcome those barriers. This committee also reports to the CEO and the remainder of the ELT on Pfizer’s D&I progress and areas of opportunity.
- Launched a comprehensive program with the Emerging Markets Business Unit to make colleagues aware of unconscious bias and to embed all elements of the global women’s strategy into the mainstream of business for Pfizer’s operations in the developing world.

MEASURING PROGRESS

For a major global company such as Pfizer, tracking D&I statistics is complex as local laws (including data privacy laws) often limit what information can or should be collected and what “categories” or defined groups may be included in such tracking or statistical data. Gender is the only defining characteristic that can be assessed and reported on globally. We are making progress advancing women in our worldwide workforce and people of color in the U.S. into senior management positions.

- Pfizer’s Executive Leadership Team, the 10-person decision making body at Pfizer’s summit, includes four women, one of whom is African-American. Three of these leaders have been named to the ELT since the beginning of 2008.
- Pfizer’s Senior Leadership Team, the company’s penultimate decision making body, is composed of 118 senior leaders from around the world. Some 30 percent of these leaders are women.

- Women now comprise 42.6 percent of Pfizer’s global workforce. In the U.S., 45.3 percent of the workforce is composed of women.
- In Pfizer’s U.S. workforce, 7.2 percent of colleagues are African-American, 4.3 percent are Latino and 9.9 percent are Asian.

RECENT AWARDS

- For the fifth consecutive year, in 2009, Pfizer achieved the top “100 percent Rating” from the Human Rights Council for the company’s policies and practices concerning lesbian, gay, bisexual and trans-gendered employees.
- In 2009, Pfizer was selected by the National Association of Female Executives to be on its annual list of “Top Companies for Executive Women.”

Employee Wellness

The health of our colleagues is critical to the productivity and success of Pfizer and in many ways is our frontline opportunity to meet our mission of “working together for a healthier world.” We provide employees with access to Healthy Pfizer, an innovative program that includes health risk assessment tools, personalized health improvement management, and coaching programs, as well as a customized health resource Web site and a 24-7 nurse line. Nutrition and fitness are also part of Healthy Pfizer.

On November 20, 2008, in honor of the Great American Smokeout, Healthy Pfizer announced our new, company-wide Global Tobacco-Free Policy. To help colleagues transition to this new policy, we added a new online and telephonic support system to supplement our already robust smoking cessation program and we distributed a comprehensive list of smoking cessation resources to all colleagues.

WORK-LIFE PROGRAMS

Work-life programs are an important element of employee wellness. In fall of 2008, marking 10 years on the *Working Mother* 100 Best Companies list, Pfizer initiated a communications campaign to promote the programs and policies that make Pfizer a leading place to work and profile colleagues who have benefited from work-life programs. For example, Pfizer’s parental leave policy has been increased to provide an additional six weeks of paid leave for colleagues in the United States and Puerto Rico.

HIV/AIDS WORKPLACE POLICY

As a global health care company, Pfizer is committed to the development of policies and the implementation of programs at its global workplace sites on HIV/AIDS nondiscrimination, awareness, prevention and health support.

→ READ MORE AT
WWW.PFIZER.COM/RESPONSIBILITY

DOWNSIZING

During 2008, Pfizer continued the streamlining process known as Adapting to Scale which was launched in response to the unprecedented growth in staff that we experienced following two major acquisitions in the early 2000s. At a time when the health care industry was undergoing tremendous changes, and many of Pfizer’s most profitable medicines were going off-patent, this streamlining has provided Pfizer with the agility to compete during uncertain times. One measure of the success of this approach is that, despite the economic turmoil experienced by so many companies this past year, Pfizer’s financial situation has remained strong.

Through the *Adapting to Scale* initiative, a number of colleagues have been separated from employment with the company. Pfizer takes great care to develop selection criteria and processes for identifying colleagues for displacement. The selection criteria typically include business needs, skills and capabilities, and performance. To ensure the appropriate outcome is reached, multiple stakeholders, both internal and external to Pfizer, are asked to carefully review the processes. Those employees who have lost jobs as part of Adapting to Scale receive severance packages that include paid continuation of medical benefits and assistance in searching for jobs or returning to school.

As we look ahead to the proposed Wyeth acquisition, we will continue to explore methods for increasing the ease of transition for our colleagues. While some of our specific programs may change as we come to better understand the scope of redundancies and the need for reductions in our joint workforce, we are committed to providing continued support that sustains our colleagues’ ability to meet their basic needs and provides access to resources that will help them find new opportunities. We have set a goal that each departing employee will take advantage of at least one of the transition opportunities we provide and we will undertake the communications and staffing needs necessary to meet that goal.

Pandemic Preparedness Program

The Pfizer Worldwide Pandemic Preparedness Program is designed to ensure that we have an overarching strategy in place across the global enterprise to ensure continued delivery of our critical products and processes. Our business continuity professionals have developed policies, and awareness programs, and have implemented contingency plans that will allow Pfizer to continue operating in the event of a local or global pandemic disease outbreak.

Community Initiatives

Pfizer currently operates in over 100 countries worldwide. These communities are our foundation: they are where our employees and their families live and work and they are where the patients who take our medicines live. We believe that it is vital to support these communities through partnerships and by enabling our colleagues to engage through volunteer efforts.

EARTHQUAKE RELIEF EFFORTS IN CHINA

Following the devastating earthquake that struck the province of Sichuan on May 12, 2008, claiming 70,000 lives and leaving millions of people homeless, Pfizer's locally based colleagues facilitated the establishment of the Colleague Response Team and created and assumed leadership of a 24-hour hotline to communicate with employees to check on their condition. Pfizer also provided \$1.5 million in medicines and financial assistance and encouraged colleagues to volunteer their time to assist in relief efforts. By late July 2008, 175 colleagues had donated more than 1,800 volunteer hours.

PFIZER U.K. PARTNERSHIP

Pfizer U.K. has donated tens of thousands of packs of medicine to people living in extreme poverty or suffering from the effects of natural disasters, as part of a partnership with International Health Partners (IHP), a U.K.-based charitable organization that aims to provide free medical aid to the world's neediest people. The partnership has provided more than \$12 million worth of medicines at wholesale prices, which is the equivalent of 500,000 treatments, to countries that include Ethiopia, Liberia, Myanmar, Nepal, North Korea and Uganda.

FIGHT AGAINST CHOLERA IN ZIMBABWE

Pfizer recently made a grant of \$50,000 to support relief efforts under way by the United Nations Children's Fund (UNICEF) to support efforts to combat cholera in Zimbabwe. Cholera, a potentially fatal intestinal infection that spreads through untreated sewage and contaminated drinking water, is quickly spreading in Zimbabwe. Pfizer's grant to the U.S. Fund for UNICEF provides aid to UNICEF's

120-day emergency response plan that delivers 95,000 gallons of safe water each day. The program has also set up 70 therapeutic feeding centers to treat 9,000 malnourished children, and supported garbage collection efforts in affected areas.

→ READ MORE AT
WWW.PFIZER.COM/RESPONSIBILITY

STAKEHOLDER COMMENTARY

“Every few months, the Colleague Advisory Committee (CAC) meets with our CEO, Jeff Kindler.

The fact that Jeff, in establishing the CAC, has taken such an open approach to communicating with colleagues, is evidence of the dramatic transformations taking place within Pfizer. The open and candid nature of our discussions has given me a great sense of optimism about the future direction of Pfizer, and a strong platform from which to share that optimism with my colleagues throughout our company.”

GREGORY JONES

SENIOR THERAPEUTIC SPECIALTY CONSULTANT
DSR-HOUSTON WEST DISTRICT PFIZER INC

LOOKING FORWARD

When looking ahead, we continue to envision an organization that is supported by and supports colleagues who are highly engaged and enabled to seek opportunities, create progress, and contribute to our company's mission of “working together for a healthier world.” Pfizer will continue our efforts to manage colleagues' transitions responsibly, and we remain committed to creating a culture that supports our colleagues' best efforts at work and to providing resources that support their health and wellness.