



MANUFACTURING AND SUPPLY CHAIN

Most of our customers never see the scientific resources behind our treatments, vaccines and nutritionals. But customers see, every day, the performance of our global supply network.

We strive to ensure that all Pfizer products—the more than 3,000 formulations of our prescription-only, consumer healthcare, animal health products and nutritionals offered in more than 175 markets—are produced to the highest standards, in compliance with all applicable regulations, and are always available when needed.

Our global supply network is complex. We currently operate more than 75 manufacturing sites around the world and have a distribution network of about 175 sites serving our major markets. Nearly 200 transportation providers move essential products from factory to pharmacy or retailer. To complement our internal manufacturing, we work with a network of more than 1,000 external partners to help us produce active ingredients, secure packaging and entire lines of our medicines. We hold all manufacturing and supply partners to our high standards of excellence and invest heavily in the people, processes and technology to assure the quality people expect when they select a Pfizer medicine.

Quality is a 24/7 job that begins with “building-in” quality in each of our processes and extends to investing heavily in training, assuring that there are both standard operating procedures and redundant systems in place, and nurturing a culture of quality that takes root throughout the supply network. We fully understand and support the roles of regulators in making certain that quality products are emerging from our factories, and are proud that our facilities and those of our network partners went through nearly 200 “Good Manufacturing Practice” inspections in 2010 without a critical finding.

We select partners based on a number of factors, including their abilities to provide what we need at a competitive price, but price is never the overwhelming factor in supplier selection. When we need to, we work with suppliers to make sure that the systems and standards are of “Pfizer Oval” quality and have our own rigorous systems of quality assurance, including inspections and audits that apply to both Pfizer-owned facilities and other facilities in our supply network. One distinguishing factor of our supply network is our insistence that quality systems include direct oversight of the “chain of custody” of suppliers. We also have a dedicated quality assurance unit, located in our major markets, and staffed by experienced professionals who speak the local language, understand the local business environment and closely follow the operating practices of our suppliers. Our oversight of quality extends to the evaluation of process changes, deviations and trends, and onsite reviews during production to

2010 Highlights



1

In 2010 there were 183 “Good Manufacturing Practice” inspections of Pfizer manufacturing facilities by regulatory authorities, with no critical findings.



2

Pfizer’s Global Logistics and Supply team managed the steady supply of more than 35,000 SKUs (stock-keeping units, the term for a distinct product) in more than 175 markets around the world.



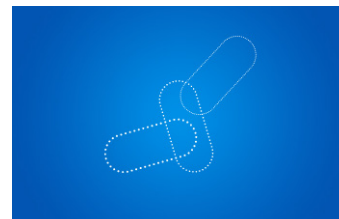
ensure that all standards, including those for employee health, wellness and safety, as well as standards for environmental protection, are rigorously maintained.

We believe that providing fast, flexible and innovative supply solutions is entirely compatible with demanding high standards for quality, safety and environmental protection. As we provide a continuous supply of new and newly acquired products, we fully expect our supply network to continue doing what it has always done—deliver quality products at competitive prices, and make sure that what we offer is always in stock, wherever in the world it is needed.

Environment, Health and Safety Within the Supply Chain

We are committed to using suppliers that demonstrate strong performance in the management of environment, health and safety risks. During 2010 we completed onsite evaluations of 143 external supply facilities. Through these assessments we avoided new supply relationships with several companies that demonstrate unacceptable environment, health and safety performance. Our focus for current suppliers that demonstrate elevated risk is to help them improve their performance in a timely manner. To do this, we conducted 33 focused training sessions globally, and coached our suppliers to make a number of significant upgrades to management systems and facilities. This is a continuous process, requiring robust management of the environment, health and safety performance of key suppliers in order to keep pace with our business needs.

We are also an active supporter of collaborative industry efforts to improve performance in supply chain management. We participate in the Pharmaceutical Supply Chain Initiative where, along with other leading research-based pharmaceutical companies, we look for synergistic opportunities to help suppliers achieve better environment, health, safety and labor performance.



3

In 2010 Pfizer created an industry-leading, cross-company Supply Chain Security group to coordinate across Pfizer (and with regulatory and law enforcement authorities) to prevent and detect counterfeiting, diversion, theft or adulteration of Pfizer products.