

**American Home Products
Corporation**

**2000 Environmental
and Safety Report**



Executive Offices

American Home Products Corporation
Five Giralda Farms
Madison, NJ 07940
(973) 660-5000

Stock Trading Information

American Home Products stock is listed on the New York Stock Exchange (ticker symbol: AHP).

Equal Employment Opportunity

Our established affirmative action and equal employment programs demonstrate our long-standing commitment to provide job and promotional opportunities for all qualified persons regardless of age, color, disability, national origin, race, religion, sex, sexual orientation, status as a Vietnam-era veteran or a special disabled veteran, or any military uniformed services obligation.

Policy on Health, Safety and Environmental Protection

A copy of the Company's Policy on Health, Safety and Environmental Protection is displayed on page 8 of this report and also may be obtained upon written request to:

American Home Products Corporation
Department of Environment and Safety
Five Giralda Farms
Madison, NJ 07940

AHP on the Web

<http://www.ahp.com>

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AHP's 2000 Environmental and Safety Report has been organized in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, dated June 2000. The GRI was established in late 1997 with the mission of developing voluntary, globally applicable guidelines for reporting on economic, environmental and social performance. The scope of this report is limited to environmental and safety performance. Convened by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP), the GRI incorporates the active participation of corporations, non-governmental organizations, accountancy organizations, business associations and other stakeholders from around the world.

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introductory statements



Chairman's Message

We are pleased to provide American Home Products' first environmental and safety (E&S) report.

As one of the world's largest research-based pharmaceutical and health care products companies, AHP is committed to implementing innovative solutions to global health care issues. There is a crucial link between our core business focus on health care and our long-standing commitment to protect the health and safety of our employees, customers, the public and the environment. Our recently updated Policy on Health, Safety and Environmental Protection sets forth our vision for integrating our business objectives with our responsibilities as a good corporate citizen.

We have invested significant resources to enhance our E&S performance, yielding positive results. We are on the right track, and I am especially proud of our initiatives in pollution prevention, energy and water conservation, and safety performance. These initiatives, along with our other E&S programs, have resulted in increased recycling of wastes, reduced water usage, toxic chemical release reductions and reduced safety-related incidents.

Responsibility for implementing the Corporation's E&S policy and programs falls upon three groups of people within AHP. Management must provide the necessary resources and leadership, while E&S professionals must contribute technical knowledge and experience. However, it is our 47,000 employees – operating in more than 100 countries – who make our performance improvements possible. I am proud of the progress we have made and look to continuous improvement in the future. On behalf of the Board of Directors and senior management at AHP, I want to thank our employees for their contributions and encourage their continued support of our environmental and safety programs.

A handwritten signature in black ink that reads "John R. Stafford".

John R. Stafford
Chairman and Chief Executive Officer



Vice President's Message

This is an exciting time at American Home Products as we embark on a new communication initiative through this environmental and safety report. As shown on the following pages, AHP has programs in place to effectively manage our environmental and safety issues and to reduce the environmental and safety impacts from our operations. I am pleased to present our accomplishments to date and our vision for the future.

We have been successful in addressing and proactively managing the myriad of E&S issues confronting AHP. Our E&S programs range from the development of our corporate E&S policy and guidelines to the assessments of our active facilities and the management of our ongoing environmental cleanups. We have programs to reduce workplace accidents and exposures to hazardous chemicals and to minimize energy use, water consumption and waste generation. We have developed forums for our E&S professionals to meet and share their expertise in addressing these issues. Meeting these challenges is – simply put – the right way for us to do business. From the boardroom to the loading dock, AHP is committed to responsible environmental and safety management.

Highlights of this report include our recently updated Policy on Health, Safety and Environmental Protection; a description of the Corporation's programs, management systems and global E&S guidelines; and the results of our performance measurements. A copy of this report will be available on our Web site at www.ahp.com before the end of the year.

We have designed our 2000 Environmental and Safety Report to meet the needs of many interested parties, including employees, shareholders, customers, suppliers and members of the communities in which we operate. It is our hope that you will find the information useful and instructive. In the spirit of continuous improvement, I encourage you to participate by completing the reply card provided within this report.

A handwritten signature in black ink that reads 'Steven A. Tasher'. The signature is written in a fluid, cursive style.

Steven A. Tasher

Vice President, Environmental Affairs and Associate General Counsel

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company profile

American Home Products is a premier, global health care products company with worldwide sales of \$13.6 billion in 1999. We are a world leader in research and development (R&D) investment, having spent approximately \$1.7 billion in overall R&D in 1999. We are a leader in the discovery, development, manufacturing and marketing of prescription pharmaceuticals. We also are among the top companies in sales of non-prescription medications worldwide. We are a leader in vitamin sales in the United States, and we hold strong market positions in generic pharmaceuticals and in the global animal health care market. We operate more than 160 facilities, located in more than 100 countries worldwide, and employ 47,000 people.

American Home Products is a family of three major companies: Wyeth-Ayerst Pharmaceuticals, Whitehall-Robins Healthcare and Fort Dodge Animal Health, which are described below. AHP also owns Scientific Protein Laboratories, a manufacturer of specialty pharmaceutical ingredients.

Wyeth-Ayerst Pharmaceuticals is a research-oriented enterprise serving the health needs of people globally. Wyeth-Ayerst has a long history of pioneering developments in pharmaceuticals and is a leader in the areas of women's health, cardiovascular disease therapies, central nervous system drugs, anti-inflammatory agents, infectious diseases, hemophilia, oncology, vaccines and generic pharmaceuticals.

Whitehall-Robins Healthcare is a leader in the research, development, manufacturing and marketing of a broad range of consumer health care products. Its products include *Advil*, *Robitussin*, *Centrum*, *Chap Stick* and the *Solgar* brand of all-natural vitamin and herbal products.

Fort Dodge Animal Health is a major manufacturer and distributor of prescription and over-the-counter animal health care products for livestock, companion animals, swine and poultry.



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executive summary and key indicators

At American Home Products, we are proud of our environmental and safety accomplishments. We have put significant resources into improving our E&S performance and have achieved notable results. In the spirit of continuous improvement, we remain committed to further improving our environmental and safety performance. Some of the highlights of American Home Products' environmental and safety successes are listed below. For a more detailed discussion of our E&S performance, see Section Six of this report.

Safety. Seventy-nine percent reduction in both lost time incident case rate and in total incident case rate from 1991 to 1999 throughout the Corporation. Our safety performance places us among the top tier of global pharmaceutical companies.

Water Usage. Fifty-three percent decrease in water usage at our U.S. facilities, equal to 12 billion liters saved annually, from 1994 to 1999.

SARA 313. Forty-four percent reduction in reportable releases under SARA (chemicals and groups of chemicals specifically designated by the U.S. Environmental Protection Agency) from 1994 to 1999. Thirty-two percent decrease in SARA releases and off-site transfers combined from 1994 to 1999.

Solid Waste. Sixty-one percent decrease from 1994 to 1999 in the amount of solid waste disposed by our U.S. facilities through our recycling and pollution prevention efforts. Eighty-three percent increase in the rate of solid waste reuse or recycling at our U.S. facilities, from 41 percent in 1994 to 75 percent in 1999. Five percent increase in the rate of solid waste reuse or recycling at our non-U.S. facilities, from 42 percent in 1998 to 44 percent in 1999.

Hazardous Waste. Three percent decrease in the total amount of hazardous waste generated at our U.S. facilities from 1994 to 1999, accompanied by a five-fold increase in the percentage of hazardous waste reused or recycled from those sites over the same time period. Twenty-two percent reduction from 1998 to 1999 in the total amount of hazardous waste generated at our non-U.S. facilities.

The table on the following page details the key indicator data that we have collected over the past nine years.

AHP presents environmental data both as absolute values and normalized by sales. We normalize in order to account for the acquisition and divestiture of operating facilities and to account for changes in production. Normalizing our environmental data to sales is a proxy for normalizing the data to our production. Unless stated otherwise, references to data throughout the report are in absolute terms.

Safety	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total Change
Lost Time Incident Rate	5.4	4.4	3.8	1.6	1.4	1.0	1.1	1.0	1.1	-79%
Total Incident Case Rate	9.9	8.6	7.1	3.3	2.7	2.1	2.2	1.6	2.1	-79%

	1994	1995	1996	1997	1998	1999	Total Change
Energy Use							
Total Energy Use (million gigajoules)	-	-	-	4,772	5,107	4,979	+ 4%
Total Energy Use (million joules/thousand \$)	-	-	-	336	379	367	+ 9%
Water Use							
U.S. (million L)	22,137	19,429	16,467	11,688	10,374	10,504	- 53%
U.S. (million L/billion \$)	3,747	2,505	1,980	1,412	1,308	1,327	- 65%
Non-U.S. (million L)	-	-	-	-	4,989	4,964	- 1%
Non-U.S. (million L/billion \$)	-	-	-	-	902	881	- 2%
Solid Waste							
U.S. Disposed (million kg)	45.6	41.3	28.1	23.0	24.0	17.6	- 61%
U.S. Disposed (million kg/billion \$)	7.7	5.3	3.4	2.8	3.0	2.2	- 71%
U.S. Reused or Recycled (million kg)	31.4	31.9	25.6	30.7	43.0	52.6	+ 67%
U.S. Reused or Recycled (million kg/billion \$)	5.32	4.12	3.07	3.71	5.42	6.64	+ 25%
Non-U.S. Disposed (million kg)	-	-	-	-	8.58	8.65	+ 1%
Non-U.S. Disposed (million kg/billion \$)	-	-	-	-	1.55	1.53	- 1%
Non-U.S. Reused or Recycled (million kg)	-	-	-	-	6.26	6.87	+ 10%
Non-U.S. Reused or Recycled (million kg/billion \$)	-	-	-	-	1.13	1.22	+ 8%
Hazardous Waste							
U.S. Generation (million kg)	172	186	193	193	185	167	- 3%
U.S. Generation (million kg/billion \$)	29.1	24.0	23.2	23.3	23.3	21.1	- 28%
U.S. Reused or Recycled (million kg)	2.9	8.9	12.1	10.0	12.1	15.2	+ 418%
U.S. Reused or Recycled (million kg/billion \$)	0.5	1.2	1.4	1.2	1.5	1.9	+ 287%
Non-U.S. Generation (million kg)	-	-	-	-	34.6	27.0	- 22%
Non-U.S. Generation (million kg/billion \$)	-	-	-	-	6.3	4.8	- 23%
Non-U.S. Reused or Recycled (million kg)	-	-	-	-	9.0	1.3	- 86%
Non-U.S. Reused or Recycled (million kg/billion \$)	-	-	-	-	1.6	0.2	- 86%
SARA							
Chemicals Used (million kg)	75.8	121.4	99.4	102.9	102.3	92.8	+ 22%
Chemicals Used (million kg/billion \$)	12.8	15.6	12.0	12.4	12.9	11.7	- 9%
Releases (million kg)	0.5	0.6	0.5	0.3	0.2	0.3	- 44%
Releases (million kg/billion \$)	0.09	0.08	0.06	0.04	0.02	0.04	- 58%
Releases and Transfers (million kg)	2.32	2.61	2.09	1.65	1.98	1.57	- 32%
Releases and Transfers (million kg/billion \$)	0.39	0.34	0.25	0.20	0.25	0.20	- 50%

Dashes indicate years in which no data were gathered.

Report Coverage. This report covers manufacturing, research and development, and distribution operations; administrative offices also are included in the safety data. The data describe company-wide activities from 1994 through 1999, with the following exceptions: Safety data are reported from 1991, when we began compiling company-wide safety data; and environmental performance data for non-U.S. facilities are reported beginning in 1998. Each year's data reflect a "snapshot" of the Corporation in that year.

Basis for Conversion of Metrics

We used the following factors for converting from non-metric to metric units:

- 1 British thermal unit = 1,054 joules
- 1 gallon = 3.78 liters (L)
- 1 pound = 0.454 kilograms (kg)
- 2,200 pounds = 1,000 kilograms or 1 metric ton

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vision

American Home Products' vision for the future is clear: As we move forward in this new century, we will continue to strengthen our commitment to discovering new and valuable therapies for complex diseases and devising innovative solutions to global health care issues.

There is a strong connection between our core business values and our environmental and safety strategy. Both are grounded in a commitment to make this world a better place.

As we set our future course, we strive to minimize the impacts of our operations on the environment, to conserve energy and natural resources, and to provide a safe and healthy workplace throughout our businesses. We will work to develop new products and processes that have minimal impact on the environment and that are inherently safe, and we will operate our facilities in a manner harmonious with the local community. We will continue to manage our environmental cleanups effectively. And we will understand and consider the viewpoints of our stakeholders in the development of environmental and safety policy and guidelines.

As stated in our Policy on Health, Safety and Environmental Protection, we will conduct business responsibly.

The definition of good corporate citizenship continues to evolve, and AHP has the systems and the leadership in place to meet the growing expectations for our performance. We are proud of our successes, which are reflected in our being recognized for the third consecutive year by *Working Mother* magazine as one of the "100 Best Companies for Working Mothers" and in the E&S awards received by our facilities.

This report provides a detailed summary of our past performance in environmental protection and workplace safety. Thanks to the dedication and hard work of our employees, we have a solid foundation of accomplishments on which to build, and we are confident that we can meet the challenges that lie ahead.

This 2000 Environmental and Safety Report represents an important step in our ongoing efforts to expand the scope and effectiveness of our programs, and we are committed to continuing this dialogue with our stakeholders. Please contact us using the enclosed reply card with your feedback and suggestions on this report or on any aspect of our E&S program.

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policies, organization and management system



AHP headquarters in Madison, New Jersey

At AHP, we have established strong management systems to meet the challenges of preserving a safe workplace and protecting the environment while continuing to improve our business performance. This section of the report describes the framework we have in place to guide our environmental and safety efforts.

Environmental and Safety Policy

More than a decade ago, American Home Products published its first Policy on Health, Safety and Environmental Protection. Our policy built upon the Corporation's long-standing commitment to protect the health and safety of employees, customers, consumers, the public and the environment and reflected our values as a good corporate citizen. The policy outlined in broad terms our commitment to safety and environmental protection.

In May 2000, the Corporation approved an updated version of the policy. The policy was modified in order to re-emphasize our continuing commitment to reduce the environmental and safety impacts from AHP's operations and to reflect our philosophy of continuous improvement. The policy also incorporates language that is consistent with ISO 14001, an internationally recognized environmental management standard. Although management, in particular, has responsibilities for meeting the goals and objectives set forth in our policy, it is the contributions and commitment of all employees that make this policy a reality.

Policy On Health, Safety and Environmental Protection

It is the policy of American Home Products Corporation, its divisions and subsidiaries to conduct business responsibly and in a manner designed to protect the health and safety of our employees, customers, the public and the environment. As a good corporate citizen, we must be conscious of the effects of our operations on the environment. We will therefore continually evaluate and assess our products and processes in order to reduce adverse environmental and safety impacts.

American Home Products Corporation is committed to providing a safe and healthy workplace for our employees, contractors, visitors and neighbors by operating our facilities in a manner that is harmonious with the communities in which they are located.

The Corporation will act responsibly in addressing environmental impacts caused by releases and past actions.

American Home Products Corporation will continue to comply with the spirit as well as the letter of the national and local laws relating to the protection of employees, the public and the environment. We will supplement compliance with local laws and regulations with our own Environmental and Safety Guidelines that provide a framework for all of our facilities worldwide.

The Corporation has assigned qualified corporate, division and facility staff to ensure that this policy is implemented globally. However, it is the responsibility of all employees to accept accountability for following this policy, our Environmental and Safety Guidelines, and all specific safety and environmental laws and regulations in order to protect themselves, their co-workers, their community and the environment.



John R. Stafford
Chairman and Chief Executive Officer

THE CORPORATION SHALL CARRY OUT THIS POLICY AS FOLLOWS:

- Develop and maintain guidelines that provide direction and demonstrate commitment to all of our employees. These guidelines shall meet or exceed all applicable legal requirements.
- Develop and maintain an assessment program to ensure that the policy is implemented and that the guidelines are being followed.
- Provide a safe and healthy environment for all employees, contractors, visitors and neighbors with an ultimate goal of zero incidents.
- Prevent or reduce adverse environmental impacts with an ultimate goal of elimination of these impacts.
- Establish appropriate forums for facilitating communication and disseminating environmental and safety information throughout the Company.
- Conduct training for E&S personnel within the Company.
- Evaluate the performance of the Company's E&S programs in order to promote continuous improvement.
- Create products and processes that are inherently safe and which incorporate the principles of pollution prevention, waste minimization and process safety.
- Conduct due diligence investigations and remediation of properties in a responsible manner.
- Perform due diligence on mergers, acquisitions and divestitures in order to identify and quantify E&S issues and liabilities associated with such transactions.
- Understand and consider stakeholder points of view in the development of E&S policy and guidelines.
- Add value to the Company by coordinating E&S initiatives with business objectives.
- Participate with trade associations and professional organizations regarding E&S issues as appropriate.

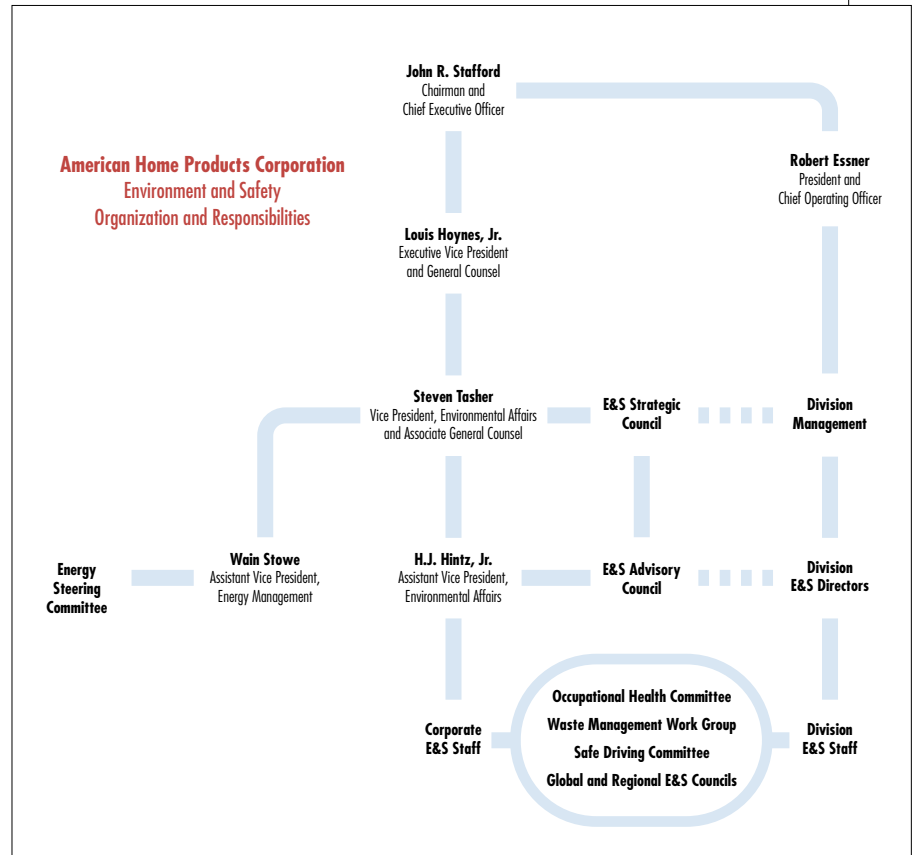
Organizational Structure and Responsibilities

E&S management at AHP is the combined effort of our corporate, division and facility E&S technical professionals. The corporate Department of Environment and Safety ensures that consistent and effective environmental and safety programs are implemented throughout the Corporation and that the Corporation

conducts its activities in a manner fully compliant with applicable laws and regulations. Corporate E&S is responsible for the development of E&S policy, programs and internal guidelines. Corporate E&S staff manages the corporate assessment program and environmental cleanups, provides training on a host of environmental and safety issues, organizes council meetings and conferences, chairs E&S work groups and performs due diligence assessments of properties that are candidates for acquisition or divestiture. Finally, corporate E&S is responsible for understanding and addressing any cross-divisional E&S issues that may arise.

Division E&S staff provides oversight of facilities' E&S compliance and ensures implementation of AHP's E&S policy, programs and internal guidelines. Each division provides E&S training for its facilities and assists its facilities with technical and compliance issues.

Facility E&S professionals are responsible for day-to-day management of the environmental and safety programs at their facilities, including permitting, regulatory reporting and compliance with all applicable laws and regulations, as well as compliance with AHP's internal E&S guidelines.



We also have established several councils, committees and work groups to coordinate E&S efforts throughout the Corporation:

The **Environment and Safety Strategic Council** facilitates input by the businesses into the development and implementation of our E&S policy and programs, works to make E&S and business goals mutually compatible and ensures that AHP E&S policies and programs are implemented globally. Steven Tasher, Vice President of Environmental Affairs and Associate General Counsel, chairs the E&S Strategic Council. Senior members of our corporate E&S staff attend Strategic Council meetings. Each division is represented on the council by a senior operations vice president and a senior vice president of R&D, or their equivalent, and its senior E&S director.

The **Environment and Safety Advisory Council** develops policy and program proposals for consideration by the E&S Strategic Council and is responsible for implementing the decisions made by the Strategic Council. The group also serves as a technical forum for our corporate and division E&S staffs to discuss new and proposed regulations and to share technical information. Harold Hintz, Assistant Vice President of

Environmental Affairs, chairs the E&S Advisory Council. Senior members of our corporate E&S staff are members of the council. Each division is represented on the Advisory Council by its senior E&S director and his or her senior staff.

The **Energy Steering Committee** guides and directs AHP's Energy and Utility Initiative to reduce the consumption of energy at our facilities. The committee reviews performance, establishes goals and prioritizes energy conservation efforts. Wain Stowe, Assistant Vice President of Energy Management, chairs the Energy Steering Committee. Division engineering and purchasing representatives are members of the committee.

The following committees support the Corporation's E&S work:

- The **Occupational Health Committee** establishes occupational exposure guidelines, risk-based exposure control guidelines and biological exposure indices for the active ingredients used in our products. Along with corporate and division safety directors, the committee includes toxicologists, industrial hygienists and pharmacologists from the division and research staffs.
- The **Waste Management Work Group** audits waste contractors, maintains the AHP-approved hazardous waste contractor list, negotiates AHP master waste disposal contracts, and discusses and disseminates to the divisions and sites information related to waste management issues and pollution prevention. This work group is composed of corporate and division environmental professionals.
- The **Safe Driving Committee** facilitates the development, implementation and communication of AHP safe driving program initiatives with the goal of reducing vehicular accidents. With input from management throughout AHP, the committee develops fleet safety policies and guidelines and facilitates safe driving training. The committee is composed of corporate and division safety professionals and representatives from the division sales forces.
- **The European Union, Latin American, North American and Asian/Pacific E&S Councils** provide a forum for regional AHP facilities to meet with corporate and division E&S staff members to discuss regional regulatory trends and best management practices. The European E&S Council has been meeting annually since 1996. The Latin American Council held its first meeting in the fall of 1999, while the North American and Asian/Pacific Councils are scheduled for their first meetings in 2001.



“The E&S Council is a great opportunity to interact with other E&S professionals and to discuss AHP global policy and guidelines. It was very valuable to learn from other sites’ experiences and successes.”

– Matusalém Pereira Dos Santos
 Maintenance, Project, Safety and
 Environmental Affairs Manager,
 Fort Dodge Animal Health, Campinas, Brazil

We also have initiated a **Global E&S Conference**, during which E&S professionals from our facilities worldwide can share information. During the conference, attendees share information on emerging regulatory and technical E&S issues and participate in E&S training classes. We held our first company-wide Global E&S Conference in October 2000 and plan to hold future global conferences once every two to three years.

Management System Elements

American Home Products' E&S management system supports the implementation of our corporate Policy on Health, Safety and Environmental Protection. The management system sets forth the 10 basic elements of our approach to sound environmental management and worker health and safety:

- **Management** – The key to a successful E&S management system is leadership, visible commitment and accountability from all levels of management.
- **Application** – Each employee is responsible for complying with laws and regulations and for working safely. The occupational health, safety and environmental policies and programs are communicated clearly to all employees, and employees are encouraged to participate in E&S programs.
- **Performance Objectives** – Each facility establishes annual E&S performance objectives consistent with the corporate policy. The objectives are facility-specific and address program development, incident reductions and pollution prevention targets.
- **Programs** – Each facility identifies and evaluates legal, regulatory and internal requirements that provide the basis for development of E&S programs. Communication of E&S programs to employees through training and awareness programs encourages sound work habits.
- **Reporting** – Each operating facility is required to establish procedures to ensure proper reporting to regulatory agencies, its division and AHP corporate E&S.
- **Self-Assessments and Inspections** – Facilities are encouraged to conduct self-assessments and inspections to ensure compliance with applicable laws and regulations, assess the effectiveness of risk management practices and evaluate the overall performance of their management program.
- **Regulatory E&S Inspections** – Each division develops procedures for responding to regulatory inspections to ensure that regulators have access to the information they need while protecting proprietary information.
- **Insurance** – Each division establishes a mechanism to convey information to its insurance providers and to respond in a timely manner to recommendations suggested by the insurance providers.

Wyeth-Ayerst Pharmaceuticals Environmental, Health and Safety Management System

Wyeth-Ayerst is in the process of adopting a formal E&S management system at its worldwide research, manufacturing and distribution locations. In order to accomplish this task in a comprehensive and consistent manner, its management system is patterned after the ISO 14001 Environmental Management System Standard, which was approved by the International Organization for Standardization in 1996. ISO 14001 is a voluntary standard designed to make it easier for businesses to track and improve their environmental performance by developing a system to ensure that regulatory requirements and internal goals are met. The Wyeth-Ayerst management system goes beyond ISO 14001 by including health and safety.

Wyeth-Ayerst intends to bring all its research, manufacturing and distribution centers to a level of performance consistent with certification to the ISO 14001 standard. Formal certification to the ISO standard is being dealt with on an individual site basis. Wyeth-Ayerst has developed a two-year plan to review and improve existing systems and programs and to add new programs where necessary.

To date, 25 Wyeth-Ayerst locations have attained a satisfactory level of performance. Two manufacturing facilities are certified to ISO 14001 and Eco-Management and Audit Scheme (EMAS), another voluntary environmental management initiative for facilities operating in the European Union and the European Economic Area. Another two facilities currently are seeking ISO 14001 certification.

- **Incident Investigations** – Investigation of all incidents involving E&S issues is required and helps guide corrective action and prevents incidents from recurring.
- **Third-Party Manufacturers, Formulators, Packagers and Warehouses** – Those facilities with which we contract are required to maintain compliance with applicable occupational health, safety and environmental protection requirements.



Wyeth Medica Ireland facility in Newbridge

ISO 14001-Certified and EMAS-Certified Facilities*

- Askeaton, Ireland – ISO 14001 and EMAS
- Newbridge, Ireland – ISO 14001 and EMAS
- Weesp, Holland – ISO 14001

**The Fort Dodge Animal Health/Wyeth-Ayerst facility in Catania, Italy, is expecting to receive ISO 14001 certification in the year 2001, as is the Wyeth-Ayerst facility in Aprilia, Italy.*

Occupational Health, Safety and Environmental Protection Guidelines

American Home Products developed guidelines in 1992 to facilitate a consistent approach to health, safety and environmental management throughout the Company. The guidelines, which are updated regularly, provide a basis for each division to establish local programs that conform to the Policy on Health, Safety and Environmental Protection. Occupational Health, Safety and Environmental Protection Guidelines provide guidance on the following topics:

- Management system, including performance objectives and accountability, program development and implementation, self-assessments and incident investigation
- Employee and management training, including implementation and documentation requirements
- Occupational health programs such as exposure characterization and control, hazard communication, laboratory safety and ergonomics
- Safety programs such as confined space entry, material handling, machine guarding, lockout/tagout and process safety management
- Loss prevention programs such as emergency management and planning, life safety and contractor safety
- Environmental programs such as air, water, wastewater and waste management

Corporate Environmental and Safety Assessment Program

In 1991, AHP established a program for assessing compliance with our internal E&S requirements and all applicable regulatory requirements at manufacturing and research and development sites. The assessment program started as separate environmental and safety assessments, which were combined in 1995 to help each facility address all its E&S issues simultaneously. The program was expanded in 1997 to include major offices and distribution centers.

“The assessment process is an extremely positive tool for our business’ continuous improvement. Utilizing corporate, division and facility resources, we can obtain an open evaluation of environmental and safety programs, identify gaps and review best practices. It helps to make us better.”

– Brian Frost

Managing Director,
Wyeth-Ayerst Pharmaceuticals,
Cherry Hill, New Jersey

All manufacturing and R&D facilities are assessed at least once every three years. Office buildings and distribution centers are assessed on a six-year cycle. The assessments include local E&S requirements in addition to the requirements of our corporate guidelines and division standards.

The assessment team for each facility, composed of highly experienced E&S staff, includes a team leader and one or more additional staff, depending on the size of the facility. During international audits, the assessment team is supported by a local consultant to increase the depth of understanding of local requirements. We utilize protocols developed from our E&S guidelines during the assessments. Prior to their involvement in the assessment program, each assessor receives comprehensive training on the use of these protocols.

Assessors also participate in quarterly roundtable meetings to discuss issues related to the assessment process, such as regulatory developments and best practices.

Loss Prevention and Fire Protection

Our E&S assessment program includes a review of loss prevention and fire protection efforts such as inspection and operation of fire protection systems, safe handling and storage of hazardous materials, emergency management plans and training. Any issues associated with loss prevention or fire protection that are identified during the assessment process are addressed by the facility and tracked to resolution.

As part of our insurance coverage, technical experts from our insurance companies inspect designated AHP facilities to make recommendations regarding loss prevention and fire protection. In addition, insurance company representatives review designs for new site construction, major modifications to existing sites and all modifications to existing fire protection systems prior to construction. These technical recommendations are addressed by the facilities and tracked to resolution by AHP E&S staff.

Assessment Tracking System

We have developed a new Assessment Tracking System to facilitate management of information collected through our internal assessment program. After a facility assessment has been completed, the team leader, division E&S staff and facility management can use the system to track the status of action items developed as a result of the assessment. The system, organized by E&S guideline categories, allows the assessment team to analyze data by specific category to identify trends throughout the Corporation. This analysis guides the development of new corporate and division E&S initiatives.

Best practice E&S programs also are available on the system and can be downloaded and used by facilities for program development.

The Assessment Tracking System is accessible through the AHP intranet and will be fully operational by first quarter 2001.

Process Safety Management

Through our Process Safety Management (PSM) Program, AHP manages risk to employees, the environment and the communities in which we operate. Our PSM Program goes beyond what is required by the U.S. Occupational Safety and Health Administration (OSHA) to include **all** processes that could present a significant safety, occupational health or environmental risk. These processes include exothermic (heat-releasing) reactions; those that use flammable, combustible or toxic materials; and those that operate at extreme temperatures or pressures.



New SML Moxidectin unit in Fort Dodge, Iowa, underwent the corporate PSM Program hazard evaluation process

Our assessment of process safety begins at the inception of a new process. We collect safety data, design information, operating parameters and equipment specifications for new processes in order to perform a hazard evaluation. We continue to evaluate the hazards of a process during the preliminary engineering stage and upon completion of design and strive to minimize risks. Once the construction of a new process is complete, but prior to its operation, our technical staff reviews a detailed list of associated hazards and ensures that maintenance and operating procedures are in place to adequately address those hazards prior to start-up. In addition, the process is reviewed periodically throughout the operation cycle and whenever any significant changes are made.

PSM practices are reviewed through our company-wide assessment program. Process safety professionals from our corporate E&S staff track the status of process safety-related assessment findings and provide any support that facilities may need to control hazards and maintain a secure workplace.

Training Programs

AHP offers E&S training to our employees and management on the facility, division and corporate levels, covering a multitude of relevant topics such as accident and incident investigation, emergency management, ergonomics, industrial hygiene, process hazard evaluation and pollution prevention.

- **Facility** – Each new employee receives training on our E&S policy, programs, safety rules, site-specific emergency response procedures, communication procedures and E&S issues that are associated with his or her particular job.
- **Division** – Training programs are available through division E&S staff as well. For example, Wyeth-Ayerst has a dedicated E&S training specialist to develop course content and teach classes. Course materials can be accessed electronically on the Wyeth-Ayerst E&S intranet site – downloadable by anyone in the division – and are available in up to four languages (English, Spanish, Italian and Chinese).
- **Corporate** – At the request of a division or facility, the corporate E&S staff offers training throughout the year. Topics covered include process safety management, pollution prevention and industrial hygiene.

Due Diligence

Prior to the acquisition, divestiture or lease of property or facilities, we perform an environmental assessment to ascertain the potential impact of previous site operations on soil and groundwater quality at the site. The environmental assessment of sites prior to acquisition also provides an opportunity to evaluate environmental performance, compliance and management systems at the site in order to determine whether they meet our

own stringent standards. After acquiring a new facility or business, we integrate new acquisitions into our E&S management systems as quickly as possible.

Sustainable Building Design

In keeping with our policy of commitment to environmentally sound operations, AHP has developed energy efficiency and sustainable design standards for new building construction and renovation. These standards, adopted in 1999, are based on recommendations from programs such as the U.S. Environmental Protection Agency's (EPA) Green Lights and Energy Star programs and ISO 14000. AHP's energy design team reviews building, utility and process plans from concept to final construction to implement energy efficiency and sustainable energy ideas, ranging from electricity distribution systems and lighting to incorporation of reusable building materials.

We are applying these new design standards and are incorporating other significant environmental controls as part of several recent construction projects, including:

- **Grange Castle, Ireland** – This new Wyeth-Ayerst facility will use fuel efficiently by producing steam and electricity in an on-site cogeneration system (see energy use discussion on page 23 for more information on cogeneration and its benefits). The facility design takes advantage of climatic conditions at the site to maximize energy efficiency in the control of process temperatures. This will create capital cost savings, resulting from smaller pump and piping requirements, and long-term operating cost savings due to efficient power use. Construction of this state-of-the-art facility is scheduled to begin during the fourth quarter of 2000.
- **Great Valley, Pennsylvania** – This renovation project represents a major expansion of a Wyeth-Ayerst office and distribution facility. Demolition debris from existing buildings will be recycled back into the project as much as possible; only 12 percent of the material is expected to be sent to landfills. The buildings will be oriented with the longest axis in a north-south direction, and offices will not be placed along the southern wall, thus maximizing the amount of natural light infiltrating the central workspace. Building materials that are recyclable as well as those containing a high recycled content are consistently being sought for incorporation into the project.

Emission Reduction

AHP acquired Solgar Vitamin and Herb Company in July 1998. During the due diligence process, AHP reviewed the Solgar operation to determine its level of compliance with applicable requirements as well as to identify opportunities to further reduce emissions from the facility. For example, immediately after acquisition, the Solgar facility in Leonia, New Jersey, discontinued the use of methanol – a hazardous air pollutant – as a granulation aid and substituted isopropyl alcohol, which is not a hazardous air pollutant. This conversion was made without capital improvements and did not compromise quality.

The Leonia facility also voluntarily initiated a two-year project with the New Jersey Department of Environmental Protection (NJDEP) to reduce air emissions of volatile organic compounds (VOCs). Efforts to reduce VOC emissions included:

- Reformulating products to use water instead of isopropyl alcohol during the granulation process
- Modifying the manufacturing process to eliminate the need for granulation
- Investing \$1.5 million in state-of-the-art air pollution control equipment for a 95 percent reduction in isopropyl alcohol emissions

“I consider our new energy and sustainable design standards to be a key element of AHP's conservation and environmental protection efforts.”

– Wain Stowe
Assistant Vice President,
Energy Management

- **Pearl River, New York** – We recently constructed a new 75,000-square-foot R&D facility at the Wyeth-Ayerst Pharmaceuticals site, replacing two older buildings. Design of this facility includes many features focusing on workplace safety and emissions control. For instance, all operations in the new facility are performed within ventilated enclosures to provide maximum worker protection. Vapor, odor and particulate capture equipment has been installed, and equipment was provided with sound enclosures and controls to minimize noise levels from the building.

Third-Party Performance

AHP, in conjunction with each of our divisions, has developed a program to address occupational health, safety and environmental management at third-party manufacturers, formulators, packagers and warehouses. It is AHP's policy to include the following requirements in contracts for third-party services:

- Allowing periodic reviews or assessments of the facility to evaluate compliance with applicable occupational health, safety and environmental laws and regulations
- Reporting to AHP on the following types of incidents related to operations covered by the contract:
 - fatalities or significant injuries and occupational illnesses
 - incidents resulting in property damage of \$50,000 or more
 - spills or releases reportable to regulatory agencies
 - regulatory agency inspections alleging non-compliance
 - requests for information, notices of violations or other communications from a governmental agency relating to occupational health, safety or environmental compliance
- Providing AHP with copies of all relevant environmental licenses and permits pertaining to its operation and all insurance certificates
- Obtaining written approval from AHP prior to the management of any hazardous wastes by treatment, disposal, recycling or storage
- Certifying in writing that the facility is in compliance with all applicable occupational health, safety and environmental laws and regulations

We have a history of working with third-party suppliers that demonstrate a high level of environmental, safety and quality management. As a result of this program addressing E&S performance of third-party manufacturers, we have discontinued our relationship with some suppliers that did not meet our expectations on environmental and safety issues. Beginning in 1995, both our corporate and division E&S staffs have audited third-party manufacturers at a rate of 10 to 30 sites per year.

Stakeholder Relationships

American Home Products takes seriously its responsibilities for good corporate citizenship. We acknowledge that many different people have a stake in how we conduct ourselves, including our safety and environmental performance. These stakeholders, both internal and external to the Corporation, include:

- Board of Directors
- Senior management
- Employees
- Shareholders and investors
- Customers and consumers
- Suppliers and contractors
- Governmental and non-governmental organizations
- Members of communities where we operate

As evidenced by this report, American Home Products is committed to communicating with our major stakeholders. We have tools for internal communications with management and employees and external communications with customers and consumers, suppliers and contractors, governmental and non-governmental organizations and members of the community.

Internal Communications

ANNUAL POLLUTION PREVENTION REPORT

In 1994, we formally implemented a Pollution Prevention Program requiring all domestic facilities to have procedures in place to prevent the generation of waste where possible or, if not possible, to attempt to reuse or recycle the waste. Concurrent with the start of this program, we required all domestic facilities to track and report their pollution prevention activities through the AHP Annual Pollution Prevention Report. The program was expanded in 1998 to include international facilities.

The primary purpose of the Annual Pollution Prevention Report, which is distributed internally to all facility E&S managers and corporate and division E&S professionals, is to promote awareness of the waste streams generated within AHP and to encourage facilities to continually improve their operations while they reduce, reuse and recycle. The report contains comprehensive information on toxic chemicals, medical waste, scrapped and returned products, low-level radioactive waste, solid waste, hazardous waste, waste management costs, water usage and wastewater treatment costs for each facility. The report covers reuse and recycling at AHP facilities, including highlights of successful facility programs. The report also provides a mechanism for communicating best management practices throughout AHP facilities.

ENERGY INTRANET SITE

AHP communicates programs and information relating to our energy reduction initiative over the energy intranet site. First established in 1997, the site provides an efficient means of collecting data and disseminating information. AHP posts energy cost data, conservation practices, sustainable design standards and updates on the Company's progress. The overall focus of the intranet site is to encourage facilities to continue reducing utility costs and energy use and to give facility personnel the tools to make further reductions.

AHP E&S INTRANET SITE

During the first quarter of 2001, AHP plans to begin constructing a corporate E&S intranet site that will be accessible to our divisions and facilities. This site will include a variety of E&S information as well as links to

Pollution Prevention Reporting System

In 1999, AHP began a major redesign of our Pollution Prevention Reporting System. Once fully implemented, the new reporting system will greatly improve the efficiency of the pollution prevention data collection process and will give our divisions and facilities the ability to generate custom reports and graphs as a means of analyzing their pollution prevention data. The system provides error-checking capabilities, guidance on reporting requirements and answers to frequently asked questions.

The reporting system has a best practices section that allows facilities to submit proposed best practices for environmental packaging, voluntary or site-specific E&S efforts and pollution prevention. Those submittals that are determined to be truly best practices will be posted on our E&S intranet site for viewing and subsequent use by all facilities and divisions.

relevant E&S Internet sites. Included among the information posted on the intranet site will be policies, guidelines, programs, protocols, the Pollution Prevention Reporting System, the Assessment Tracking System and best practices. This intranet site will enable us to more effectively track and share information among our E&S professionals, with the aim of continuously improving our environmental and safety management programs.

WYETH-AYERST NEWSLETTER AND INTRANET SITE

Wyeth-Ayerst Pharmaceuticals publishes an environmental newsletter, *EH&S NewsLINE*, for its employees and maintains an E&S intranet site. The newsletter is distributed electronically to all E&S professionals within the division. Wyeth-Ayerst's E&S intranet site provides valuable environmental, health and safety information to Wyeth-Ayerst facilities worldwide. Critical information that is shared and updated regularly includes risk-based exposure control guidelines for drug compounds, occupational exposure guidelines for commonly used chemicals and explosivity data for pharmaceutical products and nutritionals that are air dried or handled as a dry, bulk solid. More than 50 safety training courses can be downloaded, and new ones are added regularly. In addition to English, many of the training programs are available in Spanish, Italian and Chinese. An up-to-date E&S facility contact list also is available, which can be searched by name, facility or country. Wyeth-Ayerst facilities that do not have access to the intranet site are provided with CDs that are updated periodically to mirror the latest information available on the intranet site.

External Communications

American Home Products maintains an Internet Web site at www.ahp.com. The site provides the public with access to information on many aspects of the Company, such as product development, investor relations and career opportunities. Stakeholders can send an electronic mail message to AHP via the Web site on any topic, including E&S issues. This E&S report will be available on the Web site in December 2000.

AHP involvement in trade organizations facilitates communication of environmental and safety best practices. We participate both in industry-specific trade organizations, such as PhRMA (Pharmaceutical Research and Manufacturers of America), and in environmental and safety organizations, including:

- American Biological Safety Association
- International Process Safety Management Group
- Air and Waste Management Association
- Environmental Auditors Roundtable
- Pharmaceutical Safety Group
- American Society of Safety Engineers
- American Industrial Hygiene Association
- National Fire Protection Association

The following examples illustrate our work with organizations and communities to enhance environmental quality and foster dialogue with neighbors.

WYETH NUTRITIONALS IRELAND

Wyeth Nutritionals Ireland (WNI) in Askeaton voluntarily participates in the Eco-Management and Audit Scheme (EMAS), a voluntary environmental management scheme open to companies operating in the European Union and the European Economic Area. The goal of EMAS is to promote continuous environmental performance improvements of industrial activities by committing sites to evaluate and improve their own environmental performance.

One requirement of EMAS registration is to develop a public environmental statement. WNI published its first environmental statement in April 1999. The statement, which will be updated and reissued every third year, provides a review of the Askeaton facility's environmental performance from December 1997 to December 1998 and presents 1999 objectives and targets for the facility. It is available, upon request, to Askeaton employees, suppliers and contractors, members of the local community, local interest groups, the Irish Environmental Protection Agency, the Limerick County Council and Askeaton's customers.

WNI also publishes a quarterly employee safety newsletter, *LOOK-OUT*, to provide communication of safety information to its employees. The newsletter stimulates feedback and improvement ideas from all areas of the facility.

PEARL RIVER COMMUNITY ADVISORY PANEL

The Pearl River Community Advisory Panel (CAP) was established in 1993 at the Wyeth-Ayerst Laboratories facility in Pearl River, New York, to help facility staff become more informed about community sentiment. The CAP allows Pearl River to directly communicate information pertaining to site activities to its neighbors and the community. CAP members are opinion leaders in the community, as well as fence-line neighbors, members of the local fire department, teachers, retirees and business people – in short, a true cross-section of the community. Members are chosen by Wyeth-Ayerst based on their ties to the community and their ability to serve as a conduit of information between the facility and the community.



The panel meets quarterly to discuss recent issues that may be of concern to CAP members or their neighbors. CAP members are free to bring up any issue for discussion. E&S staff members, as well as production and engineering representatives from the facility, attend meetings.

“The Community Advisory Panel is one of our key means for resolving concerns before they become more significant issues that could affect our neighbors or the community.”

– Peter Alexandro

Director, Environmental Services,
Wyeth-Ayerst Laboratories,
Pearl River, New York

The CAP serves several additional roles. CAP members are encouraged to call Pearl River personnel between meetings if issues arise in the community. Pearl River employees work with CAP members to bring needed information to the plant and to its neighbors. The CAP also serves to make the Pearl River facility aware of community issues before they become a concern to the public. Pearl River presents the details of new projects at the facility to the CAP before implementation.

The Pearl River CAP has worked cooperatively to address issues such as site traffic, noise, odors, water and air quality, commercial development, site building programs and town activities. Pearl River facility management believes that the CAP is a resource that helps make the site a better corporate citizen and neighbor.

RIVERSIDE CLEANUP

The Shingashi and Yanase Rivers flow near the Wyeth-Ayerst Shiki plant in Saitama, Japan. Each spring and fall, employees and their families join with local citizens to remove litter and debris from the riverside. The cleanup helps protect the aquatic environment of the rivers. Wyeth-Ayerst also stocks the rivers with carp to enhance the natural ecosystem.

“Wyeth-Ayerst should be proud of its work with the Community Advisory Panel, as we are proud of our efforts to ensure that the community receives accurate information about Wyeth-Ayerst’s activities.”

– Mark Griffith, Sr.

Griffith Insurance, member of the local Rotary Club and member of the Pearl River Community Advisory Panel



Shiki area citizens on their way to the Shingashi River



Citizens and government staff removing litter and debris from the river banks

six

performance

This section covers the following information:

- Safety
- Energy
- Material Use: SARA Chemicals
- Water
- Solid Waste
- Hazardous Waste
- SARA Releases and Transfers
- Products
- Land Use and Biodiversity
- Compliance with Mandatory Standards
- Remediation
- External Recognition

Performance Overview

This report covers the most recently available data regarding environmental and safety indicators. AHP began collecting U.S. environmental performance data through the Pollution Prevention Program initiative in 1994. Our non-U.S. facilities were required to report in 1998. Environmental performance data cover manufacturing, R&D and distribution sites.

We are providing both absolute and normalized data in this report. Due to the variations in our business divisions and our production levels, normalizing data by sales is the only way available to evaluate environmental performance over time across the Corporation. The absolute data are a measure of our overall impact on the environment. This report includes safety performance data from 1991 to 1999. Manufacturing, R&D, distribution and office locations, both domestic and international, are included in the safety data.

AHP benchmarks its E&S performance against itself over time. In addition, we informally benchmark our performance against our peers and other industry leaders.

Facility Data – Acquisitions and Divestitures

When facilities are acquired, their data are included for the first full calendar year after acquisition. Similarly, when facilities are closed or divested, the data for the last full calendar year are included.

Safety

AHP’s safety performance has improved significantly since 1991. The most noticeable improvement – a 71 percent reduction in lost time incident case rate and a 66 percent reduction in total incident case rate – occurred between 1991 and 1994. The reduction in incidents corresponds to a 44 percent decrease in workers compensation claims at U.S. facilities covered by AHP insurance from 1991 to 1999. Our safety performance is well above the median for the pharmaceutical industry and places us among the top tier of global pharmaceutical companies.

“At our facility’s annual awards banquet, we recognize the Star Safety Performers among our employees. It’s a fun and engaging way to highlight their accomplishments, and it increases safety awareness throughout the workforce.”

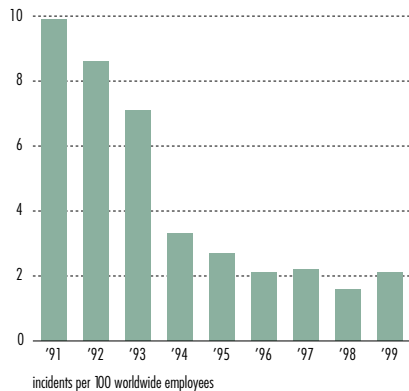
– Kim Friedman

Safety Supervisor, Wyeth-Ayerst Pharmaceuticals,
Cherry Hill, New Jersey

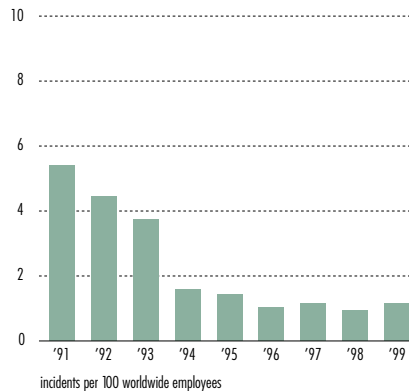
Safety Success

The Wyeth-Ayerst facility in Valsad, Gujarat State, India, has achieved 2.44 million man-hours without a lost time accident. This accomplishment is the result of increased awareness of safety issues among employees through classroom training, increased frequency of safety meetings, safety competitions and National Safety Day celebrations. Safety competitions include a safety essay contest, rewards for successfully completing safety quizzes and a safety poster competition.

Total Incident Case Rate



Lost Time Incident Case Rate



Energy

In 1994, AHP embarked on an initiative to reduce utility costs and consumption at its facilities worldwide. Energy conservation has important environmental and financial benefits. We significantly expanded our Energy and Utility Initiative in 1997, supported by a new partnering relationship with PWI Energy of Philadelphia, Pennsylvania.

Staff from AHP and PWI Energy jointly conduct site surveys and implement energy conservation, cost-saving and cost-avoidance strategies as a result of those surveys. Initiative staff members conducted 26 site energy surveys during 1999, visiting facilities in China, the Philippines, Ireland, Spain, Puerto Rico, Brazil, Canada and the United States.

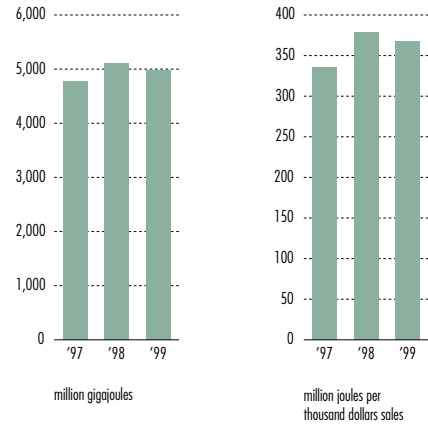
Some examples of the types of projects that we have identified and implemented include:

- improving boiler efficiency through exhaust gas monitors to continually adjust the fuel-air mixture
- switching to cleaner fuels
- installing “smart” sensors, which turn out lights when not needed
- making maximum use of day lighting and efficient fluorescent tubes and electronic ballasts
- matching the supply of utilities to meet the load requirements of a facility’s operation
- taking full advantage of “free” cooling and heating when the outside air or other conditions match our needs
- reducing and/or eliminating leaks of compressed air, steam and vacuum systems through the use of ultrasonic detectors
- using infrared detectors to identify insufficient or inadequate insulation

In spite of these efforts, total energy consumption has increased by 4 percent between 1997, when we began collecting energy data from our worldwide facilities, and 1999. When indexed to sales, our energy consumption has increased 9 percent during the same period. These increases are due primarily to variations in weather and production levels.

We achieved a 3 percent decrease in CO₂ emissions from 1997 to 1999, accounting both for direct emissions from our facilities and

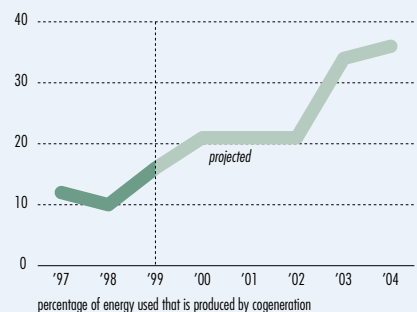
Energy Use



Energy Efficiency

For reliability as well as efficiency, we installed a cogeneration system during construction in 1999 of the Genetics Institute/Wyeth-Ayerst facility in Andover, Massachusetts. Operation of the cogeneration system provides a net environmental benefit as cogeneration reduces fuel consumption, which corresponds to a decrease in air emissions. The cogeneration system also employs state-of-the-art, ammonia-free emission controls for nitrogen oxides and carbon monoxide.

In addition to the new Andover facility, AHP has cogeneration systems operating at three locations: Pearl River, New York; Catania, Italy; and Newbridge, Ireland. Two more cogeneration systems are planned at the Askeaton and Grange Castle facilities (both in Ireland) for start-up in 2003. The chart below illustrates the percentage of total electricity consumption across the Corporation that is or will be provided by high-efficiency cogeneration.

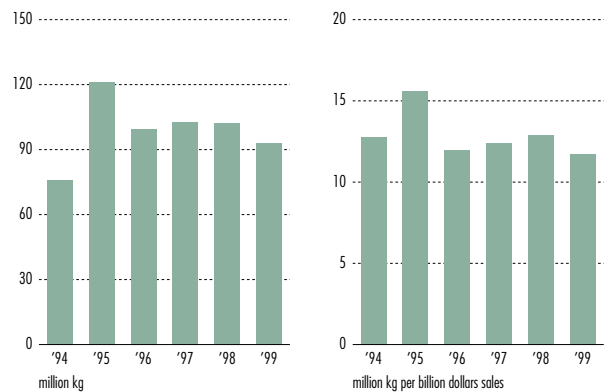


indirect emissions (i.e., power plant emissions associated with purchased electricity). This decrease is expected to become more significant in future years, as more cogeneration capacity is added. Steam produced in cogeneration systems eliminates the need for boiler capacity, thus reducing direct emissions. Furthermore, natural gas-fired cogeneration is a cleaner electricity source than purchased electricity, a significant portion of which is supplied by coal-fired power plants. In 1999, our use of cogeneration avoided the release of approximately 60,000 metric tons of CO₂ (about 5 percent of our total CO₂ emissions). That number is expected to triple, reaching nearly 200,000 metric tons by 2005, as a result of adding cogeneration capacity at more AHP facilities.

Material Use: SARA Chemicals

In the United States, AHP facilities publicly report releases of toxic chemicals listed under Section 313 of the Superfund Amendments and Reauthorization Act (SARA). Ten AHP facilities were required to report SARA releases in 1999. AHP also tracks the amount of SARA chemicals used at these facilities. The amount of SARA chemicals used by AHP increased in 1995 as a result of the U.S. EPA adding 300 new chemicals to the SARA chemical list. International facilities are not required to report on their use of SARA chemicals; therefore, international data are not included here.

SARA Chemicals Used

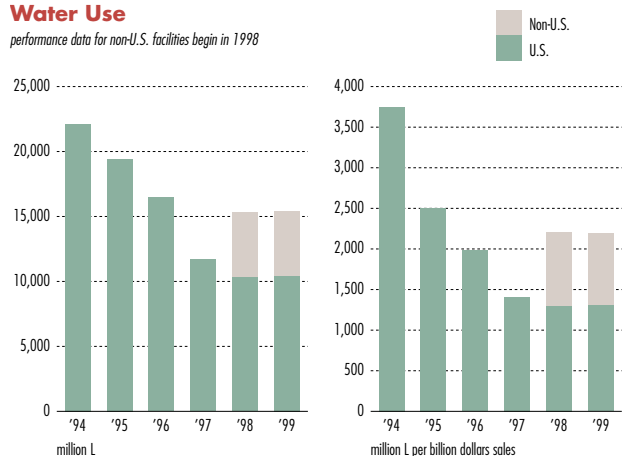


Water

AHP is committed to water conservation efforts and has been successful in reducing water use through conservation initiatives such as reducing the amount of water used in cleaning, installing closed-loop cooling systems and implementing process changes to conserve water. Water usage at U.S. facilities decreased by 53 percent from 1994 to 1999. For non-U.S. facilities, total water usage decreased 1 percent from 1998 to 1999.

Water Use

performance data for non-U.S. facilities begin in 1998



Fort Dodge Cooling System Improvement

The Fort Dodge Animal Health facility in Fort Dodge, Iowa, modified its process cooling system by changing from a one-pass, non-contact city water system to a chilled water continuous cooling water loop. This change reduced water usage by an estimated 45,000 gallons per day.

Wastewater Treatment Plant Upgrades

Wyeth-Ayerst is investing nearly \$24 million on wastewater treatment plant (WWTP) upgrades at its facilities.

- Production increases at the Askeaton, Ireland, facility required an improvement of the existing WWTP. A state-of-the-art Sequencing Batch Reactor was constructed at the facility. The new treatment system produces a high-quality effluent while operating with reduced energy and chemical consumption. Operational data indicate that the new plant has exceeded its pollutant removal and performance requirements.
- A new WWTP is being constructed at the Marietta, Pennsylvania, facility. The new WWTP substitutes ozone oxidation for traditional biological and chemical methods of wastewater treatment and disinfection. The ozone system will reduce chemical and energy use and eliminate use of chlorine gas.
- In addition to treating process wastewater to meet discharge limitations, the WWTP at the new Singapore facility was designed to produce a high-quality effluent that could be reused at the facility. As the demand for the limited water resources in Singapore is growing, the WWTP for the new facility was designed to clean the effluent to the quality necessary to use as makeup water for the cooling towers at the facility.
- The Rouses Point, New York, pilot plant conducts research and development for new processes and products. Since the wastewater from these processes is highly variable, a WWTP had to be designed to remove more than 23 potential contaminants. Extensive computer modeling and pilot testing led to the selection of steam stripping technology for removal of all contaminant classes.

Water Conservation at Pearl River

In 1996, the Pearl River, New York, facility established a water conservation committee to identify opportunities to reduce water usage. The committee identified the plant cooling system as a major factor in water consumption and began studying ways to improve cooling water management. Through the efforts of the committee, the cooling system was changed from a once-through cooling system to a closed-loop system. Cooling water now is recycled internally, thus reducing the amount of high-quality water that must be purchased from city water supplies or withdrawn from groundwater. Installation of a reverse osmosis system helped the facility minimize the amount of cooling water needed and reduced the need for water treatment with chemicals. The committee also established a program to train facility maintenance personnel on techniques to optimize the cooling system and reduce water consumption.

Reuse of Waste Streams

The Scientific Protein Laboratories R&D and manufacturing facility in Waunakee, Wisconsin, has been quite successful in identifying beneficial use opportunities for its wastes. The facility has a Waste Minimization Committee consisting of manufacturing, R&D and environmental personnel. Ways in which the facility has reduced waste and minimized potential safety and environmental concerns include:

- segregating waste streams to recover usable byproducts
- identifying new markets for byproducts
- modifying processes to reduce hazards
- concentrating byproducts to minimize volume, thus facilitating transport and making off-site reuse more economical
- recycling solvent waste streams on-site

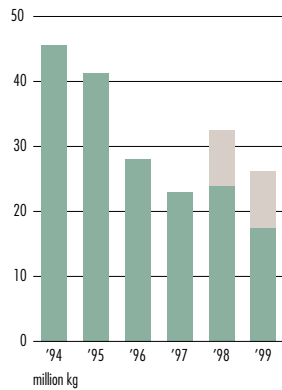
Solid Waste

The amount of solid waste disposed from our U.S. facilities has decreased 61 percent from 1994 to 1999. This decrease is 71 percent when normalized with sales data. These reductions have been the result of a combination of factors – our employees' increased awareness of recycling opportunities, diligent efforts to find markets for recycled materials and pollution prevention efforts that minimize the amount of waste being generated. Solid waste reuse or recycling at our U.S. facilities increased from 41 percent of solid waste generated in 1994 to 75 percent of solid waste generated in 1999. In 1998, 42 percent of the solid waste generated at our non-U.S. facilities was reused or recycled. This percentage from our non-U.S. facilities increased to 44 percent in 1999.

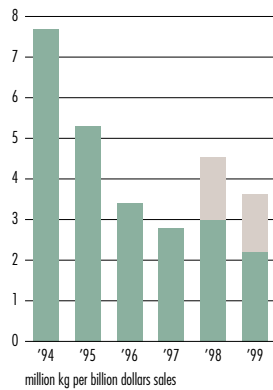


Solid Waste Disposed

performance data for non-U.S. facilities begin in 1998

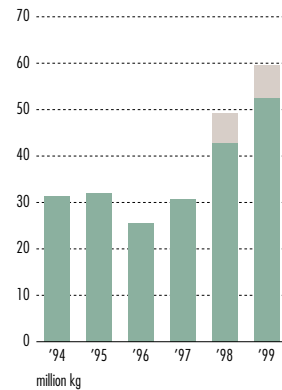


Non-U.S.
U.S.

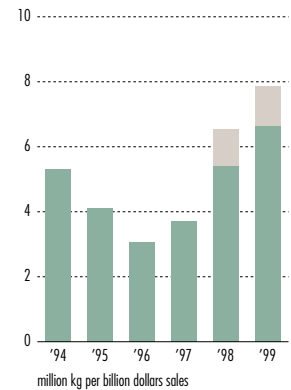


Solid Waste Reused or Recycled

performance data for non-U.S. facilities begin in 1998



Non-U.S.
U.S.



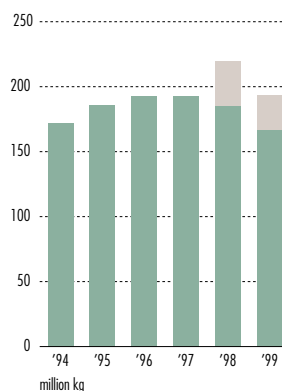
Hazardous Waste

AHP facilities are committed to reusing or recycling hazardous waste wherever practicable. However, because the American Cyanamid Agricultural Products business generated large quantities of hazardous waste that often did not lend itself to reuse or recycling, but rather required treatment in on-site incinerators, AHP historically has reused or recycled relatively minor amounts of hazardous waste. With the divestiture of American Cyanamid in June 2000, the quantity of hazardous waste we generate is expected to decrease significantly, while the percentage of hazardous waste that is reused or recycled will increase. For our U.S. facilities, total hazardous waste generation decreased slightly from 1994 to 1999, while generation normalized to sales decreased by 28 percent.

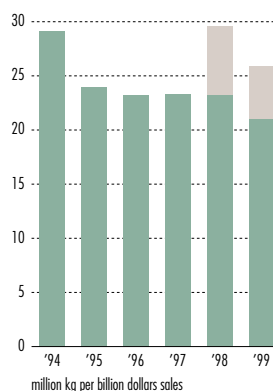
The percentage of hazardous waste generated at our U.S. facilities that is reused or recycled increased from 2 percent in 1994 to 9 percent in 1999. Non-U.S. generation of hazardous waste decreased by 22 percent from 1998 to 1999, largely as a result of the closure of a facility that historically generated a large volume of

Hazardous Waste Generated

performance data for non-U.S. facilities begin in 1998



Non-U.S.
U.S.



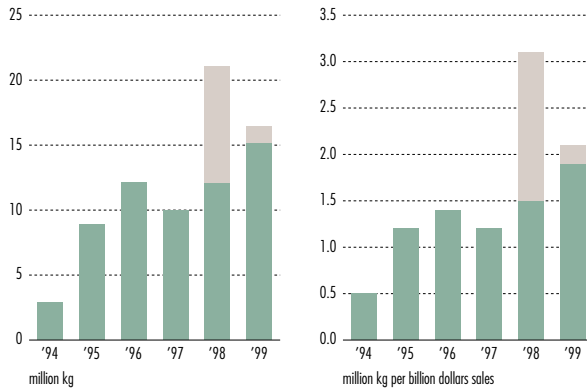
Reuse of Ethylene Glycol Monomethyl Ether

The Pearl River, New York, site uses solvents in the process of manufacturing certain pharmaceutical products. As a result of this solvent use, hazardous waste solvents are generated. A team of employees determined that a waste solvent generated at the facility – ethylene glycol monomethyl ether – is used in a variety of chemical and consumer products, such as computer chips, footwear and clothing. The Pearl River team realized that the solvent could be recovered in its on-site solvent recovery equipment. After evaluating the uses of the recovered solvent, the Pearl River team approached the New York State Department of Environmental Conservation (NYSDEC) for approval to sell the recovered solvent as a raw material. Since the NYSDEC granted permission in 1999, more than 95,000 gallons of this solvent have been converted into a raw material for sale. The reuse of this material has had a positive benefit on the environment while saving the Pearl River facility the cost of disposal.

hazardous waste. In 1999, 5 percent of the hazardous waste generated at our non-U.S. facilities was reused or recycled compared with 26 percent in 1998. This decrease also is the result of the facility closure, as that facility historically reused or recycled large quantities of hazardous waste.

Hazardous Waste Reused or Recycled

performance data for non-U.S. facilities begin in 1998



Waste Reduction Success Story

The largest volume of hazardous waste generated at the Fort Dodge Animal Health facility in Fort Dodge, Iowa, was generated from the contact of a mercury-containing vaccine preservative with process vessels. Rinse water generated during the cleaning of the process vessels was regulated as hazardous waste.

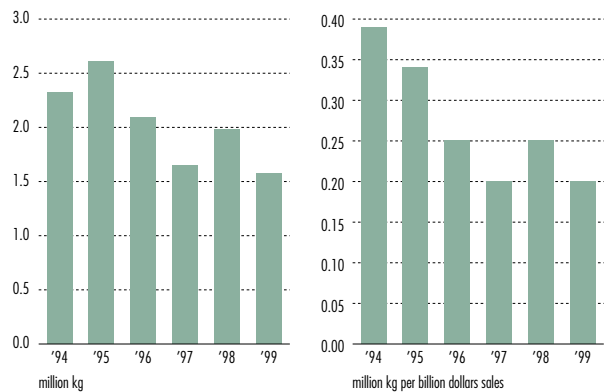
In 1996, Fort Dodge changed the point in the formulation process where the preservative is added, thereby reducing the number of process vessels coming in contact with the preservative. Fort Dodge was required to conduct a thorough evaluation for the U.S. Department of Agriculture to demonstrate that the quality of the vaccine was not compromised by the change. The change, which did not require a significant capital expenditure, successfully reduced the volume of hazardous waste generated by the facility by 28,000 pounds per month.

SARA Releases and Transfers

AHP strives to reduce releases of SARA Section 313 chemicals and minimize the impact of off-site transfers. SARA releases at our U.S. facilities dropped 44 percent on an absolute basis and 58 percent on a normalized basis from 1994 to 1999. SARA releases and off-site transfers combined were down 32 percent (absolute) and 50 percent (normalized) during the same time frame. Many of the chemicals transferred off-site from AHP are beneficially used for energy recovery.

Several initiatives within AHP have helped to reduce SARA releases. Foremost among these efforts was Wyeth-Ayerst's participation in the U.S. EPA's voluntary 33/50 program, an initiative to reduce releases of 17 high-priority chemicals. Wyeth-Ayerst met its goal of a 50 percent reduction in 33/50 chemical releases by 1994, one year ahead of the voluntary deadline, and it also achieved a 50 percent reduction in releases of all its SARA chemicals, not only those covered by the 33/50 program.

SARA Releases and Transfers



Products

American Home Products promotes environmental responsibility in all its business endeavors, including the manufacture and use of its products. Our goals in the development of new products and processes include inherent safety and minimization of environmental impacts. This proactive approach allows us to address environmental and safety issues at the initial stages of product and process development. We are aware that addressing E&S issues early in the development cycle can reduce the need for expensive safety protection and pollution control equipment or other engineering remedies often required during the manufacturing process. The inclusion of a senior R&D executive on the E&S Strategic Council (see Section Five) is part of our continuing effort to integrate E&S issues into the product and process development cycle. The council meetings foster discussion about E&S issues related to new product development.

AHP reduces the environmental and safety impacts of our products by avoiding, to the extent possible, the use of toxic or hazardous chemicals as raw materials or for ancillary uses. If we must use a toxic or hazardous material, a preference is given to the least hazardous option, and we make every effort to minimize the amount of material that must be used.

We strive to improve our products, packaging and associated processes by:

- analyzing the manufacturing process for air and water emissions and waste generation
- minimizing energy use
- controlling emissions and properly managing waste, reusing or recycling waste streams when possible
- making every effort to increase process yields to effectively increase the amount of product manufactured versus the amount of waste generated

PACKAGING INITIATIVES

We make every effort to minimize packaging weight and volume and to use packaging materials that are easily recycled, with the goal of minimizing the amount of packaging that eventually requires disposal by the customer. We also use only inks that are free of heavy metals, and we make every effort to use solvent-free printing inks when possible.

Some examples of our packaging efforts are highlighted below:

- The packaging for the *Prempro* and *Premphase EZ Dial* dispenser was designed to use the least amount of plastic resin required to protect the product without compromising the integrity of the packaging. All components of the dispenser are molded in a single plastic resin, which allows for consumer recycling of the packaging.
- The packaging for our *Lo/Ovral*, *Nordette* and *Ovral* 21-day and 28-day oral contraceptives has three components: blister, platform and sleeve. The packaging was designed for easy separation of the three components after the product is used so the blister portion can be discarded, and the platform and the sleeve can be recycled. A recycle symbol is displayed on the platform and the sleeve.
- We have reduced the variability in packaging sizes of many of our over-the-counter products.



The consolidation in bottle sizes allows us to increase packaging efficiency and reduce the amount of changes in the packaging lines at our manufacturing facilities, thereby reducing waste generated during packaging line setup and changeover at manufacturing plant locations. Now that we have fewer packaging configurations, we can focus on optimizing the package design to further reduce waste.

Land Use and Biodiversity

AHP is working to protect and restore the land and promote biodiversity with ongoing projects at facilities in the United States and the United Kingdom.

LANDFILL TRANSFORMED TO WILDLIFE HABITAT

In December 1999, AHP became a corporate member of the Wildlife Habitat Council – an organization dedicated to protecting and enhancing wildlife habitat. The council assists member companies with developing wildlife areas on their properties.

AHP selected a site in Hammonton, New Jersey, for its first habitat enhancement project with the council. The council recommended habitat enhancements at the closed landfill on the site and will aid us in coordinating the project. Following council recommendations, which have been approved by the New Jersey Department of Environmental Protection and are being reviewed by the New Jersey Pinelands Commission, AHP will be planting natural grasses, plants and wildflowers; building and placing nest structures for native birds; and reducing the grass mowing schedules to increase habitat diversity. Wildlife enhancement activities began at the site in third quarter 2000.

GREAT CRESTED NEWT HABITAT

In 1995, the Wyeth-Ayerst facility in Taplow, England, purchased three acres of land adjoining its property to build additional office space. During the land acquisition, Wyeth-Ayerst performed a review of the flora, fauna and wildlife of a pond located within the prospective site. The pond was found to be inhabited by the Great Crested Newt, a protected species under U.K. law. Working with a regional government conservation advisory agency and a local conservation group, Wyeth-Ayerst developed and implemented a plan to protect and enhance the existing newt habitat.

The plan included construction of fence lines and tunnels under roads to facilitate safe travel for the newts. Hibernaculum were created on the site to allow the newt population to hide during periods of migration. The newt population is in the on-site pond only during its two- to three-month breeding season. Although the newts were surviving on the site prior to Wyeth-Ayerst's involvement, the division now is coordinating efforts to keep the pond clear of choking weeds to allow free space and open water for the Great Crested Newt population to thrive.

Fences enhance the habitat for the Great Crested Newt



Compliance with Mandatory Standards

As stated in our Policy on Health, Safety and Environmental Protection, AHP is committed to complying with national and local laws that safeguard employees, the public and the environment. Our internal assessment program helps us verify compliance and implement corrective actions if necessary. Our ultimate goal is to reduce non-compliance to zero. We understand the value of maintaining a good working relationship with the regulatory authorities in the communities in which we operate and make every effort to continue fostering these relationships.

“AHP’s commitment to safety and environmental compliance provides the framework necessary to minimize accidents and environmental impacts. Our E&S professionals participate in all aspects of the business.”

– Alan Moran

Director, Safety, Security and Site Services,
Wyeth-Ayerst Laboratories, Pearl River, New York

Remediation

AHP currently is involved in investigation and remediation of more than 100 sites where we have cleanup obligations under a variety of federal, state and local laws and regulations, such as the U.S. Comprehensive Environmental Response, Compensation and Liability Act, commonly known as Superfund. Our liability at many of these sites arose from waste disposal practices that, although lawful and in conformance with standard industry practices at the time, resulted in environmental impacts. The vast majority of our remediation liability derives from entities that we acquired and for which we have successor liability – not from impacts caused during our operation of these sites. We have implemented programs to effectively remediate these sites, meeting applicable soil and groundwater standards and restoring the land to productive use.

The table on the right identifies the Company’s estimated total outstanding liability for these remediation projects. The remediation of the former American Cyanamid facility in Bound Brook, New Jersey, accounts for approximately 75 percent of our remediation liability.

Remediation Liability (estimated)

December 31, 1997: \$424 million

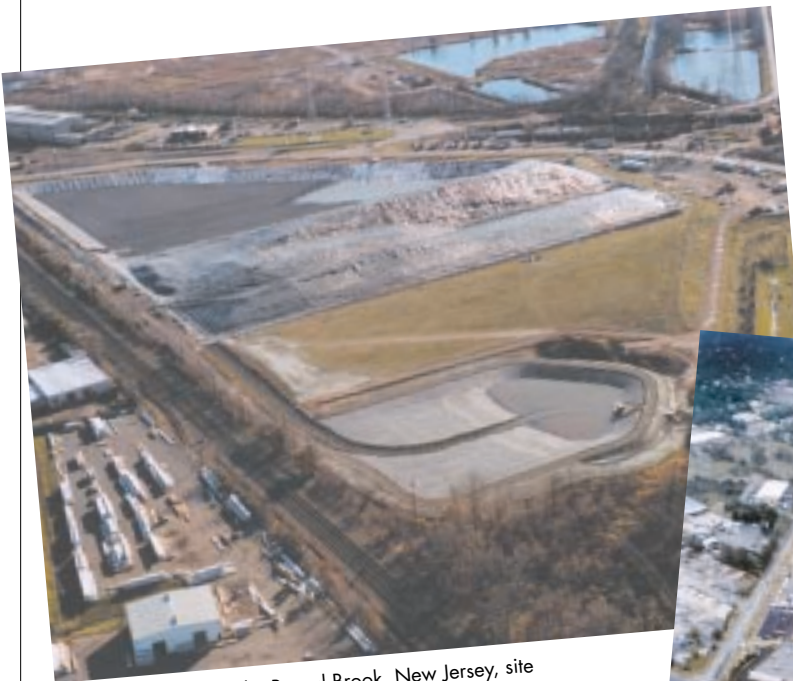
December 31, 1998: \$385 million

December 31, 1999: \$359 million

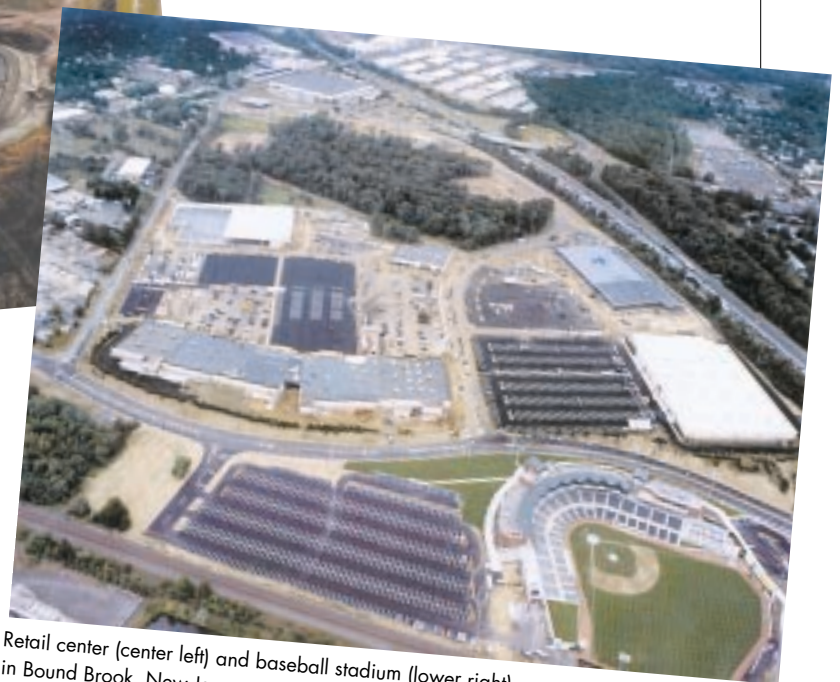
Environmental Cleanup in Bound Brook, New Jersey

American Home Products is performing remedial activities at the former American Cyanamid site in Bound Brook, New Jersey. The cleanup is necessary to remediate areas of the site where process wastes and wastewater sludges historically were stored. The liability at this 575-acre site, and the consent decrees and orders governing the remedial work, pre-dates AHP's ownership and operation of the site.

AHP has identified areas throughout the site that require remediation and has been working with NJDEP, the U.S. EPA and local authorities to address each area of concern and to return as much of the site to productive use as quickly as possible. In July 1996, a "No Further Action" Record of Decision was issued for soils at a 140-acre portion of the property, referred to as the Hill property. On the basis that no soil contamination above NJDEP residential cleanup levels was found, the NJDEP determined that no further remedial action was necessary on the Hill property. In August 1998, a portion of the Hill property was sold to a commercial developer, and the remaining portion was donated to Somerset County. The developer since has converted the area into a 750,000-square-foot retail center. Somerset County constructed a baseball stadium on the donated portion of the former Hill property to house the Somerset Patriots, a minor league baseball team. Both the retail center and the baseball stadium have provided an economic boost to the local community.



Cleanup activities at the Bound Brook, New Jersey, site



Retail center (center left) and baseball stadium (lower right) in Bound Brook, New Jersey

External Recognition

AHP facilities have received the following recent awards for environmental and safety performance:

- The Pearl River, New York, chemical development building was awarded certification by the U.S. OSHA Star Program in 2000 for the safe construction of the building. In order to receive Star certification, a construction site must demonstrate it is on the leading edge of hazard prevention methods and technology and must show continuous improvement in its safety and health programs. Less than 10 percent of construction sites in the United States achieve this level of certification.
- In July 2000, the City of Richmond, Virginia, presented Whitehall-Robins with a Certificate of Excellence for outstanding environmental performance with regard to industrial wastewater discharges.
- Two facilities in Sanford, North Carolina –Wyeth-Lederle Vaccines and Pediatrics and Wyeth-Ayerst Pharmaceuticals – received recognition from the North Carolina Department of Labor in 2000 for exceeding 1 million hours worked without a lost workday case.
- The Sherwood Medical remedial design and remedial action project, a cleanup that we conducted at a divested site, won the American Consulting Engineers Council Award for Engineering Merit for 2000 in the environmental category. The remedial action at the site included the excavation of impacted soil and installation of soil vapor extraction and groundwater treatment systems. The project was completed ahead of schedule and under budget.
- The Wyeth-Ayerst Suzhou, China, facility was recognized in three consecutive years – 1997, 1998 and 1999 – by the Wuxian provincial government for the facility's outstanding environmental and safety performance.
- Wyeth-Ayerst received the Energy Project of the Year Award from the Association of Energy Engineers in November 1998. The award was presented to the Utility and Engineering and Maintenance Department at the Pearl River, New York, facility for its efforts to increase energy efficiency at the site. These efforts included the installation of highly efficient combustion turbines with heat recovery cogeneration and utilization of electric-driven cooling equipment to take full advantage of the plant's energy capabilities.
- The Wyeth-Ayerst facility in Hsin Feng, Taiwan, received the 1998 Award for Industrial Pollution Control from the Taiwan Ministry of Economy. This award recognized the facility's achievements in noise reduction and control, air pollution control and prevention, wastewater treatment and waste disposal.
- The Sanford, North Carolina, Wyeth-Ayerst Pharmaceuticals facility received the Governor's Award for Excellence in Waste Reduction in 1998. The facility has achieved notable gains in pollution prevention through improvements in wastewater treatment and lighting.
- The recycling program at the Wyeth-Lederle Vaccines and Pediatrics plant in Sanford, North Carolina, was recognized in 1997 by the North Carolina Recyclers Association as Best In-House Recycling Program. The Earth Alert Committee at the plant has sustained a facility-wide commitment to recycling for more than eight years. The committee's charter is to educate, motivate and inform employees about recycling and other environmental issues and to encourage participation in environmental projects. Since its inception, Earth Alert has recycled approximately 300,000 pounds of materials and saved \$250,000.

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