



Working with Responsible Third Parties

Our Haleon position



Summary

At Haleon, we strive to only conduct business with third parties that commit to maintaining high ethical standards and operating responsibly. We rely on our suppliers and other third party partners to help us achieve our targets and deliver our purpose. Maintaining consistent standards and behaviours helps build trust and valuable relationships – with our consumers, stakeholders and suppliers.

Any third party that supports our business must apply responsible business behaviours and high ethical standards of business conduct in compliance with all relevant laws and regulations. As a multinational organisation with global reach, Haleon recognises that we have a role to go beyond by driving best practices in key areas such as human rights, environmental protection, and anti-bribery and corruption. So, we follow set processes designed to ensure that we work only with third parties who uphold the highest standards.

This position statement sets out the minimum expectations which we have of all third parties which do business with Haleon, as well as other areas of importance to us. They are aligned to our own Haleon Code of Conduct and reflect our current Third Party Risk Management Programme (TPRM). Our TPRM Programme applies a risk-based approach to the level of due diligence which we undertake on third parties before we engage them, the standards which we want to enforce on them via contractual provisions, as well as the level of ongoing oversight that we apply.

We also expect that our third party counterparties will maintain their own responsible business policies as well as a process to communicate requirements to their suppliers and to monitor supplier compliance.

While we expect high standards of third parties with whom we work, we also want to support them as part of our broader commitment to improving supply chain standards. Small businesses, for example, often struggle with cash-flow issues. We therefore offer preferential payment terms to small and medium-sized companies in the UK and USA.

As part of our commitment to diversity and inclusion, we aim to support suppliers run by groups that are under-represented in the supply chain such as those owned by women and minorities.

Appropriate action will be taken against third parties found in breach of their contractual undertakings, up to and including termination of their contract with Haleon.

OUR CODE OF CONDUCT

Haleon has its own **Code of Conduct** setting out the fundamental standards to be followed our employees, complementary workers and third parties who work for Haleon in their everyday interactions on behalf of the company.

Our Code covers a range of principles and behaviours expected of our staff but the following areas are particularly relevant to third parties as well:

ANTI-BRIBERY AND CORRUPTION

We have a zero-tolerance approach to bribery and corruption and expect all third parties with whom we work to act with absolute business integrity and in compliance with all relevant international and domestic legislation.

To this end, third parties must not, directly, or indirectly, promise, offer, make, authorise, solicit or accept any financial or other advantage, to or from anyone to obtain or retain business or secure an improper advantage in the conduct of business. This rule applies regardless of whether that person is a government official or works in a private sector entity.

“Financial or other advantage” covers anything of value, including cash, gifts, services, job offers, loans, travel expenses, entertainment or hospitality.

The prohibition includes all facilitation payments paid on Haleon’s behalf. These are unofficial, improper, small payments or gifts made to secure or expedite a routine action to which the payer is legally entitled.

For further insight into Haleon’s own approach to managing bribery and corruption see our **Anti-Bribery and Corruption Policy**.

CONFLICT OF INTEREST

Haleon expects all staff to be free from actual or potential conflicts of interest. A conflict of interest arises when personal activities, interests or relationships interfere or appear to interfere with our professional judgement, decisions, or actions. So, we expect out third parties to act with integrity, fairness and transparency to make sure our ability to perform our duties is not influenced by, or in conflict with, our personal relationships or any actual or anticipated benefit.

Haleon will not have dealings with a third party with whom Haleon has or is intending to have, a business connection, whereby the employee or any person related to or connected with the employee might gain a benefit (whether in the form of a payment or otherwise) in return for securing a business advantage for the third party. Any offer of a personal benefit should be disclosed.

For further details of Haleon's approach to managing conflict of interest see our **[Conflict of Interest Policy](#)**.

GIFTS, ENTERTAINMENT AND HOSPITALITY

All third parties must always carefully consider whether it is appropriate to give and accept gifts, hospitality or entertainment. When working for Haleon, third parties must never promise, offer or give gifts, hospitality or entertainment with the intention of obtaining or retaining business, securing improper business advantage, or causing the recipient to do anything that favours Haleon. We do not, and third parties must not, give or receive gifts from government officials or their family members. This covers every circumstance, including cultural acknowledgement purposes. We do not provide entertainment at business meetings, conferences, or comparable events, unless the entertainment is appropriate and directly related to the event.

For further insight into Haleon's approach to managing gifts, entertainment and hospitality see our **[Anti-Bribery and Corruption Policy](#)**.

FAIR COMPETITION

All third parties must conduct business in full compliance with the competition laws of the countries in which we operate.

Fair competition is fundamental to the free market. Competition promotes innovation, keeps prices fair, and maintains the quality and choice of products and services. It benefits consumers and customers, as well as our business.

HUMAN RIGHTS

We are committed to following the UN Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-Operation and Development's (OECD) Guidelines for Multinational Enterprises which include ensuring we have policies and processes to prevent, mitigate and remediate potential and actual adverse human rights impacts.

We are also committed to upholding the Universal Declaration of Human Rights, the core labour standards set out by the International Labour Organisation (ILO) and the Ten Principles of the UN Global Compact.

We expect third parties who work with us to follow our **[Human Rights Policy](#)**.

SPEAK UP

Haleon encourages all third parties with whom we work to establish a culture which supports reporting of suspected violations of law, rules and regulations, as well as of unethical conduct. Specifically, third parties are encouraged to:

- Enable their staff to report concerns or illegal activities in the workplace through formal reporting structures. These concerns should in turn be investigated, and if needed, corrective action should be taken.
- Create an environment where staff concerns may be reported without fear of reprisal or retaliation. Haleon may take action, in accordance with local laws, against any third party who threatens, or engages in retaliation or harassment of any person who has reported, or is considering reporting, a concern in good faith.
- In order to support employees of third parties to report suspected violations of law, rules and regulations related to their work with Haleon, third party employees are able to use Haleon's 'Speak up' grievance mechanism.

To make a report, please visit our [**Speak up pages**](#).

CONFLICT MATERIALS

Conflict Minerals refer to raw materials or minerals that come from a particular part of the world where conflict is occurring and affects the mining and trading of those materials. These conflict minerals are tin, tantalum, tungsten (the "3T's") and gold, collectively known as the "3TGs".

Haleon condemns the kind of human rights abuses funded by Conflict Minerals and we are committed to ensuring the ethical sourcing of our products.

We therefore expect all our suppliers, including the third party manufacturing organisations which manufacture some of our products for us "Contract Manufacturing Organisations" or "CMOs" and their respective suppliers, to exercise due diligence around the source and chain of custody of Conflict Minerals used in materials or products they supply to us.

Specifically:

- Existing third parties: any existing suppliers or CMOs sourcing Conflict Minerals in a manner that benefits armed groups in the Covered Countries must identify alternative sources. A failure to do so will result in termination of the supply agreement. The "Covered Countries" are Democratic Republic of the Congo,

Zambia, Angola, Republic of the Congo (Brazzaville), Central African Republic, South Sudan, Uganda, Rwanda, Burundi and Tanzania.

- New third parties: Any new or renewed supply agreements signed by Haleon with suppliers and CMOs will seek confirmation that any 3TGs supplies are conflict free (i.e. not benefiting armed groups in the Covered Countries.)

SUSTAINABILITY AND ENVIRONMENTAL PROTECTION

We are committed to reducing the environmental impact of our operations and our products. This commitment extends beyond our direct operations to include our entire value chain, which is why we work closely with third parties on identifying ways we can reduce our collective environmental impact. Third parties are critical partners in achieving our sustainability goals and effective collaboration is central to that success.

We therefore expect our third party partners to:

- Operate in an environmentally responsible way: conserving natural and other resources (carbon, forests, fresh water etc) and minimising their impact on the surrounding communities, local and global environments.
- Operate in a transparent way: disclosing data requested by Haleon relating to all aspects of the environment, and using continuous improvement techniques to support Haleon’s value chain environmental goals.
- Ensure the safe management of materials and waste: appropriately reducing, managing, controlling and treating prior to release into the environment any waste, waste water or emissions with the potential to adversely impact human health or the environment.

For further insight into Haleon’s own approach to managing Sustainability and Environmental Protection, go to our external positions listed here:

- **[CLIMATE ACTION](#)**
- **[SUSTAINABLE PACKAGING](#)**
- **[TRUSTED INGREDIENTS, SUSTAINABLY SOURCED](#)**