HALEON - Water Security 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Haleon (LSE / NYSE: HLN) is a world-leading consumer health company, with a clear purpose to deliver better everyday health with humanity. In July 2022, it listed as an independent company on the London and New York Stock Exchanges. Haleon's portfolio spans five global categories including Oral Health, Vitamins, Minerals and Supplements (VMS), Pain Relief, Respiratory Health and Digestive Health and other. Within these categories, there are long standing-brands – such as Advil, Sensodyne, Panadol, Voltaren, Theraflu, Otrivin, Polident, paradontax and Centrum, which are used and trusted by millions of consumers around the world. These brands are built on trusted science, innovation and deep human understanding.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	December 1 2021	November 30 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Argentina
Brazil
Canada
China
Indonesia
Ireland
Italy
Kenya
Malaysia
Mexico
Pakistan
Panama
Puerto Rico
Slovakia
South Africa
Spain
Sri Lanka
Switzerland
Taiwan, China
United Kingdom of Great Britain and Northern Ireland
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	GB00BMX86B70

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Haleon uses freshwater as the main source of water in its direct operations and in its indirect operations (i.e. the supply chain) to manufacture consumer health products. If Haleon did not have access to freshwater it would have to clean up the water to potable water standards so it could be used within our operations. Haleon has standards in place as part of its environmental management system that include the management of water used in all aspects of operations such as production processes or for service operations (drinking water, catering etc). Good quality freshwater will be vital in the future for Haleon in both direct and indirect operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	The availability of brackish water is not very important to our direct operations and not important to our indirect operations. Haleon uses recycled water at sites in Brazil and China. The recycled water is part of dual source along with municipal supplied water. We don't believe the availability of recycled water is very material to our operations at an enterprise level but can play an important role locally. This may increase in importance over time. The availability of brackish water is also not materially important to our indirect operations ie supply chain or during product use by patients or consumers of our products. Brackish/low quality water is not a primary source for our water because Haleon would have to clean up the water to potable water standards so it could be used within our operations. We do not expect this situation to change in the near future for our direct or indirect operations as we will continue to require freshwater in both the manufacture and use of our products.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Sites record their monthly water withdrawals using a combination of meter readings and invoices from water utilities. This is then entered into EHSOne (Haleon's sustainability database) and monitored using our internal performance monitoring systems.	On a monthly frequency, Haleon records water withdrawals for all of our manufacturing and R&D sites and major offices in our network within operational control and publicly report at a group level annually as part of our annual report. Sites measure and monitor usage with meter readings and/or utility invoices and report into our central database. This will continue to be important data point we collect at a site level.
Water withdrawals – volumes by source	100%	Monthly	Sites record their monthly water withdrawals by source in EHSOne (Haleon's sustainability database) and this is monitored using our internal performance monitoring systems.	On a monthly frequency, Haleon records water withdrawals for all of our manufacturing and R&D sites and major offices in our network within operational control and publicly report at a group level annually as part of our annual report. Sites measure and monitor usage with meter readings and/or utility invoices and report into our central database. This will continue to be important data point we collect at a site level
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	Unknown	Sites record and store this information locally and this is monitored using our internal performance monitoring systems.	Haleon has water treatment and other types of systems in place, running constantly, to ensure incoming water for production and manufacturing use meets regulatory and internal standards for manufacture. Frequency and methods vary by site, but these are automated systems measuring pH, contaminants, etc, which can include lab analysis. This will continue to be important data point we collect at a site level
Water discharges – total volumes	100%	Monthly	Sites record their monthly water discharges using a combination of meter readings and invoices from water utilities. This is then entered into EHSOne (Haleon's sustainability database) and monitored using our internal performance monitoring systems.	On a monthly frequency, Haleon records water discharges for all of our manufacturing, R&D sites and major offices in our network within operational control and publicly report at a group level annually as part of our annual report. Sites measure and monitor usage with meter readings and/or utility invoices and report into our central database. This will continue to be important data point we collect at a site level.
Water discharges – volumes by destination	100%	Monthly	Sites record their monthly water discharges by destination using a combination of meter readings and invoices from water utilities. This is then entered into EHSOne (Haleon's sustainability database) and monitored using our internal performance monitoring systems.	On a monthly frequency, Haleon records water discharges for all of our manufacturing, R&D sites and major offices in our network and publicly report at a group level annually as part of our annual report. Sites measure and monitor usage with meter readings and/or utility invoices and report into our central database. This will continue to be important data point we collect at a site level.
Water discharges – volumes by treatment method	Not monitored	<Not Applicable>	<Not Applicable>	Haleon sites ensure that our waste water emissions are compliant with local regulations or permits from the receiving authority such as utility companies. This data isn't monitored centrally. We are incorporating this into our reporting requirements for sites this year.
Water discharge quality – by standard effluent parameters	76-99	Other, please specify (This will differ in frequency dependent on local permits and licensing requirements.)	This will differ in frequency dependent on local permits and licensing requirements. Sites record and store this information locally and this is monitored using our internal performance monitoring systems.	Haleon sites ensure that our waste water emissions are compliant with local regulations or permits from the receiving authority such as utility companies. Haleon records water discharge quality centrally for our manufacturing sites monthly and for lower impact sites such as R&D facilities annually. Our manufacturing sites and R&D facilities report chemical oxygen demand (COD) to local authorities in line with permits and consents. However, we don't disclose it publicly.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	76-99	Yearly	Sites carry out their environmental risk assessment using mass balance calculations based on the materials they handle. This is then entered into EHSOne (Haleon's sustainability database) and monitored using our internal performance monitoring systems.	Haleon has Water Quality Assessment Programs and Wastewater Emissions Monitoring Programs at our manufacturing facilities as required by local laws and regulations. Haleon works with the local environmental regulatory agencies to ensure proper permitting of our facilities and reporting of required environmental activities and emissions. Haleon monitors all emissions of concern as mandated by local authorities. Record of compliance will be retained locally. However, we do not collect data on nitrates, phosphates, pesticides or priority substances centrally. This will be something we aim to collect for the next reporting period. Haleon does collect data on the management of active pharmaceutical ingredients (API) in wastewater centrally. We have an active risk assessment process in place designed with the aim to keep the API content in wastewater below the predicted no effect concentration (PNEC). There is no API listed on the priority substances list.
Water discharge quality – temperature	76-99	Other, please specify (This will differ in frequency dependent on local permits and licensing requirements.)		The majority of our sites globally have limits for temperature in their waste water consents, permits, or other directives, so the sites monitor temperature at regular intervals (e.g. monthly in U.S.) to ensure the discharge remands in compliance as directed by local authorities. We report as required by local standards in relevant markets, but we do not collect this data at an enterprise level.
Water consumption – total volume	100%	Monthly	Sites record their monthly water consumption using a combination of meter readings and invoices from water utilities. This is then entered into EHSOne (Haleon's sustainability database) and monitored using our internal performance monitoring systems.	Haleon calculates water consumption for all of our manufacturing and R&D sites and major offices in our network within operational control. Haleon calculates water consumption for 100% of our sites by considering the difference between water withdrawals and water discharges. Sites report withdrawals and discharges on a monthly basis so water consumption is available on a monthly frequency. Sites measure and monitor usage with monthly meter readings and/or utility invoices.
Water recycled/reused	100%	Monthly	Sites record their monthly water recycled/reused using a combination of meter readings and invoices from water utilities. This is then entered into EHSOne (Haleon's sustainability database) and monitored using our internal performance monitoring systems.	On a monthly frequency, Haleon records water withdrawals for all of our manufacturing and R&D sites and major offices in our network within operational control and publicly report at a group level annually as part of our annual report. Sites measure and monitor usage with meter readings and/or utility invoices and report into our central database. This will continue to be important data point we collect at a site level.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Other, please specify	This will differ in frequency dependent on local permits and licensing requirements as well as local management monitoring procedures and enterprise risk-based auditing frequencies.	Haleon has standards in place as part of its environmental management system that include the management of water used in all aspects of operations such as production processes or for service operations (sanitation, drinking water, catering etc.). Frequency and method of monitoring varies by site.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	2225	About the same	Increase/decrease in efficiency	About the same	Increase/decrease in efficiency	With the continuous improvement measures we are putting in place we expect our water efficiency to improve including in areas of business growth. Our water withdrawals are about the same as the previous year with a 0.5% increase at company level. Whilst our water withdrawal from tankers and municipal sources reduced by 8.5% and 1.4% respectively, our water withdrawal from groundwater increased by 7.9% compared with 2021.
Total discharges	1463	Lower	Increase/decrease in efficiency	About the same	Increase/decrease in efficiency	With the continuous improvement measures we are putting in place we expect our water efficiency to improve in areas of business growth. Haleon's waste water discharges are lower compared with the previous year. With a 5.5% decrease in 2022 compared with 2021, at company level. Our waste water discharges to municipal sewers and surface water reduced by 2.6% and 0.97% respectively.
Total consumption	762	Higher	Increase/decrease in efficiency	About the same	Increase/decrease in efficiency	With the continuous improvement measures we are putting in place we expect our water efficiency to improve in areas of business growth. Haleon's water consumption is higher than the previous year. With a 14.45% increase in 2022 compared with 2021, at company level. Consumption is calculated from withdrawals minus discharges = 762.2 Megalitres in 2022 =(2224.8-1462.6= 762.2). We have an increase in business activity at sites throughout the Haleon network, increasing our water consumption. Consumption generally varies year to year depending on local operating conditions, reuse/recycling and efficiency projects. This is expected to level out, balanced by increased focus on water stewardship at site.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	11-25	This is our first year of measurement	Other, please specify (This is our first year of measurement)	Higher	Change in accounting methodology	WRI Aqueduct	The volume of water withdrawn from areas of high water stress was 11% of our total volume. The amount of water withdrawn from areas of water stress is likely to increase as our risk assessment methodology improves for determining which sites are in water stressed areas. We have refreshed our risk assessment using WRI Aqueduct tool and carried out our TCFD analysis which has identified a number of sites that may be in scope in the future. We plan to review these risks over the next year at a site level through our process to achieve Alliance for Water Stewardship (AWS) Certification at our manufacturing sites to verify the risk and develop local water stewardship plans.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Our facilities do not use surface water as source of water for our operations as there are considerations for appropriate incoming water quality to meet regulatory and internal standards for manufacture. This situation will not change for the foreseeable future.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Our facilities do not use brackish surface or seawater water as source of water for our operations as there are considerations for appropriate incoming water quality to meet regulatory and internal standards for manufacture. This situation will not change for the foreseeable future.
Groundwater – renewable	Relevant	327	Higher	Increase/decrease in business activity	The increase came from two Haleon manufacturing sites. One experienced an increase in temperature and humidity requiring more cooling water. The second site is growing, installing a new production area and manufacturing more products. This will remain largely stable in the future.
Groundwater – non-renewable	Relevant	179.9	About the same	Increase/decrease in business activity	Two Haleon facilities are included in this figure, one in Kenya and the other in China. These two sites are considered to be water stressed in accordance with the WRI aqueduct definition: Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. This is expected to remain stable in future years.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Haleon do not use entrained or produced water. This situation will not change for the foreseeable future
Third party sources	Relevant	1718	Lower	Increase/decrease in efficiency	This includes water from tankers and water from municipal sources and accounted for 77% of our water withdrawal, the majority of which was from municipal sources. This is expected to remain stable in future years.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	156	About the same	Increase/decrease in efficiency	This includes water discharges to fresh surface water bodies. It accounts for 11% of our total waste water discharges. It decreased by -0.01% in the reporting period. It is expected to remain stable in the coming years.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Haleon does not discharge to brackish surface water/seawater.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Haleon does not discharge to groundwater.
Third-party destinations	Relevant	1306	Lower	Increase/decrease in efficiency	This includes our waste water discharges to land and municipal sewers, the majority of which is to municipal sewers. It decreased by 6% in the reporting period and accounted for approximately 89% of our total waste water discharges in the reporting period., the majority of which was to municipal sewer. It is expected to remain stable in the coming years.

W1.2k

(W1.2k) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

	Emissions to water in the reporting year (metric tonnes)	Category(ies) of substances included	List the specific substances included	Please explain
Row 1	0	Nitrates Phosphates Pesticides	<Not Applicable>	Haleon has Water Quality Assessment Programs and Wastewater Emissions Monitoring Programs at our manufacturing facilities as required by local laws and regulations. Haleon works with the local environmental regulatory agencies to ensure proper permitting of our facilities and reporting of required environmental activities and emissions. Haleon monitors all emissions of concern as mandated by local authorities. Record of compliance will be retained locally. However, we do not collect data on nitrates, phosphates, pesticides or priority substances centrally. This will be something we aim to collect for the next reporting period. Haleon does collect data on the management of active pharmaceutical ingredients (API) in wastewater, we have an active risk assessment process in place designed with the aim to keep the API content in wastewater below the predicted no effect concentration (PNEC). There is no API listed on the priority substances list.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	10900000000	2225	4898876.40449438	The forward trend for Haleon will remain largely stable in the coming years.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	The response to this question is based on the most recent review of chemical inventories at sites which must comply with REACH regulations. The scope of the review covers EU and UK based manufacturing sites in Haleon that need to comply with REACH: 1. Alcala (Spain); 2. Aprilia (Italy); 3. Dungarvan (Ireland); 4. Levice (Slovakia); 5. Maidenhead (UK). Third party manufacturing organizations are not included in the scope of the review. Based on the review of Haleon's chemical inventories for the five manufacturing sites to the end of 2022, none of the chemicals currently used are listed on either: • The REACH Restricted List (as per the REACH Annex XVII list); or • The REACH List for Substances of Very High Concern (SVHCs) - which are chemicals that have serious effects on human health or the environment.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	No	We are planning to do so within the next two years	Haleon has a target on sourcing trusted ingredients sustainably. Part of this target involves certifying source materials against existing standards. We are undergoing a review of how water stewardship is incorporated into those existing standards.

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact
Yes, we assess the impact of our suppliers

Considered in assessment
Basin status (e.g., water stress or access to WASH services)

Number of suppliers identified as having a substantive impact
0

% of total suppliers identified as having a substantive impact
Unknown

Please explain
Haleon conducted an analysis with the aim of understanding the potential impact of risks caused by acute (flooding, drought, heavy precipitation, extreme winds) and chronic (water stress, temperature variations) extreme weather events. This analysis covered Haleon's key third-party manufacturing organisations and suppliers. It was identified that: — 61 out of 67 strategic third party manufacturers and suppliers' locations could be impacted by 2050 by acute climate-related risks. — 33 out of 67 strategic third party manufacturers and suppliers' locations selected could be impacted by 2050 by chronic climate-related risks. This physical risk is expected to have the highest potential impact under the assumptions of the business-as-usual (BAU) scenario (defined in 7.3) and to materialise at the short- to mid-term time horizon. We have yet to determine whether the risks identified will result in a substantive impact.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, water-related requirements are included in our supplier contracts	<Not Applicable>

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement
Complying with going beyond water-related regulatory requirements

% of suppliers with a substantive impact required to comply with this water-related requirement
Unknown

% of suppliers with a substantive impact in compliance with this water-related requirement
Unknown

Mechanisms for monitoring compliance with this water-related requirement
On-site third-party audit

Response to supplier non-compliance with this water-related requirement
Retain and engage

Comment
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 behaviors helps build trust and valuable relationships – with our consumers, stakeholders and suppliers. Our position statement, Working with third parties 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. It includes requirements to minimize impact on communities and environment, transparent disclosure of environmental data as well as safe management of waste water.

Water-related requirement
Providing fully-functioning, safely managed WASH services to all workers

% of suppliers with a substantive impact required to comply with this water-related requirement
Unknown

% of suppliers with a substantive impact in compliance with this water-related requirement
Unknown

Mechanisms for monitoring compliance with this water-related requirement
On-site third-party audit

Response to supplier non-compliance with this water-related requirement
Retain and engage

Comment
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 behaviors helps build trust and valuable relationships – with our consumers, stakeholders and suppliers. Our position statement, Working with third parties 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. It includes requirements to minimize impact on communities and environment, transparent disclosure of environmental data as well as safe management of waste water.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement
Information collection

Details of engagement
Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

% of suppliers by number
Unknown

% of suppliers with a substantive impact
Unknown

Rationale for your engagement
It is good practice to collect primary data from suppliers, we do this for numerous sustainability data points.

Impact of the engagement and measures of success
We collect data from suppliers using a system called Manufacture 2030, an online portal where suppliers can submit sustainability data including water data. By collecting this data we are able to understand our supplier's water withdrawal, the source of that withdrawal and if there is any rainwater harvesting. We can use this data, comparing it to the modelled blue water footprint work we started late 2022.

We have metrics for supplier registration and data submittal on Manufacture 2030 in place, success is determined by amount of suppliers registered against the invitations to register and submit data.

Comment
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. Our position statement, Working with third parties sets out the minimum expectations which we have of all third parties which do business with Haleon, including transparent disclosure of environmental data.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	EHS incidents and regulatory agency actions are entered onto the EHS One System. Sites are required by our internal standards to report fines, enforcement orders, and/or other penalties for water-related regulatory violations. Once in EHS One these are reviewed by our Engineering and EHS central team and the regional EHS leads on a weekly basis. EHS One is a company-wide EHS&S application for environmental data management, incident management, global alerts and EHS audits. There were no fines, enforcement orders, and/or other penalties for water-related regulatory violations reported into EHS One

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	Haleon has Water Quality Assessment Programs and Wastewater Emissions Monitoring Programs at our manufacturing facilities as required by local laws and regulations. Haleon works with the local environmental regulatory agencies to ensure proper permitting of our facilities and reporting of required environmental activities and emissions. Haleon monitors all emissions of concern as mandated by local authorities. They are identified and classified as part of our sector specific focus on API as there are products within our portfolio that contain Active Pharmaceutical Ingredients (API). We recognize that APIs may enter the environment from unused medical products, human excretion, washing off following use or via discharges from manufacturing facilities. We place a priority on minimizing the risk of any APIs entering the environment as a result of our manufacturing processes. We have implemented an ERA program across all our manufacturing sites to ensure negligible risk of discharge of APIs to the receiving environment.	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category
Inorganic pollutants

Description of water pollutant and potential impacts
Haleon has Water Quality Assessment Programs and Wastewater Emissions Monitoring Programs at our manufacturing facilities as required by local laws and regulations. Haleon works with the local environmental regulatory agencies to ensure proper permitting of our facilities and reporting of required environmental activities and emissions. Haleon monitors all emissions of concern as mandated by local authorities. We have a sector specific focus on API as there are products within our portfolio that contain Active Pharmaceutical Ingredients (API). We recognize that APIs may enter the environment from unused medical products, human excretion, washing off following use or via discharges from manufacturing facilities. We place a priority on minimizing the risk of any APIs entering the environment as a result of our manufacturing processes. We have implemented an ERA program across all our manufacturing sites to ensure negligible risk of discharge of APIs to the receiving environment.

Value chain stage
Direct operations

Actions and procedures to minimize adverse impacts
Beyond compliance with regulatory requirements

Please explain
We have implemented an ERA program across all our manufacturing sites to ensure negligible risk of discharge of APIs to the receiving environment.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage
Direct operations
Supply chain
Product use phase

Coverage
Full

Risk assessment procedure
Water risks are assessed in an environmental risk assessment

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Tools on the market

Tools and methods used
WRI Aqueduct

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Implications of water on your key commodities/raw materials
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Customers
Employees
Investors
Local communities
Regulators
Suppliers
Water utilities at a local level

Comment
There is a layered approach to water risk assessment in Haleon. First, an assessment of Haleon's value chain footprint and water risk assessment is undertaken at an enterprise level using the WRI Aqueduct Tool l. The result of which is an understanding of water risks e.g., Water Stress, Water Quality, WASH, Regulatory and Reputational and Flood risk at our operational sites and key suppliers. Targets are set at each site to respond to local water issues; whether they relate to availability, quality, or access to clean water. This is supplemented each year by our TCFD outputs. The second part of the water risk assessment is local. The output of the enterprise level risk assessment is shared with our network of sites. As part of our enterprise target to achieve Alliance for Water Stewardship certification we are working through steps 1-5 of the standard. In Step 1 the sites gather and understand: the aim of Step 1 is to ensure that the site gathers data on its water use and its catchment context and uses these data to understand its shared water challenges as well as its contributions (both positive and negative) to these challenges, water risks, impacts, and opportunities. The site is required to understand the water risks and opportunities by assessing and prioritizing the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends. The risks include water quality, quantity, WASH and regulatory and reputational – supplementing the geographic risk from the WRI Aqueduct tool with local data sources. Our stakeholder identification follows the criteria within the AWS Standard and is based on inclusive cover of all the stakeholders - these stakeholders may also identify shared water challenges, risks and opportunities as part of engagement process and these would be fed back into our risk assessment.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	First, an assessment of Haleon's value chain footprint and water risk assessment is undertaken at an enterprise level using the WRI Aqueduct Tool . The value chain assessment excludes transport and logistics as this was considered an immaterial part of water footprint. The result of which is an understanding of water risks e.g., Water Stress, Water Quality, WASH, Regulatory and Reputational and Flood risk at our operational sites and key suppliers. We selected these indicators to be consistent with historic indicators selected and the indictors represent the multi-dimensional definition of water stress i.e. quantity, quality and WASH. We average the risk score across the categories and anything above a risk rating of two requires further investigation. Targets set at each site need to respond to local water issues; whether they relate to availability, quality, or access to clean water. This is supplemented each year by our TCFD outputs.	The output of the enterprise level risk assessment is shared with our network of sites. As part of our enterprise target to achieve Alliance for Water Stewardship Certification we are working through steps 1-5 of the standard. In Step 1 the aim is to ensure that the site gathers data on its water use and its catchment context and that the site uses these data to understand its shared water challenges as well as its contributions (both positive and negative) to these challenges, water risks, impacts, and opportunities. Sites are required to gather the aforementioned data and information. The site is then required to understand the water risks and opportunities by assessing and prioritizing the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends. The risks include water quality, quantity, WASH and regulatory and reputational – supplementing the geographic risk from the WRI Aqueduct tool with local data sources.	Our stakeholder identification follows the criteria within the AWS Standard and is based on inclusive cover of all the stakeholders.	The site is required to understand the water risks and opportunities by assessing and prioritizing the water risks and opportunities affecting the site using a 5x5 risk matrix (likelihood x severity). This assessment is based upon the status of the site, existing risk management plans and/or the issues and future risk trends. A Water stewardship plan is developed in response to those risks and opportunities. Haleon standards in risk management are used (5x5 matrix) which is consistent with how other risks are assessed in the business e.g. Health & Safety.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Haleon's procedure for risk management, including water-related risks, uses an internal control framework (ICF) methodology. ICF is based on recognised international standards (e.g., ISO31000, COSO) and is used at all levels of the organisation. The impact of a risk may be classified as low, medium, high, and very high, based on the rating of the "risk impact". Next, it is moderated by looking at "risk likelihood" that may be classified as: rare, unlikely, possible, likely, almost certain. Combining these elements produces a risk heat map and classifies the risks as 'low', 'medium', 'high', or 'very high'. We define risks classified as "medium", "high" and "very high" or based on potential financial impact of the risk to be >£40m as having a substantive financial or strategic impact on our business. The impact could be, for example, the failure to meet one or more of Haleon's strategic objectives, supply disruption or constraints in our global sourcing and supply network due to external or internal factors or insufficient capacity leading to the inability to meet customer demand and desired service levels. Haleon's ICF helps identify, prioritise, and mitigate risks as follows. Firstly, the ICF quantifies the risk's likelihood and its impact, then it applies a series of checks and balances designed to reduce the likelihood of any risk materialising and its impact as well as tracking that planned mitigations are working.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	5	1-25	Haleon used scenario analysis to identify climate-related risks and some of them were related to water. The assessment showed that 5 out of 25 facilities (owned by Haleon) may be exposed in the future to flood or drought risk. Financial risk was estimated to have medium impact.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

China	Other, please specify (Ziya He, Interior)

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Unknown

Comment

All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather

events. The main outcomes were:
— Flooding risk (flash flood and riverine flooding) that may impact our largest sites remains the main risk in terms of potential property damage and business interruption. . TSKF (China), Dungarvan (Ireland), Nyon (Switzerland), Suzhou (China)
— Drought risk that may impact our largest sites remains the main risk in terms of potential increase of operating expenses and capital expenditures, and reduced labour/capital productivity. Aprilia (Italy), Suzhou (China), TSKF (China)
— Drought risks and temperature-induced increase in operating expenses can be exacerbated by local water stress context leading to restrictions and strengthened regulations.

Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
— Set out strategy and tactical steps to ensure business operations can recover in an appropriate time frames aligned with company objectives.
— Minimise supply chain impact and time disruption through effective contingency and recovery of strategies
— Allow for a quick and organised response
To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will help us better understand potential physical risks related to water in specific geographies and prioritise actions.

Country/Area & River basin

China	Other, please specify (China Coast)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Unknown

Comment
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. The main outcomes were:
Flooding risk (flash flood and riverine flooding) that may impact our largest sites remains the main risk in terms of potential property damage and business interruption. TSKF (China), Dungarvan (Ireland), Nyon (Switzerland), Suzhou (China)
— Drought risk that may impact our largest sites remains the main risk in terms of potential increase of operating expenses and capital expenditures, and reduced labour/capital productivity. Aprilia (Italy), Suzhou (China), TSKF (China)
— Drought risks and temperature-induced increase in operating expenses can be exacerbated by local

water stress context leading to restrictions and strengthened regulations.

Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
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Country/Area & River basin

Switzerland	Other, please specify (RhÃ´ne)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Unknown

Comment
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. The main outcomes were:
Flooding risk (flash flood and riverine flooding) that may impact our largest sites remains the main risk in terms of potential property damage and business interruption. TSKF (China), Dungarvan (Ireland), Nyon (Switzerland), Suzhou (China)
— Drought risk that may impact our largest sites remains the main risk in terms of potential increase of operating expenses and capital expenditures, and reduced labour/capital productivity. Aprilia (Italy), Suzhou (China), TSKF (China)
— Drought risks and temperature-induced increase in operating expenses can be exacerbated by local water stress context leading to restrictions and strengthened regulations.

Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather

events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
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— Minimise supply chain impact and time disruption through effective contingency and recovery of strategies
— Allow for a quick and organised response
To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will help us better understand potential physical risks related to water in specific geographies and prioritise actions.

Country/Area & River basin

Ireland	Other, please specify (Siur)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Unknown

Comment
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. The main outcomes were:
Flooding risk (flash flood and riverine flooding) that may impact our largest sites remains the main risk in terms of potential property damage and business interruption. TSKF (China), Dungarvan (Ireland), Nyon (Switzerland), Suzhou (China)
— Drought risk that may impact our largest sites remains the main risk in terms of potential increase of operating expenses and capital expenditures, and reduced labour/capital productivity. Aprilia (Italy), Suzhou (China), TSKF (China)
— Drought risks and temperature-induced increase in operating expenses can be exacerbated by local water stress context leading to restrictions and strengthened regulations.

Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
— Set out strategy and tactical steps to ensure business operations can recover in an appropriate time frames

aligned with company objectives.
— Minimise supply chain impact and time disruption through effective contingency and recovery of strategies
— Allow for a quick and organised response
To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will help us better understand potential physical risks related to water in specific geographies and prioritise actions.

Country/Area & River basin

Italy	Other, please specify (Italy, west coast)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Unknown

Comment
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. The main outcomes were:
- Flooding risk (flash flood and riverine flooding) that may impact our largest sites remains the main risk in terms of potential property damage and business interruption. TSKF (China), Dungarvan (Ireland), Nyon (Switzerland), Suzhou (China)
— Drought risk that may impact our largest sites remains the main risk in terms of potential increase of operating expenses and capital expenditures, and reduced labour/capital productivity. Aprilia (Italy), Suzhou (China), TSKF (China)
— Drought risks and temperature-induced increase in operating expenses can be exacerbated by local water stress context leading to restrictions and strengthened regulations.

Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
— Set out strategy and tactical steps to ensure business operations can recover in an appropriate time frames aligned with company objectives.
— Minimise supply chain impact and time disruption through effective contingency and recovery of strategies
— Allow for a quick and organised response
To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will

help us better understand potential physical risks related to water in specific geographies and prioritise actions.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

China	Other, please specify (Ziya He, Interior)

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact
Supply chain disruption

Company-specific description
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. For our site in Tianjin, China, flooding (flash flood and riverine flooding) and drought risk was identified which may impact the site, resulting potential property damage and business interruption.. The medium magnitude of potential impact and the potential financial impact figure of £40,000,000-£80,000,000 is based on the maximum impact of any one of the five sites in the network identified.

Timeframe
More than 6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
40000000

Potential financial impact figure - maximum (currency)
80000000

Explanation of financial impact
Modelling is based on a selection of research papers, OASIS datahub modelling framework, and European Commission analyses. Use of Haleon's property damage and business interruptions values for financial quantification. Qualitative review of coverage of key risks within Haleon’s Business continuity plan and mitigation priorities.

Primary response to risk
Develop flood emergency plans

Description of response
Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
— Set out strategy and tactical steps to ensure business operations can recover in an appropriate time frames aligned with company objectives.
— Minimise supply chain impact and time disruption through effective contingency and recovery of strategies
— Allow for a quick and organised response.
To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will

help us better understand potential physical risks related to water in specific geographies and prioritise actions.

Cost of response
60000000

Explanation of cost of response
In this case we have a cost range estimate based on our TCFD analysis and we have selected a midpoint for the cost of response because this risk cannot be mitigated by capital expenditure. This figure represents the costs of response across all of our sites with physical risks identified.

Country/Area & River basin

China	Other, please specify (China Coast)

Type of risk & Primary risk driver

Acute physical	Drought

Primary potential impact
Supply chain disruption

Company-specific description
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. For our site in Suzhou China, drought and flooding risk (flash flood and riverine flooding) was identified, which may impact the site, resulting potential property damage and business interruption. The medium magnitude of potential impact and the potential financial impact figure of £40,000,000-£80,000,000 is based on the maximum impact of any one the five sites in the network identified.

Timeframe
More than 6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
40000000

Potential financial impact figure - maximum (currency)
80000000

Explanation of financial impact
Modelling is based on a selection of research papers, OASIS datahub modelling framework, and European Commission analyses. Use of Haleon's property damage and business interruptions values for financial quantification. Qualitative review of coverage of key risks within Haleon's Business continuity plan and mitigation priorities.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
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— Allow for a quick and organised response.
To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will help us better understand potential physical risks related

to water in specific geographies and prioritise actions.

Cost of response
60000000

Explanation of cost of response
In this case we have a cost range estimate based on our TCFD analysis and we have selected a midpoint for the cost of response because this risk cannot be mitigated by capital expenditure. This figure represents the costs of response across all of our sites with physical risks identified.

Country/Area & River basin

Switzerland	Other, please specify (RhÃ´ne)

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact
Supply chain disruption

Company-specific description
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. For our site in Nyon, Switzerland, this was flooding risk (flash flood and riverine flooding) twhich may impact the site, resulting potential property damage and business interruption. The medium magnitude of potential impact and the potential financial impact figure of £40,000,000-£80,000,000 is based on the maximum impact of any one the five sites in the network identified.

Timeframe
More than 6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
40000000

Potential financial impact figure - maximum (currency)
80000000

Explanation of financial impact
Modelling is based on a selection of research papers, OASIS datahub modelling framework, and European Commission analyses. Use of Haleon's property damage and business interruptions values for financial quantification. Qualitative review of coverage of key risks within Haleon’s Business continuity plan and mitigation priorities.

Primary response to risk
Develop flood emergency plans

Description of response
Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
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To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will help us better understand potential physical risks related to water in specific geographies and prioritise actions.

Cost of response
60000000

Explanation of cost of response
In this case we have a cost range estimate based on our TCFD analysis and we have selected a midpoint for the cost of response because this risk cannot be mitigated by capital expenditure. This figure represents the costs of response across all of our sites with physical risks identified.

Country/Area & River basin

Ireland	Other, please specify (Siur)

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact
Supply chain disruption

Company-specific description
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. For our site in Dungarven Ireland, this was flooding risk (flash flood and riverine flooding) which may impact the site, resulting potential property damage and business interruption. The medium magnitude of potential impact and the potential financial impact figure of £40,000,000-£80,000,000 is based on the maximum impact of any one the five sites in the network identified.

Timeframe
More than 6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
40000000

Potential financial impact figure - maximum (currency)
80000000

Explanation of financial impact
Modelling is based on a selection of research papers, OASIS datahub modelling framework, and European Commission analyses. Use of Haleon's property damage and business interruptions values for financial quantification. Qualitative review of coverage of key risks within Haleon’s Business continuity plan and mitigation priorities.

Primary response to risk
Develop flood emergency plans

Description of response
Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
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— Minimise supply chain impact and time disruption through effective contingency and recovery of strategies
— Allow for a quick and organised response.
To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will help us better understand potential physical risks related to water in specific geographies and prioritise actions.

Cost of response

60000000

Explanation of cost of response
In this case we have a cost range estimate based on our TCFD analysis and we have selected a midpoint for the cost of response because this risk cannot be mitigated by capital expenditure. This figure represents the costs of response across all of our sites with physical risks identified.

Country/Area & River basin

Italy	Other, please specify (Italy, west coast)

Type of risk & Primary risk driver

Acute physical	Drought

Primary potential impact
Supply chain disruption

Company-specific description
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. For our site in Aprilia, Italy, this was drought risk which may impact the site, resulting potential property damage and business interruption. The medium magnitude of potential impact and the potential financial impact figure of £40,000,000-£80,000,000 is based on the maximum impact of any one the five sites in the network identified.

Timeframe
More than 6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
40000000

Potential financial impact figure - maximum (currency)
80000000

Explanation of financial impact
Modelling is based on a selection of research papers, OASIS datahub modelling framework, and European Commission analyses. Use of Haleon's property damage and business interruptions values for financial quantification. Qualitative review of coverage of key risks within Haleon's Business continuity plan and mitigation priorities.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to:
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— Allow for a quick and organised response.
To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water challenges at the catchment-scale. We have a a value-chain water footprint analysis which will help us better understand potential physical risks related to water in specific geographies and prioritise actions.

Cost of response
60000000

Explanation of cost of response

In this case we have a cost range estimate based on our TCFD analysis and we have selected a midpoint for the cost of response because this risk cannot be mitigated by capital expenditure. This figure represents the costs of response across all of our sites with physical risks identified.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Evaluation in progress	Haleon conducted an analysis with the aim of understanding the potential impact of risks caused by acute (flooding, drought, heavy precipitation, extreme winds) and chronic (water stress, temperature variations) extreme weather events. This analysis covered Haleon's key third-party manufacturing organisations and suppliers. It was identified that: — 61 out of 67 strategic third party manufacturers and suppliers' locations could be impacted by 2050 by acute climate-related risks. — 33 out of 67 strategic third party manufacturers and suppliers' locations selected could be impacted by 2050 by chronic climate-related risks. This physical risk is expected to have the highest potential impact under the assumptions of the business-as-usual (BAU) scenario (defined in 7.3) and to materialise at the short- to mid-term time horizon (defined in 7.3) . We have yet to determine whether the risks identified will result in a substantive impact based on definition that risks classified as "medium", "high" and "very high" or based on potential financial impact of the risk to be >£40m as having a substantive financial or strategic impact on our business.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Resilience

Primary water-related opportunity
Increased supply chain resilience

Company-specific description & strategy to realize opportunity
We know that water is critical for our consumers and society. For Haleon, access to a resilient fresh water supply enables us to produce healthcare products. Haleon is committed to addressing these challenges and supporting SDG 6. As part of our environment strategy, we have set out the following goals:

- We aim to achieve Alliance for Water Stewardship standard certification at our manufacturing sites by 2025.
- We aim to achieve water neutrality at our manufacturing sites in water-stressed basins by 2030.

We are working through a process of implementation of the Alliance Water Stewardship, based on that robust process of identifying water related risks and opportunities. Basedon the sites' impacts and dependencies on local water resources, they are able to develop a well-informed water stewardship plan addressing the material elements identified. Through this process and subsequent plan the aim is that sites' resilience to physical and transitionary water risks is increased.

We are developing site specific plans to make our manufacturing sites located in water stressed basins water neutral by 2030. Our manufacturing site in Cape Town, South Africa (located in a water stressed basin) is the first in our network to pilot water neutrality, aiming to address the shared water challenges locally. We have implemented a number of water-saving initiatives at this site, such as recycling water used on site for use in cooling towers and toilets, capturing and treating rainwater for reuse and installing more energy-efficient water utilities. We have also undertaken work to understand our impacts and dependencies on water in the local area, understanding where the water for the site is sourced and wastewater is discharged, the local shared water challenges and the identity of local stakeholders. In partnership with local partners like WWF South Africa, the site has now also become the first in our network to embark on the journey of water neutrality. This will involve continuing to minimise water use on site as well as working with local partners e.g. WWF South Africa to address shared water challenges by clearing alien plant species and replanting local flora to create greater resilience in the basin. As our pioneering water neutrality site, we intend to take learnings from this project in order to apply them to other sites in water-stressed areas.

Estimated timeframe for realization
4 to 6 years

Magnitude of potential financial impact
Unknown

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
40000000

Potential financial impact figure – maximum (currency)
80000000

Explanation of financial impact
All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy, precipitation, extreme winds) and chronic (drought and water stress, temperature variations) and extreme weather events. The medium magnitude of potential impact and the potential financial impact figure of £40,000,000-£80,000,000 is based on the maximum impact of any one the five sites in the network identified. Therefore, by realising the opportunity the Haleon targets represent in mitigating the risk of that potential financial impact that figure is the same.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
TSKF

Country/Area & River basin

China	Other, please specify (Ziya He, Interior)

Latitude
39.14177

Longitude
117.31502

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
63.11

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
63.11

Total water discharges at this facility (megaliters/year)
53

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
53.67

Total water consumption at this facility (megaliters/year)
9.44

Comparison of total consumption with previous reporting year
About the same

Please explain
This site has been identified in the Haleon TCFD assessment as a flood and drought risk. This is a single site. WRI Aqueduct tool has been used to determine the geographic risk score. This geographic risk score will be validated at site level when working through the Alliance for Water stewardship standard as part of our 2025 target to achieve Alliance for Water Stewardship standard certification at our manufacturing sites by 2025. Data is entered on a monthly basis into our internal data repository (EHS One).

Facility reference number
Facility 2

Facility name (optional)
Suzhou WSJ

Country/Area & River basin

China	Other, please specify (China Coast)

Latitude
31.269241

Longitude
120.621554

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
160.81

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
160.81

Total water discharges at this facility (megaliters/year)
126.93

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
126.93

Total water consumption at this facility (megaliters/year)
33.88

Comparison of total consumption with previous reporting year
About the same

Please explain
This site has been identified in the Haleon TCFD assessment as a flood and drought risk. This is a single site. WRI Aqueduct tool has been used to determine the geographic risk score. This geographic risk score will be validated at site level when working through the Alliance for Water stewardship standard as part of our 2025 target to achieve Alliance for Water Stewardship standard certification at our manufacturing sites by 2025. Data is entered on a monthly basis into our internal data repository (EHS One).

Facility reference number
Facility 3

Facility name (optional)
Nyon

Country/Area & River basin

Switzerland	Other, please specify (RhÃ´ne)

Latitude
46.393248

Longitude
6.239961

Located in area with water stress
No

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
110.42

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
110.42

Total water discharges at this facility (megaliters/year)
64.37

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
64.37

Total water consumption at this facility (megaliters/year)
46.05

Comparison of total consumption with previous reporting year
About the same

Please explain
This site has been identified in the Haleon TCFD assessment as a flood risk. This is a single site. WRI Aqueduct tool has been used to determine the geographic risk score. This geographic risk score will be validated at site level when working through the Alliance for Water stewardship standard as part of our 2025 target to achieve Alliance for Water Stewardship standard certification at our manufacturing sites by 2025. Data is entered on a monthly basis into our internal data repository (EHS One).

Facility reference number
Facility 4

Facility name (optional)
Dungarvan

Country/Area & River basin

Ireland	Other, please specify (Siur)

Latitude
52.082086

Longitude
-7.63777

Located in area with water stress
No

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
76.17

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
76.17

Total water discharges at this facility (megaliters/year)
44.91

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
44.91

Total water consumption at this facility (megaliters/year)
31.19

Comparison of total consumption with previous reporting year
About the same

Please explain
This site has been identified in the Haleon TCFD assessment as a flood risk. This is a single site. WRI Aqueduct tool has been used to determine the geographic risk score. This geographic risk score will be validated at site level when working through the Alliance for Water stewardship standard as part of our 2025 target to achieve Alliance for Water Stewardship standard certification at our manufacturing sites by 2025. Data is entered on a monthly basis into our internal data repository (EHS One). A repair to a leak in early 2021 meant that in 2022 the withdrawal volume was lower.

Facility reference number
Facility 5

Facility name (optional)
Aprilia

Country/Area & River basin

Italy	Other, please specify (Italy West Coast)

Latitude
41.605565

Longitude
12.650945

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
12.8

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
12.41

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0.3834

Total water discharges at this facility (megaliters/year)
8.11

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations

8.11

Total water consumption at this facility (megaliters/year)
4.69

Comparison of total consumption with previous reporting year
About the same

Please explain
This site has been identified in the Haleon TCFD assessment as a drought risk. This is a single site. WRI Aqueduct tool has been used to determine the geographic risk score. This geographic risk score will be validated at site level when working through the Alliance for Water stewardship standard as part of our 2025 target to achieve Alliance for Water Stewardship standard certification at our manufacturing sites by 2025. Data is entered on a monthly basis into our internal data repository (EHS One).

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified
76-100

Verification standard used
Assured by DNV as part of their limited assurance engagement over selected ESG data points

Please explain
<Not Applicable>

Water withdrawals – volume by source

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Not assured by DNV as part of their limited assurance engagement over selected ESG data points

Water withdrawals – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Not assured by DNV as part of their limited assurance engagement over selected ESG data points

Water discharges – total volumes

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Not assured by DNV as part of their limited assurance engagement over selected ESG data points

Water discharges – volume by destination

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Not assured by DNV as part of their limited assurance engagement over selected ESG data points

Water discharges – volume by final treatment level

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Not assured by DNV as part of their limited assurance engagement over selected ESG data points

Water discharges – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Not assured by DNV as part of their limited assurance engagement over selected ESG data points

Water consumption – total volume

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Not assured by DNV as part of their limited assurance engagement over selected ESG data points

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to prevent, minimize, and control pollution Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities Commitment to water stewardship and/or collective action Commitment to the conservation of freshwater ecosystems Commitments beyond regulatory compliance Reference to company water-related targets Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	Our company wide position statement can be found on the Haleon website. Water Stewardship.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	The Chair of the Environmental and Social Sustainability Committee is a non-Executive Board Director. The Environmental and Social Sustainability Committee is responsible for governance over progress of Haleon's environmental and social sustainability agenda. Water-related issues are included in this scope. The committee is composed of other non-Executive directors. The Committee was established in March 2023. In 2022, Sustainability topics were addressed by the Board. Board oversight activities in 2022 included: • Reviewed and approved the sustainability strategy and the KPIs to be adopted, included Haleon's water strategy and goals • Discussed the engagement across industry-wide initiatives to support Haleon's ESG strategy • Discussed suppliers, Working with responsible third parties position and the work in progress in relation to Human Rights Haleon also has an Audit & Risk Committee (ARC) that supports the Board in risk-related responsibilities. The ARC's responsibilities include oversight of the Group's risk management system. It receives regular reports from the Head of Audit & Risk, which include water-related risks. This structure and process is applied to Haleon's environmental, social and governance (ESG) principal risk, which covers water-related risks. Together, the Executive Team and Heads of Audit & Risk and Ethics & Compliance form the Enterprise Risk and Compliance Committee (ERCC). Each principal risk has an assigned ERCC member responsible for designing and implementing a risk mitigation strategy and regularly reporting risk updates to both ARC and ERCC. This structure and process is applied to Haleon's environmental, social and governance (ESG) principal risk, which covers water-related risks. This is owned by the Head of Transformation and Sustainability and monitored through Haleon's risk management framework and processes built into the global functions' and business units' day-to-day activities.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing major capital expenditures Overseeing the setting of corporate targets Overseeing value chain engagement Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	The Environmental and Social Sustainability Committee of the board meets at least twice per year to provide oversight and effective governance over progress with the environmental and social sustainability agenda and the external governance and regulatory requirements relevant to these areas. The Committee was established in March 2023. In 2022, Sustainability topics were addressed by the Board. Board oversight activities in 2022 included: • Reviewed and approved the sustainability strategy and the KPIs to be adopted, included Haleon's water strategy and goals • Discussed the engagement across industry-wide initiatives to support Haleon's ESG strategy • Discussed suppliers, Working with responsible third parties position and the work in progress in relation to Human Rights The ARC and ERCC meets quarterly. The ERCC ensures that principal risks are managed effectively. The ERCC discusses principal and emerging risks, including reviewing industry trends, regulatory developments, high-profile incidents, and critical audit findings.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	The Non-Executive Directors (NED) on the Environmental and Social Sustainability Committee have a senior level of experience on ESG issues, including the Committee Chair. This has been assessed through their relevant previous experience in ESG-related activities in their executive careers, including water-related issues. The more experienced NEDs have been exposed to ESG, including water-related issues, on the various boards on which they have served. Haleon's Chair of the Board of Directors is also presently the Chair of the WWF-UK, taking up the position in June 2020. Two pillars of WWF-UK's strategy are averting dangerous climate change and restoring threatened habitats and species, providing exposure to climate, water, and forests-related issues. The full Haleon board has gone through a deep dive on Sustainability, including water-related issues, and approved the Sustainability strategy and targets. The NED induction included an approach to all areas of Haleon's risk management and an understanding of the company's key disclosed risks and mitigating actions, which included water-related matters.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Sustainability Officer (CSO)

Water-related responsibilities of this position
Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Conducting water-related scenario analysis
Setting water-related corporate targets
Monitoring progress against water-related corporate targets
Integrating water-related issues into business strategy
Managing annual budgets relating to water security

Frequency of reporting to the board on water-related issues
More frequently than quarterly

Please explain
Responsible business governance is an Executive Team responsibility managed via three executive-led committees. These are the Environment, the Health Inclusivity, and the Human Rights Steering Committees. Our CSO (Head of Sustainability and member of the Executive Team) chairs our Environment Steering Committee that makes strategic recommendations on managing our environmental footprint for approval by the Executive Team and the Environmental and Social Sustainability Board Committee. It also monitors water-related issues and works to integrate our sustainability strategy into our broader organisation. The Environment Steering Committee meets every other month and regularly reviews our water performance and other environmental metrics. It is composed of members of senior management, including the Vice President of Sustainability, Chief Supply Chain Officer, Chief Corporate Affairs Officer, Chief Scientific Officer, Chief Procurement Officer, and R&D Head of Packaging.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Working groups in our global functions, global Category teams, and business units integrate responsible business commitments into key performance indicator (KPI) management through our Responsible Business Scorecards. These KPIs include reducing water withdrawals in our operations. The Executive Team and Regional Leadership Team review these quarterly. Responsible business performance KPIs are built into individuals' personal objectives where it is relevant for their roles, including for Executive team members. Performance against personal objectives are used to determine, in part, annual bonuses for employees. Our CSO (Head of Sustainability and member of the Executive Team) has delivery of sustainability objectives built into their objectives on an annual basis, including the delivery of water-related initiatives. For 2023, this specifically includes a positive outcome in the CDP Water Security questionnaire result.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	Company performance against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security score, etc.)	Our CSO (Head of Sustainability and member of the Executive Team) has delivery of sustainability objectives built into their objectives on an annual basis, including the delivery of water-related initiatives. Specifically, this includes Haleon's participation in ESG disclosures, including CDP Water Security.	The timeframe for this objective is for completion in 2023 and applies to Haleon's Enterprise performance in the CDP Water Security survey. Monetary incentives via annual bonuses at Haleon are partially dependent on delivery of individual objectives.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, direct engagement with policy makers
Yes, trade associations
Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Haleon has published two public position statements, one on Water Stewardship and one on Pharmaceuticals in the Environment which is used by Haleon Communications and Government Affairs (CGA) colleagues in external engagements on water related issues as well as active advocacy on water. This position statements are regularly reviewed. CGA also work with subject matter experts (SMEs) within the company, to provide the expert content for public policy engagement for water. SMEs provide the content for the company's Annual Report, which includes updates on progress against sustainability strategy. If inconsistency was discovered, where activities seeking to influence policy were not consistent with our water stewardship or our Pharmaceuticals in the Environment position statements, the corporate policy & advocacy and sustainability teams would engage with the relevant colleague to seek to restore consistency between our position and any external advocacy. CGA colleagues and nominated spokespeople are expected to comply with our published criteria for working with public policy groups; and with our standard operating procedures governing internal and external communications activities on behalf of Haleon.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

Annual Report and Form 20-F 2022 Accessible version.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Haleon set long-term environmental ambitions in February 2022 at its Capital Markets Day, when the company was introduced to investors. The Haleon Responsible Business ambition includes specific targets on Water Neutrality and Water Stewardship. Haleon signed the UN CEO Water Mandate in 2022 and has set aligned targets. We understand that while climate change must be tackled at a global level, water challenges are much more localised. Targets set at each Haleon site need to respond to local water issues; whether they relate to scarcity, quality or access to clean water. We do this as part of a Water stewardship approach which Haleon sites in scope need to comply with and for sites in high stressed areas, they must go beyond water stewardship to actively seek collective action that addresses shared water challenges. We also recognise that as a global company we can support efforts in protecting ecosystems and improving basin water resilience where water is scarce. In 2022 Haleon published its first TCFD disclosure, which addresses climate related risks and opportunities at our manufacturing sites and in key raw material supply chains.
Strategy for achieving long-term objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	We plan to incorporate this in the next two years.
Financial planning	Yes, water-related issues are integrated	5-10	Water-related issues are currently being considered as part of our manufacturing site network strategy and investment plans.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

We are currently putting in place a robust system to track and forecast water-related CAPEX and OPEX consistently.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	Haleon used TCFD recommendations to determine risk resilience and identify the opportunities associated with transitioning to a low-carbon economy. We used three time horizons: short term (0-20 years), medium term (20-50 years) and long term (50-80 years). We used three different scenarios:— 'Business As Usual' (BAU) scenario with a +4.5°C temperature rise by 2100. In line with the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 and the Network for Greening the Financial System (NGFS) scenario: — 'Policy-led transition' scenario with a temperature rise well below 2°C by 2100. In line with IPCC RCP2.6 and the NGFS scenarios: Divergent Net Zero and Delayed Transition. — 'Consumer-led transition' scenario with +1.5°C temperature rise by 2100. In line with IPCC RCP2.6 and the NGFS scenario: Net Zero 2050. WRI Aqueduct tool was used as source for water related risks e.g. water stress and flooding.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related	Haleon used TCFD recommendations to determine risk resilience and identify the opportunities associated with transitioning to a low-carbon economy. We used three time horizons: short term (0-20 years), medium term (20-50 years) and long term (50-80 years). We used three different scenarios:— 'Business As Usual' (BAU) scenario with a +4.5°C temperature rise by 2100. In line with the Intergovernmental Panel on Climate Change (IPCC) RCP8.5 and the Network for Greening the Financial System (NGFS) scenario: — 'Policy-led transition' scenario with a temperature rise well below 2°C by 2100. In line with IPCC RCP2.6 and the NGFS scenarios: Divergent Net Zero and Delayed Transition. — 'Consumer-led transition' scenario with +1.5°C temperature rise by 2100. In line with IPCC RCP2.6 and the NGFS scenario: Net Zero 2050. WRI Aqueduct tool was used as source for water related risks e.g. water stress and flooding.	All our manufacturing sites were included in the scope of the TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events. The main outcomes were: — Flooding risk (flash flood and riverine flooding) that may impact our largest sites remains the main risk in terms of potential property damage and business interruption. — Drought risk that may impact our largest sites remains the main risk in terms of potential increase of operating expenses and capital expenditures, and reduced labour/capital productivity. — Drought risks and temperature-induced increase in operating expenses can be exacerbated by local water stress context leading to restrictions and strengthened regulations.	Production sites are all included within a loss-prevention survey programme and are routinely visited to ensure appropriate resilience measures are in place, including flood, wind and storm protection. A continuous improvement programme is in operation to further enhance the ability of the sites to withstand extreme weather events. Our manufacturing sites have emergency plans, disaster recovery plans (DRPs) and business continuity plans (BCPs). DRPs cover recovery plans for any type of disaster. BCPs, where appropriate (especially for sites previously affected by climate-related events, such as hurricanes (Guayama, Puerto Rico site in 2017) or floods (Nyon, Switzerland site in 2015 and 2018)), have guidelines for environmental events. We established BCPs to: — Set out strategy and tactical steps to ensure business operations can recover in an appropriate time frames aligned with company objectives. — Minimise supply chain impact and time disruption through effective contingency and recovery of strategies — Allow for a quick and organised response To understand and manage water risks, we have two operational water targets which guide sites to consider their water use and impacts, and work collaboratively and transparently with others to address shared water

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy

challenges at the catchment scale.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

We do not currently have an internal price on water, but are exploring developing a metric based on our work towards achieving AWS certification at our manufacturing sites.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	Currently, we are working on a value-chain water footprint analysis which will help us better understand potential physical risks related to water in specific geographies and prioritise actions. However, this needs further refinement to fully understand the risks and opportunities at a product level before we take action.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	<Not Applicable>
Water withdrawals	Yes	<Not Applicable>
Water, Sanitation, and Hygiene (WASH) services	Yes	<Not Applicable>
Other	Yes	<Not Applicable>

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water withdrawals

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction in total water withdrawals

Year target was set
2021

Base year
2021

Base year figure
248983.37

Target year
2030

Target year figure
0

Reporting year figure
239546.2

% of target achieved relative to base year
3.79028125452715

Target status in reporting year
Underway

Please explain
Haleon has committed to achieve water neutrality at our manufacturing sites in water-stressed basins by 2030. This target is based on a net reduction in water withdrawal by investing in projects that respond to shared local water challenges (SWCs). SWCs are identified through our approach on water stewardship, working through the Alliance for Water Stewardship standard and seeking to invest in water efficiency projects on site. We are in the early stages of implementing AWS at our sites.

Target reference number
Target 2

Category of target
Other, please specify (We aim to achieve Alliance for Water Stewardship standard certification at our manufacturing sites by 2025.)

Target coverage
Company-wide (direct operations only)

Quantitative metric
Other, please specify (Achieve AWS certification of sites. 25 sites across our manufacturing network.)

Year target was set
2021

Base year
2021

Base year figure
0

Target year
2025

Target year figure
25

Reporting year figure
0.5

% of target achieved relative to base year
2

Target status in reporting year
Underway

Please explain
We aim to achieve Alliance for Water Stewardship standard certification at our manufacturing sites by 2025. This is core level of the certification, of which there are 3 - core, gold and platinum with platinum being the highest level of certification. As part of our stewardship goals we go into great detail on water pollution, water withdrawals and WASH risks and opportunities. These are assessed and incorporated where material into the sites' water stewardship plans. We are in the early stages of implementing AWS at our sites.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, but we are actively considering verifying within the next two years

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase Other, please specify (Distribution)	Haleon uses procured packaging materials in both its own factories and goods made on Haleon's behalf by third party manufacturers. Direct Operations - For the storage of semi-finished goods Supply Chain - delivery of raw materials and packaging components, pallets and pallet wrap Product Use Phase - packaging of consumer goods Other - Distribution - delivery of finished goods to retailers

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Product use phase	Haleon is committed to making our packaging more sustainable and to reduce its environmental impact. To do this, we're working to minimise waste and associated pollution by moving to a more circular model, while reducing our dependency on non-renewable sources. But we can't do it alone. We're working with partners to drive global and local initiatives to improve the recyclability of consumer health product packaging.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Product use phase	Regulatory Reputational Technology	Regulatory - There are material proposed changes to packaging legislation, eg Packaging and Packaging Waste Regulation in the EU and AB1290 packaging material bans in California. This is creating uncertainty and potential for legislation in different countries (or parts of countries) to conflict. Reputational – Risk of not meeting targets due to regulatory changes and availability of new Technology. Technology – Haleon's Virgin Petroleum Based Plastic reduction target is heavily dependent on the availability of Chemically recycled, bio-sourced and mechanically recycled PET, HDPE & PP. Technical solutions that are technically recyclable for high barrier sachets and blisters are not commercially available. The recycling infrastructure to recycle small size packaging in practice & at scale does not broadly exist.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging Plastic goods Waste management	Reduce the total weight of plastic packaging used and/or produced Eliminate problematic and unnecessary plastic packaging Reduce the total weight of virgin content in plastic packaging Increase the proportion of post-consumer recycled content in plastic packaging Increase the proportion of renewable content from responsibly managed sources in plastic packaging Increase the proportion of plastic packaging that is recyclable in practice and at scale Increase the proportion of plastic packaging that is reusable	Our plastic packaging and goods (toothbrushes) are covered under a single set of targets: Reduction of virgin petroleum-based plastic • We aim to reduce our use of virgin petroleum-based plastic by 10% by 2025, and a third by 2030 versus 2020 baseline. We're aiming to reduce the use of virgin materials from non-renewable feedstocks by using less plastic, as well as increasing the use of alternative packaging materials, and using recycled and bio-based plastic in our packaging. Recyclability of our packaging • We are working to develop solutions for all product packaging to be recycle-ready by 2025, as part of our goal to make all packaging recyclable or reusable by 2030. Where quality, safety and regulatory permits. We want the packaging materials we use to stay in-use for as long as possible. That's why we're designing and rolling out recycle-ready packaging formats across our portfolio. Making our packaging recycle-ready is a key milestone to achieving recyclability, whereby a format is effectively collected, sorted, recycled in practice and at scale in at least one region. Partnering to drive progress • We aim to work with partners to drive global and local initiatives to collect, sort and recycle our packaging at scale by 2030. We are members of industry groups that are driving the increased collection, sorting and recycling of hard to recycle materials. These include • Tubes - Stina • Digital watermarking - AIM HolyGrail 2.0, • Small format packaging - The Sustainability Consortium working group, which includes co-funding a research project with MIT. We aim for all of our key agricultural, forest and marine-derived materials used in our packaging to be sustainably sourced and deforestation free by 2030 (Scope includes Haleon's globally managed spend on key materials which are agricultural, forestry or marine derived. Globally managed spend covers the majority of our internal spend and expands across some of our third-party manufacturing network.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	Yes	Haleon is a consumer goods company, manufacturing Healthcare plastic goods such as toothbrushes for Sensodyne and other brands.
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	Haleon is a consumer goods company, manufacturing Healthcare products packaged in plastic including brands such as Sensodyne, Centrum and Panadol.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

Raw material content percentages available to report

% virgin fossil-based content

<Not Applicable>

% virgin renewable content

<Not Applicable>

% post-industrial recycled content

<Not Applicable>

% post-consumer recycled content

<Not Applicable>

Please explain

The weight of plastic durable goods/components is mainly determined by the toothbrushes we sell. We estimate this is approximately 5% of our total plastic footprint. This part of our portfolio is primarily manufactured at our third-party manufacturing organisations. We are building the systems and processes to measure and report against our footprint from third party manufacturing organisations in a robust way.

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	33000	% virgin fossil-based content	100	<Not Applicable>	<Not Applicable>	<Not Applicable>	Relates to products manufactured at Haleon's own sites only (68% of sales) Reporting period 1 July 2021 - 30 June 2022

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	% technically recyclable	<Not Applicable>		<Not Applicable>	Across all packaging material types, about 65% is technically recyclable. We do not currently disclose this split by packaging material type. Haleon Target is: We aim to develop solutions for all product packaging to be recycle-ready by 2025, as part of our goal to make all packaging recyclable or reusable by 2030, Where quality, safety and regulatory permits.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

No further comments.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer (CEO)	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms