



Modern Slavery Statement

2022



Haleon Modern Slavery Statement

About this statement

As a company newly listed in 2022 this is Haleon plc's first Modern Slavery Statement (the "Statement") in accordance with the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. Both Haleon plc and its group companies will be collectively referred to as "Haleon" for the purpose of this Statement. This Statement covers the structure, operations, and supply chain of the Haleon business for the period ending on 31 December 2022.

Haleon in the UK is comprised of Haleon plc, Haleon UK Services Limited, Haleon UK Trading Limited, GlaxoSmithKline Consumer Healthcare (UK) IP Limited, Haleon UK Trading Services Limited and Haleon UK Export Limited. Haleon in Australia is comprised of Haleon Australia Pty Ltd.

Globally, Haleon has policies and processes in place relating to human rights and modern slavery that cover both our own operations and those of our suppliers.

This statement has been approved by the Board of Directors of Haleon plc.



Brian McNamara
CEO
9 March 2023

Contents

- 1. Introduction**
 - 2. Our business structure, operations, and supply chains**
 - 3. Governance**
 - 4. Our policies**
 - 5. Due Diligence and Risk Assessment**
 - 6. Training and Awareness**
 - 7. Measuring the effectiveness of our actions**
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1. Introduction

Our purpose at Haleon is to deliver better everyday health with humanity. As a multinational organisation with global reach, we are committed to respecting and promoting human rights across our value chain. With this in mind our approach to human rights and modern slavery is to work collaboratively across our business and supply chain, as well as with Non-Governmental Organisations.

We are committed to following the UN Guiding Principles on Business and Human Rights (UNGPs), the Organisation for Economic Co-Operation and Development’s (OECD) Guidelines for Multinational Enterprises and obligations imposed by the Modern Slavery Act 2015 in the UK and Modern Slavery Act 2018 (Cth) in Australia. We are also committed to upholding the Universal Declaration of Human Rights and the core labour standards set out by the International Labour Organisation (ILO).

2. Our business structure, operations and supply chains

Haleon is a global leader in consumer health, with brands trusted by millions of consumers globally. Haleon’s product portfolio spans five major categories - Oral Health, Pain Relief, Respiratory Health, Digestive Health, Vitamins and Minerals and Supplements (VMS).

Every year we deliver more than 3.5 billion consumer packs globally, including approximately 1.7 billion tubes of toothpaste and 55 billion individual tablets and high volumes of liquid doses, gels and creams. Our turnover was £10.9 billion in 2022. We employ approximately 24,000 employees. We also have workers who are not directly employed by Haleon working for us on a temporary basis, who are known as complementary workers.

We have commercial operations across the world, as well as 2 main research and development centres based in Richmond in the US and Weybridge in the UK. Our manufacturing network includes 24 of our own sites (see map below) with the exception of Jacarepaguá in Brazil which is still GSK owned and will transfer to Haleon ownership during 2023, where 70% of our consumer packs are sourced from.

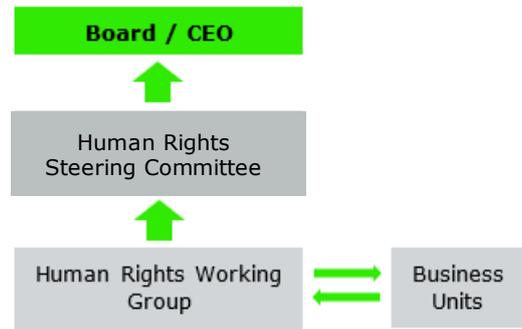


The remainder are sourced through a network of 186 tier 1 manufacturing suppliers across 40 countries. We have approximately 19,000 suppliers in total with 2,000 direct suppliers (i.e., suppliers of goods and services such as raw materials and packaging) and 17,000 indirect suppliers (providing goods and services such as consultancy, marketing, and logistics) to Haleon. Further information on our business can be found in our 2022 Annual Report.

3. Governance

In 2022 Haleon created a human rights governance structure to embed human rights across our business. The diagram provides an overview of governance, accountability, and reporting lines.

Our Board receives an annual report on human rights. This includes a summary of actions taken to manage the risk of modern slavery in our business operations and supply chain.



The Human Rights Steering Committee, which include members of our Executive Team, have had meetings every two months to provide oversight and support on human rights issues. They are responsible for approving the human rights action plan and strategy. Members of the group are Teri Lyng – Head of Transformation and Sustainability, Dana Bolden - Chief Corporate Affairs Officer, Bart Derde – Chief Supply Chain Officer, Mairéad Nayager – Chief Human Resources Officer and Richard Crane – Chief Procurement Officer.

Our Human Rights Working Group meets monthly to discuss human rights policies, processes, and issues across the business. The working group is responsible for ensuring the delivery of our human rights action plan and cascading knowledge on human rights and modern slavery across functions and our Business Units.

4. Our policies

We have several group-wide policies in place that are relevant to modern slavery. We will continually review and develop our policies as we gather more insight into our risks and the input from in-house experts, suppliers, and external stakeholders. As a new company we have developed a number of policies, they are:

Code of Conduct – Our code of conduct applies to all our employees and complementary workers and helps us shape the decisions we have to make and the actions we choose to take. It sets out the clear expectation of us as a company and explains the principles that underpin our ethical standards. It includes human rights requirements and provides examples of human rights issues such as forced labour.

Human Rights Policy – Our human rights policy is set out in our Human Rights Position Paper which outlines our commitment as Haleon to respect and support human rights wherever we do business. It specifically outlines our expectation that employment is freely chosen.

Working with Responsible Third Parties Position– outlines our expectations of the standards we expect suppliers to meet, this includes regarding human rights issues such as forced labour and child labour. The position will come into force and be published on our website in Q1 2023.

Speak up - We encourage anyone, whether working for Haleon or not, to speak up about misconduct, possible breaches of our Code of Conduct, or other company policies or procedures, and suspected violations of laws and regulations. Our Speak Up mechanism is provided by an

independent third party and is multilingual. More information and access to our Speak Up telephone line or internet reporting channels can be found [here](#).

5. Due diligence and risk assessment

Our due diligence approach to managing the risk of modern slavery forms part of our broader efforts to respect and promote human rights. We have aligned our approach with the UN Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises and their guidance on human rights due diligence (HRDD).

We consider the risk of modern slavery in our directly employed workforce to be low. Our exposure to the risk of modern slavery increases when we engage with third parties, particularly in categories such as facilities management, construction, logistics (transportation and warehousing) and labour providers, as well as raw material supply chains.

We have a sustainable sourcing strategy to manage the risks in our raw material supply chain and we have prioritised a number of key material supply chains which include palm, paper, mint, carrageenan, tobacco, soy, fish oil, squalene, and corn/wheat derivatives.

To identify and assess the risk of human rights and modern slavery, we have undertaken the following steps:

- **Annual Human Rights Risk Assessment**

In January 2022 we concluded Haleon's first human rights risk assessment to help us prepare, as a new business, to respect and support human rights. We looked at our risks across our value chain. This included internal stakeholder engagement and a country and business activity risk assessment. We identified 3 key areas of business activity inherently at risk for modern slavery. These were: our third-party logistics supply chain, use of labour providers for temporary and lower skilled workforce, and raw material supply chains such as palm oil and mint. From this we developed a two-year action plan on human rights which was approved in March 2022 by the Human Rights Steering Committee made up of Haleon's Executive Team. We will now undertake an annual human rights risk assessment which includes assessing the risk of modern slavery.

- **Regular risk management**

Our Third-Party Risk Management (TPRM) process seeks to proactively assess risks across our supply chain. As part of this process, we carry out risk assessments and due diligence to identify labour rights risks when engaging new suppliers and other partners. We use a combination of EcoVadis assessments and Pharmaceutical Supply Chain Initiative (PSCI) audits to assess human rights risks including the risk of modern slavery. With Haleon owned and managed manufacturing sites, we are planning SEDEX social assessments to supplement our Environment, Health and Safety (EHS) and Quality audit programme in Q1 2023.

- **In-depth due diligence for high-risk activity**

Where our annual risk assessment, regular risk management or grievance mechanisms have identified potential human rights risks which may require further investigation, Haleon has undertaken targeted in-depth due diligence. For example, in 2022 we identified the farming communities in Uttar Pradesh, where 70% of our mint is sourced from, as potentially high risk for human rights issues and undertook a Human Rights Impact Assessment (HRIA). This assessment involved interviews and engagement with over 600 rightsholders. The research was undertaken with the support and collaboration of four tier 1 suppliers and two tier 2 suppliers. The mint supply chain is incredibly complex, with many intermediaries between Haleon and the mint farmers and so, following the assessment, we have been working closely with our suppliers to develop action plans to seek to address some of the root causes of issues linked to the Indian mint supply chain.

In 2022 we have also undertaken targeted due diligence in our logistics supply chain to understand the maturity of our suppliers to manage human rights risks and our engagement will continue in 2023. We also set up a project to prevent and mitigate the risk of labour exploitation in the build of our new headquarters in Weybridge, UK. In April 2022 a [report](#) from the Independent Anti-Slavery Commissioner highlighted the risk of modern slavery in the Construction sector. While we are not operating in this sector, we felt that it was important, through our work with our contractors and their suppliers, to seek to identify any risks to workers such as underpayment or non-payment of wages, excessive hours, unsafe working conditions, or coercive control which are often indicators of modern slavery. We are aiming to prevent these issues occurring to workers on our HQ building site in Weybridge by engaging and training our suppliers, undertaking risk assessments, raising awareness of the issues, providing workers with ways to report concerns and undertaking on site assessments during the build.

6. Training and Awareness

Building our capacity to understand human rights and modern slavery challenges is key to our human rights strategy. In 2022 we developed an e-learning on human rights for employees which will be rolled out in 2023. All employees are provided with mandatory training on our Code of Conduct which includes information on human rights and how to report concerns.

In 2022 our Human Rights Working Group were provided with training from Slave-Free Alliance (SFA) and several members of the working group have also begun Human Rights Due Diligence training. We also provided training on modern slavery and labour exploitation to key internal colleagues responsible for the project management of our HQ build in Weybridge and their supporting consultants.

7. Measuring the effectiveness of our actions

Our January 2022 human rights gap assessment informed our human rights strategy and where we need to focus our efforts to be more effective in risk management. We have developed key actions across 3 workstreams:

- Building our capacity to understand human rights risks including modern slavery
- Strengthening our due diligence processes to identify human rights impacts
- Investing in partnerships to prevent and mitigate risks and where necessary to remediate impacts.

In 2022 we undertook a review of the effectiveness of our Speak Up mechanism using the AIM-Progress Grievance Mechanism Maturity Framework and self-assessment tool.