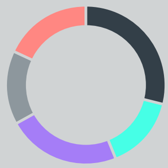
2024 highlights

Revenue by geography

North America	£4.0bn	**36%**
EMEA & LatAm	£4.6bn	**41%**
APAC	£2.6bn	**23%**

Revenue by market category



Oral Health	£3.3bn	**29%**
VMS	£1.7bn	**15%**
Pain Relief	£2.6bn	**23%**
Respiratory Health	£1.7bn	**15%**
Digestive Health and Other	£1.9bn	**18%**

Revenue

£11.2bn
(2023: £11.3bn)

Revenue growth

(0.6)%
(2023: 4.1%)

Organic revenue growth[1]

5.0%
(2023: 8.0%)

Operating profit

£2.2bn
(2023: £2.0bn)

Operating profit margin

19.6%
(2023: 17.7%)

Operating profit growth

10.5%
(2023: 9.4%)

Adjusted operating profit[1]

£2.5bn
(2023: £2.5bn)

Adjusted operating profit margin[1]

22.3%
(2023: 22.6%)

Organic operating profit growth[1]

9.8%
(2023: 10.8%)

Diluted earnings per share

15.7p
(2023: 11.3p)

Adjusted diluted earnings per share[1]

17.9p
(2023: 17.3p)

Total dividend per ordinary share[2]

6.6p
(2023: 6.0p)

Net cash inflow from operating activities

£2.3bn
(2023: £2.1bn)

Free cash flow[1]

£1.9bn
(2023: £1.6bn)

Net debt/adjusted EBITDA[1]

2.8x
(3.0x as at 31 December 2023)

[1] We use certain non-IFRS alternative performance measures to provide additional information about the Company's performance. Non-IFRS measures may be considered in addition to, but not as a substitute for or superior to, information presented in accordance with IFRS. Non-IFRS measures are defined and reconciled to the nearest IFRS measure, see from page 43 for more details.

[2] Includes the interim dividend of 2.0p paid on 19 September 2024, and the proposed final dividend of 4.6p per ordinary share. The total dividend represents a payout ratio of c.37% of adjusted earnings (2023: c.35%).

Increase household penetration

During 2024, we continued to generate healthy share gains across our portfolio, underpinned by a series of successful product innovations which address unmet consumer needs. We launched 127 new innovations, including Sensodyne Clinical White, with clinically proven whitening technology specially designed for sensitive teeth. In Pain Relief, we launched Advil Targeted Relief, the first topical pain relief product from Advil with four active ingredients to provide pain relief at the source for up to eight hours.

127
new innovations

Capitalise on new and emerging opportunities

We leveraged the strength of our brands to reach underserved consumers in emerging markets with products tailored to their needs. For example, to drive access among low-income consumer groups in Brazil, we expanded our Centrum Essencial range - a multivitamin at a lower price point - with the launch of Centrum single sachets. By focusing on energy and immunity, which are two of the biggest need states in Brazil, the sachets are introducing new consumers to the VMS category.

c.50%
of consumers for Centrum Essencial range new to VMS category

Maintain strong execution and financial discipline

We continued to generate strong cash flow, finishing the year at 2.8x net debt/adjusted EBITDA and returned over £1bn to shareholders in 2024 through our first ever share buyback programme and dividend payments. We reinvested some of the proceeds from our divestments into Tianjin TSKF Pharmaceutical Co. Ltd (TSKF), our China Joint Venture, an important milestone in a key strategic market, where we now have an 88% stake, with an option to acquire full ownership in 2025.

over £1bn
returned to shareholders

Run a responsible business

We achieved our health inclusivity ambition to empower 50m people a year to be more included in opportunities for better everyday health - one year ahead of plan. This was achieved through brand initiatives which aim to tackle barriers to health inclusivity. In 2024, this included the expansion of Polident's 'Smiles Can't Wait' programme to include Indonesia, which aims to make dentures and denture care more accessible. Theraflu also launched its third 'Right to Rest and Recover' programme in the US and extended the campaign to working mothers in Poland, to advocate for more people to have the right to sick pay.

over 50m
people empowered

Chair's statement

Sir Dave Lewis
Chair

2024: another year of good progress
The evolution of Haleon from a division of a pharmaceuticals business to a leading FMCG business continues at pace. The Executive Team, led by Brian, delivered a strong performance, with progress made against each of our key strategic priorities.

There are significant opportunities ahead and our performance over the last two years represents an encouraging start. In the upcoming year, Brian and his leadership team will share more on our future ambitions at a Capital Markets Day.

Disciplined capital allocation
Our strong performance, cash generation and active portfolio management has allowed us to significantly lower the leverage in the business and begin a disciplined share buyback programme.

The disposal of ChapStick and our Nicotine Replacement Therapy business outside the US realised c.£0.8bn. We invested £0.5bn in our OTC joint venture in China, raising our participation from 55% to 88%.

Our first share buyback programme, which together with the off-market purchase of a portion of Pfizer's shares and dividend payments, saw us return more than £1bn to shareholders.

Consistent with this approach and reflecting our confidence in the strength of cash generation, we have announced an allocation of £500m of capital to share buybacks in 2025.

The Board is proposing a total dividend increase of 10% to 6.6p per ordinary share, which represents an increase in the pay-out ratio to approximately 37% of 2024 adjusted earnings. This includes a final dividend of 4.6p per ordinary share. The Board remains focused on driving shareholder returns.

Corporate governance
During the year, we continued to focus on strong corporate governance, our purpose and the evolution of Haleon's culture. In 2024, we conducted our first external Board performance review, which noted that the Board had a good breadth and mix of skills and experience to support the business and its strategic objectives. A number of areas were highlighted for the Board and Committees to consider going forwards and these will form part of the action plan for 2025.

The Board has overall responsibility for Haleon's Responsible Business strategy. We made good progress in 2024 against each of our targets to reduce our environmental impact, make everyday health more inclusive, and operate with ethical, responsible, and transparent behaviours and standards of conduct.

In line with our commitment to being a leading employer, we are implementing initiatives that aim to provide equal opportunities and create an inclusive culture. While we are pleased with progress in this area to date, we also recognise that there is still more we can do to develop our culture. This agenda will remain a key priority for the Board in 2025 and beyond.

Board developments
The Board recognises the important role it plays in supporting the Executive Team to anticipate and navigate external challenges and change. We regularly conduct deep dives into our key categories and functions and visit key markets. In 2024 we conducted a full Board visit to China.

We maintain an active review of the Board skills matrix and in 2024 we added more global FMCG, financial and digital technology experience to the Board. To this end, we were delighted to welcome Dawn Allen as Chief Financial Officer. Dawn joined the Board on 1 November 2024 and brings extensive global FMCG and finance experience. We also welcomed Alan Stewart and Nancy Avila as independent Non-Executive Directors, adding a wealth of global consumer and technology experience to Haleon.

In addition, Bláthnaid Bergin, Chief Financial Officer of J Sainsbury plc, joined the Board in February 2025. Bláthnaid has deep consumer and finance expertise.

Following Pfizer's reduction in shareholding over the past six months, David Denton and Bryan Supran stepped down from the Board in December 2024 and February 2025 respectively.

Finally, I would like to extend my thanks to David, Bryan, Deirdre Mahlan and Tobias Hestler for their significant contributions to the Board over the last few years and wish them well for the future.

Looking ahead to 2025
The Board has the following priorities for the coming year:
- Continued transformation of Haleon into an agile, consumer-focused business, including building bespoke processes and systems that support a global FMCG business.
- Further evolving our strategy and culture so we are primed to capitalise on the significant opportunities ahead.
- Generating value through disciplined capital allocation that maximises shareholder returns.
- Maintaining strong corporate governance and ethical behaviours.

Thank you
On behalf of the Board, I would like to thank the Executive Team for their leadership and dedication throughout the year. I would also like to recognise the hard work and commitment of all Haleon employees globally in delivering against our strategic objectives and purpose. While we are still on a journey with more to achieve, the strong momentum over 2024 gives us confidence that we are on the right course to realise the full potential of this business in 2025 and beyond.

Chief Executive Officer's review

Brian McNamara
Chief Executive Officer

Building momentum
2024 was a year of good progress for Haleon, with the business continuing to gather operational momentum. Guided by our purpose to deliver better everyday health with humanity, we have continued to take significant steps to become a more agile and competitive organisation. While the work to evolve our business continues, we have built solid foundations to capitalise on the significant opportunities ahead.

Consistently strong financial performance
In 2024, we delivered organic revenue growth of 5.0% (reported (0.6)%), and organic operating profit growth of 9.8% (reported operating profit growth of 10.5%). As a result, adjusted operating margin increased 100bps on an organic basis, though declined 30bps on a reported basis given the impact of disposals and adverse translational foreign exchange movements.

We achieved a good split of price and volume mix, reflecting both the quality and resilience of our portfolio of brands. We also delivered a healthy competitive performance, demonstrating that consumers are continuing to choose our brands.

A disciplined approach to our capital allocation framework allowed us to divest a number of brands that are no longer strategic for us and reinvest capital into higher growth markets. Strong free cash flow of £1.9bn also allowed us to reduce debt and deliver strong shareholder returns in 2024. As a result, we finished the year at 2.8x net debt/adjusted EBITDA.

Strong progress against our strategy
Our progress in 2024 was driven by meaningful progress against our strategic priorities:

- Increase household penetration: 71% of our brands gained or maintained market share, supported by innovation and investment in A&P. Sensodyne continued to generate healthy share gains, through new innovations. For example, Sensodyne Clinical White was rolled out to over 10 markets and was the top innovation in the US Oral Health category. We also further rolled out Otrivin Nasal Mist, our innovative new dispensing technology which delivers an improved consumer experience.
- Capitalise on new and emerging opportunities: We launched targeted innovations for underserved consumers in emerging markets, which included Centrum single sachets focused on energy and immunity in Brazil, bringing new consumers to the VMS category. The recent launch of a smaller 20 rupee Sensodyne pack in India also helps us access an underserved part of the market. In the US, we commercialised Eroxon, the first FDA-approved topical erectile dysfunction treatment for OTC use. While this requires the creation of a new category, it addresses a significant unmet consumer need.
- Maintain strong execution and financial discipline: We made good progress against our capital allocation priorities, balancing both investment in the business and shareholder returns. We have driven further efficiencies and productivity across our supply chain, where we continue to see significant opportunities. We also invested for growth by increasing our stake in our TSKF joint venture in China, underlining our confidence in this key market. Strong cash generation underpinned our ability to further deleverage, while we completed our £500m share buyback allocation for the year.
- Run a responsible business: We launched bioplastic toothpaste caps in support of our aim to reduce virgin plastic from our packaging. Good progress against our health inclusivity goals meant we empowered more than 50m people globally to be more included in opportunities for better everyday health. We also advanced our inclusion ambitions and expanded access to our talent programmes and grew our Employee Resource Groups.

Accelerating our culture journey
We continued to optimise our processes and structures to enable our transformation into an agile, consumer-focused business, with a focus on accelerating the culture shift needed to support this change.

We mobilised our employees around a strong performance-based culture by defining new behaviours focused on serving consumers, driving productivity, greater collaboration and continuous learning, as well as aligning the organisation around the opportunity ahead.

During 2024, we also held our first week-long learning and development programme for employees, where we embedded these new behaviours. While we have made good progress on our culture journey, with our overall employee engagement score at 81% in 2024 (up 3% on 2023), there is more to do in 2025 and beyond.

Evolving our leadership for the future
During the year, we welcomed new members to my Executive Team, bringing a complementary set of skills and significant consumer facing experience to support the next phase of our growth. We welcomed Dawn Allen as our new Chief Financial Officer (CFO) in November, who brings a strong track record of global FMCG leadership. In addition, Line De Decker was appointed our Chief Human Resources Officer; Adrian Morris our General Counsel; and Claire Dickson our Chief Digital and Technology Officer – all of whom bring both significant functional and consumer experience to the business. I would like to thank Tobias Hestler for his contribution as CFO and wish him all the very best for the future.

Confidence in our outlook
The opportunity ahead for Haleon is significant and I remain confident in our ability to deliver on our medium-term guidance. In 2025, we expect to deliver organic revenue growth of 4-6%, with organic operating profit growth ahead of that.

Thank you
I would like to thank everyone at Haleon for their hard work and dedication in delivering another successful year. I would also like to extend my thanks to the Chair and the Board for their ongoing support and guidance as we continue to strengthen and evolve our business.

Our business environment

Haleon is a world-leading consumer health company, operating in a fast-growing, c.£200bn[1] market.

We operate in five categories: Oral Health; Vitamins, Minerals and Supplements (VMS); Pain Relief; Respiratory Health; and Digestive Health and Other. Pain Relief, Respiratory Health, and Digestive Health and Other are all OTC categories.

Our strategic focus is on Oral Health, VMS, Pain Relief and Respiratory Health globally, and Digestive Health in select markets. These are large, growing categories where we have global and/or local leadership.

In consumer healthcare, the US is the largest market, making up c.27%[1] of the global market. Emerging markets, notably China, Brazil and India, also present attractive, fast-growing opportunities.

The Oral Health market is relatively consolidated, with the top five players making up more than 60%[1] of the market. Haleon is the third largest player, with approximately 11%[1] market share. We focus almost exclusively on Therapeutic Oral Health, where we are the global leader, with c.45%[2] market share.

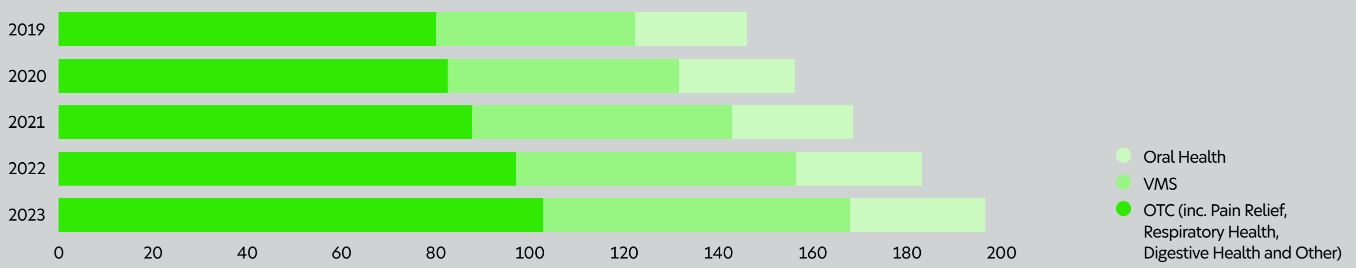
The VMS category is large (£65bn[1] in 2023) and fast growing, but also highly fragmented, with the top 20 manufacturers accounting for only 22%[1] of sales, and top five only 11%[1]. Haleon is the largest player, with approximately 3%[1] global market share.

The OTC category is distinct, as it is highly regulated, which differs by country and respective regulator. OTC medicines are available in retail distribution channels (including pharmacies) without prescription. Respiratory Health is the category most impacted by seasonal demand, including being heightened from October to January in the Northern Hemisphere (particularly in North America and Europe), from flu incidences which are typical during that period. There is some global consolidation – for example the top five players make up about 35%[1] of the market in Pain Relief, 26%[1] in Respiratory Health and 23%[1] in Digestive Health.

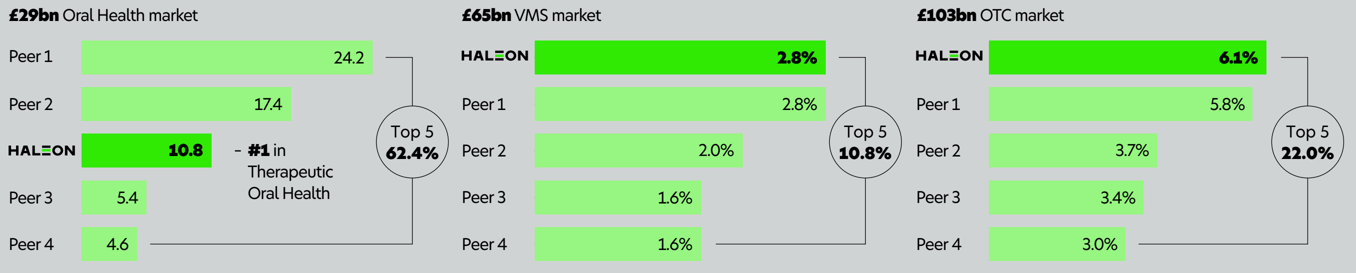
Broader industry dynamics

The broader industry shift of pharmaceutical companies demerging their consumer healthcare divisions continues. In 2023, the former consumer healthcare division of Johnson & Johnson separated to form a new listed consumer healthcare business, Kenvue. Additionally, Sanofi announced in 2023 its intention to separate its consumer healthcare division, via the creation of a standalone company, Opella. In 2024, Sanofi confirmed its negotiations with a US private equity firm to transfer a 50% controlling stake in Opella. Other businesses in the sector include Bayer, Church & Dwight, Colgate-Palmolive, Nestlé, Perrigo, Proctor & Gamble, Reckitt and Unilever, along with local players. The overall industry is highly competitive. Haleon has been able to differentiate itself through its purpose, innovation supported by deep human understanding and trusted science, brand building and Health Professional advocacy.

Consumer healthcare market 2019-2023 (£bn)[1]



Strong global market share positions (2023)[1]



1 Source: Nicholas Hall, Euromonitor Passport and Haleon analysis of third-party data (2023), the latest available data for the consumer healthcare market as a whole, beyond our individual categories. This includes categories which have historically been faster growing where Haleon does not have a significant presence including VMS and specific subcategories within this.

2 Source: Haleon's analysis of third-party data including IQVIA, Circana et al & NIQ data (2023), the latest available data for the consumer healthcare market as a whole, beyond our individual categories.

Market drivers

Long-term macro trends remain significant growth drivers for the consumer healthcare industry. A growing and ageing population, and an expanding middle class, are increasing demand for consumer healthcare. These trends put even more strain on public healthcare systems, which often have stretched budgets already. With demand rising, consumer healthcare itself is evolving, and consumers are becoming more educated and aware about their health needs. They are turning to self-care - seeking proven, accessible, affordable, preventative or holistic solutions - to take more proactive control of their health. These trends present valuable growth opportunities within the consumer healthcare sector. In our strategy and categories sections, we outline how Haleon is effectively responding to these trends and positioning itself for future success.

Trend	Key statistic	Description and why a growth driver
Global population shift towards emerging markets Source: UN	**1.5bn** global population increase expected by 2050, over 90% from developing markets	In the next five years, over 90% of population growth will come from developing markets, which are expected to contribute more than half of the global economic growth, driven by an expanding middle class, particularly in India and China. These shifts present a long-term growth opportunity for Haleon.
Ageing populations Source: WHO	**2.1bn** people will be aged 60 years or over by 2050	Life expectancy continues to rise. The number of individuals aged 60 and over is projected to nearly double and reach 2.1bn, from 2015 to 2050, with 80% of this population residing in low- and middle-income countries. Even in countries that are still growing rapidly and have relatively youthful populations, the number of persons aged 65 or over is expected to rise over the next 30 years. This ageing demographic is driving demand for products and services that promote healthy ageing, preventive care and self care.
Consumer focus on health and wellness Source: IPSOS	**80%** of consumers want more control over their health	Consumers are increasingly taking a more active approach to managing their physical health and mental well-being, seeking effective, science-backed health solutions they can trust. Research suggests 80% of consumers want more control of their health, and 69% are taking health into their own hands, conducting research rather than depending completely on doctors[1]. This trend towards self care is driven by greater awareness of health issues, in the post-COVID-19 landscape, enabled by digital health advancements. This shift represents a sizeable opportunity in consumer health.
Increasing pressure on public healthcare systems Source: Global Self-Care Federation	**1.8bn** physician hours are saved each year through self-care practices	Public healthcare systems worldwide are experiencing heightened pressure from increasing demand for services, driven by factors such as higher prevalence of chronic conditions, longer life expectancies, and a post-COVID-19 backlog. At the same time, financial constraints are impacting their ability to meet this growing demand. As a result, consumers are actively seeking more ready access to affordable and effective healthcare solutions, utilising self-care practices such as self-medication through OTC products. These trends further increase the need for preventative care and self-care solutions from the consumer healthcare industry.
Sizeable unmet consumer needs Source: The Lancet Global Health	**>50%** of the global population do not consume enough micronutrients essential to health	Consumer healthcare is evolving and growing. Global demographic shifts, and rapid scientific and technological advancements, are changing consumer behaviours. As consumers become more educated about and aware of their health needs, they are looking to take more control of their health. They are increasingly seeking science-backed solutions to address unmet health needs, in terms of prevention as well as self care. This is driving significant innovation opportunities in consumer healthcare across a wide spectrum of solutions including premium, affordable and targeted offerings.

>> See our strategy and categories sections on pages 12 to 17.

[1] Source: IPSOS Global Trends Report (2024), study conducted across 50 markets.

Our business model

Our deep human understanding, combined with our trusted science, is our competitive advantage.

Deep human understanding
We invest in a suite of proprietary assets to build deep human understanding – to generate consumer insights, create fit for purpose innovation and communication, and enhance our engagement with health professionals who help educate consumers. These include dedicated shopper research centres, and consumer understanding and social listening data. There is a huge opportunity to improve people's quality of life, not just treat their health needs. That is why deep human understanding will always be our starting point.

Trusted science
We leverage the technical and scientific expertise that comes from our scientists, supported by strong regulatory understanding and underpinned by scientific evidence generation to support new differentiating claims. During the year, we delivered 94 publications supporting our expert engagement and product claims. We continue to invest in research and development (R&D) to support our innovation.

Using these competitive strengths and guided by our purpose, we:

Innovate
Innovation plays an important role in delivering our purpose. Through innovation, we find new and better ways to address what people truly need on their health journeys. Leveraging consumer understanding and trusted science, we develop everyday health solutions for under-served and unmet needs, address emerging trends and improve delivery mechanisms for existing products. Our focus on innovation also helps us advance our responsible business agenda, through trusted ingredients, sustainable packaging improvements and inclusive design.

Create meaningful and distinctive brands
To build our brands, we invest in advertising and promotion (A&P) activities, such as paid media, omnichannel brand activations and in-store and online consumer experiences. We also have a strong focus on building data, analytics and digital capabilities. With these investments, we aim to enhance our equity in brands that consumers trust, thereby empowering more people to self care.

Drive Health Professional advocacy
We partner with Health Professionals far beyond our brands, working towards a shared ambition to deliver better everyday health for all. We have direct and trusted relationships with more than 3.5m Health Professionals, and partner with a large network of pharmacies. They recognise the strength and efficacy of our products, which they trust and recommend to consumers, bringing new users to our brands and categories.

We have a diverse portfolio of global and local brands in five categories:

Oral Health

Vitamins, Minerals and Supplements (VMS)

Pain Relief

Respiratory Health

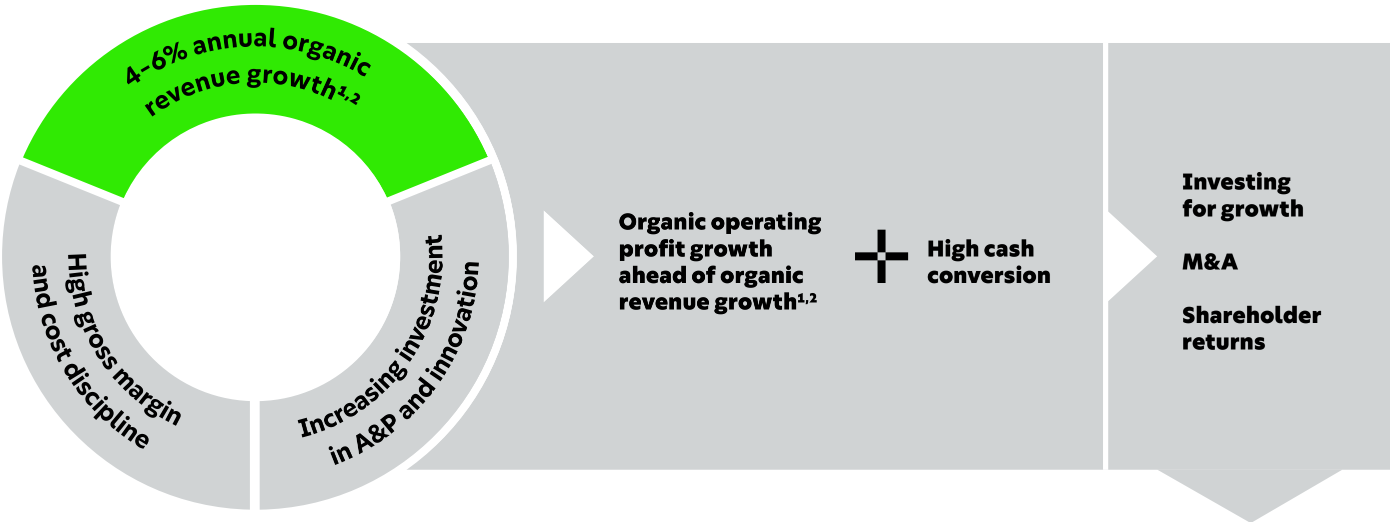
Digestive Health and Other

Supported by our key resources

- Employees
- Raw materials
- Suppliers
- Manufacturing capabilities
- Sales & distribution
- A&P
- R&D
- Regulatory expertise

Driving value

A sustainable growth model
Our competitive strengths, combined with our ability to innovate, build brands and drive expert advocacy, create a sustainable model for growth and deliver attractive returns.



How we used our cash

Reinvest in the business
In 2024, Haleon focused reinvestment in our brands, capabilities, supply chain, processes, systems and people, to drive sustainable growth and attractive returns.

Capital expenditure (2.8% of revenue)[3] **£318m**

Disciplined capital allocation
In 2024, we raised c.£0.8bn divesting non-core brands. We also acquired an additional 33% equity interest in TSKF, our joint venture in China, for c.£0.5bn.

Shareholder returns
Haleon has a dividend policy that looks to balance its stakeholders' interests, while ensuring the long-term success of the Company. In 2024, Haleon returned over £1bn to shareholders, through share buybacks and dividends. The Board has proposed a 2024 total dividend of 6.6p per ordinary share, representing c.37% of 2024 adjusted earnings (35% in 2023). Over the medium term, Haleon expects dividends to grow at least in line with adjusted earnings.

Delivering value

We deliver value across Haleon's entire value chain:

Consumers	Customers	Employees	Governments and industry regulators	Health Professionals	Investors	Suppliers

>> See also our key stakeholders, 2024 Business review and approach to risk sections on pages 10, 34 and 51.

1 Over the medium term, the Company expects annual organic revenue growth of 4-6%.
2 Definitions and calculations of non-IFRS measures can be found from page 43.
3 Includes purchase of Property, Plant and Equipment (PP&E) and intangible assets.

Our key stakeholders

Understanding and effectively engaging with key stakeholders remains essential to our long-term success.

Haleon maintains ongoing engagement with stakeholders across all levels of the organisation through various channels. We value these interactions for the insights they provide and regularly monitor outcomes to inform our decisions.

Engagement primarily takes place at senior leadership and operational levels, with the Board overseeing these activities. Directors also engage directly with stakeholders, particularly investors and customers.

>> This section should be read in conjunction with the ensuing pages, and also our Board activities disclosure from page 66, including our Section 172 statement and communication with shareholders disclosure.

What matters to our stakeholders	Why they matter to Haleon
Consumers Consumers want brands they trust, that understand their needs and care about the environment and society.	Our consumers are at the heart of everything we do. We aim to provide products that better meet their needs.
Customers Our customers want safe, innovative and accessible products that enable consumers to improve their everyday health and which have sustainability at their heart.	Customers, such as mass market pharmacies, drug stores, retailers and e-commerce platforms, are central to our business as they provide our products to consumers.
Employees Employees want to be part of a purpose led, inclusive company where they can be themselves, and are supported to thrive in their careers.	Our employees ensure our business operates effectively. It is essential that we attract and retain the best people, and keep each other safe, healthy and well.
Governments and industry regulators Effective, safe and accessible products help reduce the burden of healthcare costs and increase opportunities for innovation and business investment.	Governments and industry regulators set the legal and regulatory environment in which we operate. We work with them to advance everyday health and manage risks.
Health Professionals Health Professionals want effective and safe products supported by reliable scientific information and responsible sales and marketing practices.	Our engagement with Health Professionals, such as doctors, dentists and pharmacists, drives performance through recommendations and help us understand long-term trends.
Investors Investors want sustainable performance for long-term shareholder value, strong corporate governance and commitment to the management of responsible business issues.	We are committed to creating long-term sustainable growth and attractive returns for both our debt and equity investors delivered through the Group's strategy.
Suppliers Suppliers value trust-based relationships, underpinned by responsible practices, values and policies.	Maintaining healthy long-term relationships with our suppliers helps us to protect business continuity and achieve our environmental ambitions.

Examples of how we engage	Examples of outcomes	Examples of measurement
Consumers		
– Marketing campaigns, brand launches and promotions. – Regular consumer surveys. – Community Investment Programmes. – Consumer enquiries handled by our Global Consumer Relations team. – 24/7 Online Help Centre.	– Launched marketing campaigns focused on addressing health inclusivity such as 'Polident Smiles Can't Wait'. – Consumer satisfaction with our consumer relations service (CSAT) improved 16 points in 2024. – Further developed consumer testimonial data tools, to identify and learn from trends.	– Customer satisfaction scores. – Brand equity scores. – Brand incremental share growth statistics. – Volume of consumer interactions, with c.1.3m in 2024.
Customers		
– Partnerships with major customers focused on self-care and health inclusivity. – Sector and customer collaboration supporting local communities. – Interactive visits to our shopper research centres.	– Partnered with major UK retailer to donate essential products to address hygiene poverty. – Partnered with prominent retailer in China to deliver self-care education and products to rural communities. – Worked with large US retailer to provide mobile dental clinics to improve access.	– Charitable donations. – Customer net sales performance and retention. – Direct feedback from customers through regular industry surveys e.g. Advantage Group Survey. – Growth in share of shelf and distribution points.
Employees		
– Annual employee engagement survey. – Global broadcasts and Executive Team site and market visits. – Local events and celebrations. – Development programmes and resources. – Employee Resource Groups (ERGs). – Employee lifecycle surveys.	– Employee engagement score of 81%. – Held three global broadcasts where employees could engage with the Executive Team. – 10,346 employees attended our first 'Growing at Haleon' learning and development week. – Held four workforce engagement discussions. – Held 10 global flagship ERG events and 150 local events.	– Employee engagement survey results. – Number of employees joining global broadcasts. – Level of engagement on internal channels and platforms. – Level of participation during our 'Growing at Haleon' week. – Level of participation in ERG events.
Governments and industry regulators		
– Collaboration with regulators to establish appropriate product and claims standards. – Legislation reform through direct and indirect liaison with regulators and policymakers. – Meetings and events aimed at engaging key Government stakeholders. – Leadership roles in sector trade associations e.g. GSCF, CHPA.	– Participated in inaugural WHO Global Oral Health meeting. – Attended UK Government's International Investment Summit. – Speaker panels at 'Self-Care in Healthcare: A Shared Vision for Asia Pacific'. – Participated in B20 Discussion Forum: 'Health Movement Through Innovation and Access in Brazil'.	– Positive progress in legislative and regulatory developments. – Number of Government engagements. – Product speed to market. – Costs associated with regulatory changes.
Health Professionals		
– Awareness campaigns and research initiatives. – Haleon Health Partner portal. – Expanded Centre for Human Sciences. – Participated in targeted in-person and virtual events.	– Video content from the 'Every Patient' campaign won two industry awards. – The Haleon Health Partner portal reached nearly 1m health professional registrations. – Centre for Human Sciences launched Community Pharmacy Pain Consultations Programme to improve pain management outcomes.	– Number of Health Professionals participating in our surveys, tracking and campaigns. – Level of Haleon Health Partner portal users. – Level of engagement with Haleon's Centre for Human Sciences. – Key Performance Indicators (KPIs) for events.
Investors		
– Roadshows, 'fireside' chats, webcasts, conferences and 1:1 meetings. – Investor events and video series covering areas of interest. – AGM, stock exchange announcements and results briefings.	– Regular updates to the Board and Executive Team on investor, shareholder and analyst perceptions. – Review of strategy incorporating investor feedback.	– Investor and analyst surveys. – Feedback from investors and analysts. – Level of analyst and investor participation in events.
Suppliers		
– Online supplier portal. – Workshops and sessions with suppliers focused on responsible business practices and innovation. – Sustainable Supply Chain Programme. – Third-party risk management assessments.	– Digitised onboarding for new low-spend suppliers. – Over 600 suppliers attended innovation events. – Introduced carbon pricing programme to incentivise decarbonisation.	– Spend on small business suppliers. – Number of suppliers attending our events. – Feedback from suppliers on decarbonisation. – Number of tenders using carbon pricing scheme. – Continuity of relationships.

Our strategy

We are driven by our purpose – to deliver better everyday health with humanity.

Our strategy is designed to grow our portfolio of leading brands and market categories. We target sustainable above-market growth and attractive returns, with our purpose and culture bringing focus and clarity to the strategic decisions we make. Underpinning the way we run our business are four strategic pillars.

Drive portfolio growth by increasing household penetration
We have a clear strategy to drive penetration-led growth across our portfolio. We do this by being consumer focused, innovating to address unmet consumer needs and building meaningful and distinctive brands and experiences that are trusted by consumers, customers and experts.

Capitalise on new and emerging opportunities
Our brand portfolio, scale and route-to-market provide the opportunity to expand brands into new occasions, segments, channels and markets, where they have the reach and scale to succeed.

Maintain strong execution and financial discipline
We prioritise developing capability advantage across the value chain – from innovation, to marketing, commercial, supply chain, business optimisation and cost control. We believe this enables us to deliver sustainable moderate margin expansion and reinvest for future growth, while creating value for our stakeholders.

Run a responsible business
Running a responsible business is integral to delivering on our purpose. Our environmental, social and governance (ESG) goals focus on making everyday health more inclusive, reducing our environmental impact, and operating with ethical and responsible standards of business conduct.

1 Increase household penetration	2 Capitalise on new and emerging opportunities	3 Maintain strong execution and financial discipline	4 Run a responsible business
Maximise significant growth opportunities across our categories by applying our proven approach to penetration-led growth.	Increase growth of our brands across channels, routes to market and geographies. Expand our portfolio through new and emerging consumer trends and by pursuing Rx-to-OTC switches.	Focus on driving efficiency, effectiveness and agility to make every investment count.	Make everyday health more inclusive. Protect the environment and address social sustainability barriers to everyday health. Embed strong governance and ethical business behaviours.

The Board and Executive Team review updates on strategy evolution and performance throughout the year, to ensure continued focus on market drivers, relevance to our business model and that capital is appropriately allocated.

>> See also our approach to sustainability, key performance indicators, 2024 Business review, our approach to risk and Board activities sections on pages 22, 32, 34, 51 and 66.

In the our market category pages which follow, we include examples of where our strategic pillars and market drivers came to life in 2024.

Strategic pillars

1 Increase household penetration

2 Capitalise on new and emerging opportunities

3 Maintain strong execution and financial discipline

4 Run a responsible business

Market drivers

- Global economic shift towards emerging markets
- Ageing populations
- Consumer focus on health and wellness
- Increasing pressure on public health systems
- Sizeable unmet consumer needs

Our market categories

Oral Health

The importance of Oral Health

The World Health Organisation recognises that nearly half of the world's population suffer from oral health diseases, with cases increasing by 1bn[1] over the past 30 years. This suggests that many people do not have access to the prevention and treatment needed. Tooth sensitivity and gum disease are widespread, with around 45-50%[2] of consumers experiencing these conditions. Despite this, treatment rates are low, with only around a third[2] of consumers using a specialist toothpaste for each condition.

Our position

We focus on premium, specialist Therapeutic Oral Health, with broad geographic presence. Haleon is the global #1[3] player in Sensitivity with Sensodyne, #2[3] in gum health with parodontax and #1[3] in Denture Care.

Our 2024 focus areas and achievements

Focus areas	2024 achievements	Strategic pillars	Market drivers
Increase household penetration	Expanded into emerging markets with relevant and affordable offerings, with our Sensodyne 20 rupee pack in India and the launch of parodontax in China.	1 2	
Innovate to address unmet needs	Successfully launched Sensodyne Clinical White, scientifically proven to whiten teeth by two shades[4] while providing 24/7 sensitivity protection[5]. Ranked as the #1 innovation in the Oral Health category in the US, driving market share growth for the brand[6]. Expanded our Polident Max Hold Plus range, now available in over 40 markets, underpinning growth of our fixatives range.	1	
Leverage trusted science	Continued to drive our trusted science with dentists and hygienists, participating in key events including the FDI World Dental Federation's World Oral Health Day, where Haleon was a major partner, to promote and educate on better oral health.	1 2	
Run a responsible business	Launched toothpaste tube caps made using bioplastic[7] in several markets across Europe, progressing our ambition to reduce virgin petroleum-based plastic in our packaging.	3 4	

Brands

SENSODYNE POLIDENT parodontax

2024 revenue

£3,312m

+5.6% growth

+9.6% organic growth

Global market share (2023)[3]

10.8%

>> See page 40 for further information on performance during the year.

[1] Source: UN World Health Organisation, Global Oral Health Status Report, 2022.
[2] Source: Sensodyne: Haleon Incidence & Usage Study, 2022; Parodontax: Global U&A Refresh 2022 Clear.
[3] Source: Euromonitor (2023) and Haleon analysis of third-party market data, the latest available data for the Consumer Healthcare market as a whole, beyond our individual categories.
[4] Vs a non-whitening toothpaste after eight weeks, twice daily brushing.
[5] With twice daily brushing.
[6] Source: Haleon's analysis of third-party data including Circana (2024).
[7] Means plastic that is wholly or partly derived from materials of biological origin, excluding materials embedded in geological formations and/or fossilised.

Our market categories continued

Vitamins, Minerals and Supplements (VMS)

The importance of VMS

The majority of the global population does not consume enough micronutrients essential to health[1], increasing the risk of developing chronic diseases. Consumer trends such as: the growing interest in science-backed solutions for self care; healthy ageing; and gut health are also contributing to the growth of this category. Using VMS is seen by consumers as a way to gain control and have confidence that they are doing what they can to stay healthy and well.

Our position

The VMS category is a large and fast-growing part of the global consumer healthcare market. It is a highly fragmented category, with the top 20 players accounting for around 22%[2] of the market. Haleon has the leading position, with 2.8%[2] share. Our key brands include: Centrum, the world's leading multivitamin[2]; Caltrate, a leader in bone health in China[2]; and Emergen-C, a leader in immunity in the US[3].

Our 2024 focus areas and achievements

Focus areas	2024 achievements	Strategic pillars	Market drivers
Increase household penetration	Expanded our Centrum Daily Kits range in China and Korea - daily nutrition packs tailored to life stages, to address Asian consumers' needs. The range contains a blend of vitamins, minerals and locally relevant ingredients, such as green tea and ginkgo biloba leaf. In Brazil, we launched Centrum single dose immunity and energy powders. These provide affordable and on-the-go solutions through a new sachet format.	1 2 3	
Innovate to address unmet needs	Introduced Emergen-C Crystals Immune+, a new formula with vitamin D, contributing to category share growth. We also launched Emergen-C zero sugar formulas in powder and gummies formats.	1 3	
Leverage trusted science	Continued activation of Centrum Silver, supported by multiple clinical studies, demonstrating cognitive health benefits for older adults. Drove performance of Caltrate Capsules, supported by strong activation in China, with ingredients clinically proven to improve calcium absorption (vitamin D3) and bone metabolism (vitamin K2).	1 2 3	
Drive Health Professional advocacy	Launched a global expert campaign for Centrum, 'Think Again', highlighting the potential for multivitamins to deliver health benefits, such as improving brain health. The campaign engaged over 20,000 experts.	1 2	

Brands

Centrum

Caltrate

Emergen-C

2024 revenue

£1,696m

+3.4% growth

+7.6% organic growth

Global market share (2023)[2]

2.8%

>> See page 40 for further information on performance during the year.

[1] Source: The Lancet Global Health.
[2] Source: Nicholas Hall (2023) and Haleon analysis of third-party market data, the latest available data for the Consumer Healthcare market as a whole, beyond our individual categories.
[3] Source: Circana (2024).

Pain Relief
OTC

The importance of Pain Relief
Pain is a consistent and universal condition, that affects over 90%[1] of the adult population. Over the past decade, the social and emotional impact of pain has grown by nearly 25%[1], with stigma and social isolation arising from everyday pain increasing worldwide. Our ambition is to break down the barriers to achieving better everyday health for everyone.

Our position
At a global level, the top five players account for c.35%[2] of the category, and Haleon is the market leader with 13%[2] global market share. Our portfolio spans systemic and topical sub-categories, led by three Power Brands - Voltaren, Panadol and Advil - complemented by Local Growth Brands, including Excedrin, Fenbid and Grand-Pa.

Our 2024 focus areas and achievements

Focus areas	2024 achievements	Strategic pillars	Market drivers
Increase household penetration	Continued the successful roll-out of Voltaren 24-hour patch, with launches in Spain, France, Romania, Poland and Belgium.	1 2	
Innovate to address unmet needs	Launched Panadol Dual Action - a paracetamol and ibuprofen combination systemic pain reliever, in Pakistan and Central and Eastern Europe. Launched Advil Targeted Relief in the US, the first topical pain relief product from Advil, with four active ingredients which provide users with up to eight hours of relief at the source.	1 2 3	
Leverage trusted science	Haleon participated in the International Association for the Study of Pain (IASP) 2024 World Congress on Pain, attended by over 6,000 delegates. Our engagement focused on bringing inclusion in pain management.	4	
Drive Health Professional advocacy	Haleon hosted the 4th Global Pain Awareness Week, to bring globally renowned pain experts and first-line Health Professionals together to share knowledge on important pain topics. About 42,000 Health Professionals attended the event.	1	

Brands

Voltaren, Panadol, Advil, Excedrin, Fenbid

2024 revenue

£2,564m

(3.3)% growth

+0.1% organic growth

Global market share (2023)[2]

13.0%

>> See page 41 for further information on performance during the year.

[1] Source: Haleon Global Pain Index 2023, 5th Edition.
[2] Source: Nicholas Hall (2023) and Haleon analysis of third-party market data, the latest available data for the Consumer Healthcare market as a whole, beyond our individual categories.

Our market categories continued

Respiratory Health

OTC

The importance of Respiratory Health
Respiratory conditions are prevalent globally. Conditions such as the common cold, flu, cough, sore throat or nasal congestion affect most adults at least once per year, with incidence varying by geography. About 70%-80%[1] of sufferers feel confident in treating themselves for these conditions, including through the use of OTC medicines.

Our position
The Respiratory Health category is fragmented globally, with the top five players accounting for 26%[2] of the market. Haleon has a joint leading position, with 5.6%[2] share. Our portfolio consists of two Power Brands, Otrivin and Theraflu, along with Local Growth Brands, including Flonase, Robitussin and Contac.

Our 2024 focus areas and achievements

Focus areas	2024 achievements	Strategic pillars	Market drivers
Increase household penetration	Continued the roll out of Otrivin Nasal Mist across Europe, offering an improved consumer experience through comfort, ergonomics and efficacy. The product continues to deliver above expectations, driving Otrivin share growth in launch markets, and was received well by consumers, with many claiming an improved user experience.	1 2	
Innovate to address unmet needs	In the US, we launched Theraflu-D Flu Relief Max Strength Syrups in the US with the powerful oral nasal decongestant, pseudoephedrine. This was an accelerated launch, to provide our consumers with more options and to meet evolving needs. Responded to increasing consumer demand for Respiratory treatments post-COVID-19 in China, by expanding beyond cold and flu. Continued the roll out of Contac cough, now the second largest Western medicine cough brand in China.	1 2 3	
Meaningful and distinctive brands	During allergy season in the US, Flonase pioneered a unique collaboration with the hit series, Bridgerton. This partnership garnered an Online Media, Marketing & Advertising Award in the 'Pharma/Health/Wellness: Campaign' category, demonstrating some of our social marketing capabilities.	1 3	
Run a responsible business	We began rolling out our new, easy-to-open, more recyclable paper packaging for Flonase. This new packaging will no longer require consumers to use scissors to open the package, and aims to avoid more than 160 tonnes of plastic waste per annum.	1 3 4	

Brands

Otrivin Theraflu Flonase Robitussin

2024 revenue

£1,677m

(3.4)% growth

+0.9% organic growth

Global market share (2023)[2]

5.6%

>> See page 41 for further information on performance during the year.

[1] Source: Global Self-Care Federation.
[2] Source: Nicholas Hall (2023) and Haleon analysis of third-party market data, the latest available data for the Consumer Healthcare market as a whole, beyond our individual categories.

Digestive Health and Other
OTC

The importance of Digestive Health and Other
Digestive health issues affect a large proportion of the population. In the US, over 60%[1] of adults have experienced digestive health issues. Symptoms include acid reflux/heartburn, abdominal pain, bloating, diarrhoea, constipation, nausea/vomiting, dysphagia and incontinence. Sufferers frequently experience two or more symptoms at a time.

Our position
Haleon has a strong presence in the global Digestive Health category, driven by our leading position in immediate-relief antacids. We have a focused geographic Digestive Health presence across key markets, in particular the US, India and Brazil, underpinned by brands such as Tums and ENO.

Our Digestive Health and Other category also includes Skin Health and Smokers' Health. Our Skin Health brands include Bactroban, the leading wound-healing brand in China, Zovirax/Abreva, the global leader in cold sore treatments and Fenistil, the top anti-itch solution in EMEA & LatAm. In Smokers' Health, Nicorette has helped consumers quit smoking for over 40 years. In 2024, we divested our Smokers' Health business outside of the US, to focus our resources on higher growth brands and reduce complexity in our network.

Our 2024 focus areas and achievements

Focus areas	2024 achievements	Strategic pillars	Market drivers
Increase household penetration	Launched a new format, Tums Gummy Bites, in the US, which was the #1[3] OTC Digestive Health innovation in the US in 2024, by sales. We also launched ENO Chewy Bites in India, a chewable antacid to drive the convenience of anytime anywhere acidity relief, targeted at the entire family, including the younger cohort. Formats included affordable single sachets.	1 2 3	
Innovate to address unmet needs	Launched Eroxon in the US – the first OTC, FDA-cleared treatment for erectile dysfunction. In two clinical studies, over 60% of men with erectile dysfunction saw meaningful improvement. Eroxon is available online and at most major US retailers.	2	
Meaningful and distinctive brands	Successfully launched a new campaign and brand positioning for Benefiber in the US, supported by strong commercial execution. We raised brand awareness with a 'Garden of the Guts' campaign, with Benefiber outperforming its category and achieving market share gains[3].	1 3	
Run a responsible business	In India, we continued to roll out recycle-ready sachets for ENO, gradually shifting away from laminate packaging.	4	

Brands

TUMS, ENO, Nexium 24HR, abreva, Zovirax, PREPARATION H

2024 revenue

£1,984m

(7.2)% growth

+5.5% organic growth

Global market share (2023)[2]

3.8%[1]

>> See page 41 for further information on performance during the year.

[1] Source: The American Journal of Gastroenterology.
[2] Source: Nicholas Hall (2023) and Haleon analysis of third-party market data, the latest available data for the Consumer Healthcare market as a whole, beyond our individual categories.
[3] Source: Circana (2024).

Our culture and people

We are focused on our purpose-led, performance-focused culture underpinned by our core values, key behaviours and leadership standards. Together, these support the delivery of our strategy. Our range of responsible business standards, policies and practices, including our Code of Conduct, provide a framework to guide our approach in delivering our strategy and business performance.

Our purpose:
To deliver better everyday health with humanity

Our core value:

Seeking to always do the right thing

Our key behaviours:

→ Go beyond

→ Do what matters most

→ Keep it human

The Board monitors and is responsible for our culture, including adherence to our core value and behaviours to ensure they are embedded and aligned to our strategy and purpose. The Board and Executive Team receive regular reports on all aspects of culture, including reports from our Speak Up channel and the results from our annual employee engagement survey. The CEO and Executive Team are responsible for embedding our culture on a day-to-day basis, as well as for implementing our strategy, monitoring the Group's performance, and providing updates to the Board on overall performance, risk management and our system of internal controls. Our 14 business units, and global category and brand teams, are responsible for delivering our strategy, innovation agenda and global brand campaigns. They are supported by global functions in key areas including ethics and compliance, corporate affairs, sustainability, finance, human resources, legal, marketing and R&D.

Since becoming Haleon in 2022, we have evolved our ways of working with a new operating model that removes complexity and brings us closer to our consumers. We are in the second year of a three-year global productivity programme that transforms business processes and structure and helps to reduce complexity and costs so that we can drive performance and invest in future growth. We are on target to deliver our plans. In 2025, we will continue to drive additional performance and agility.

Additional information and detail on culture and people can be found in our Responsible Business Report available on our website at **www.haleon.com/our-impact/esg-reporting-hub.**

Measuring our culture
Measuring and tracking our culture is crucial to ensuring we deliver our purpose and strategy, and remain a trusted company.

Our range of indicators includes:

- Annual mandatory Code of Conduct training including anti-bribery and corruption and keeping data secure.
- A framework of internal financial and operational controls, audit and assurance programmes that monitor the Company's compliance with regulations and internal procedures and policies.
- Encouraging anyone, whether working for Haleon or not, to speak up about misconduct, breaches of policy or procedures, and suspected violations of laws and regulations.
- Measuring employee engagement through our annual employee engagement survey. Haleon received an 81% overall engagement score.
- Measuring our environmental, health and safety performance across the Company and conducting risk-based audits, which the Board and Executive Team monitor.
- Conducting regular conversations and year-end reviews with employees.

We will undertake targeted cultural development work in 2025 to help to ensure Haleon continues to have a culture that supports our strategic plans.

>> See also our business model, key stakeholders, strategy, approach to risk and financial statement sections on pages 8, 10, 12, 51 and from page 100.
>> See also our key performance indicator section on page 32.
>> See also the Audit & Risk Committee Report from page 72.
>> See also our statement of compliance on page 58 with links to our standards and policies, including our Code of Conduct and Modern Slavery Statement.

Our people

Our people comprise permanent and fixed-term direct employees. Our business is also supported by third-party temporary workers and contractors.

We aspire to create an environment where everyone can reach their full potential and perform at their best. Our initiatives and policies reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. We have people policies and initiatives that seek to provide equal opportunities and create an inclusive culture where everyone can belong.

Attracting, fostering and developing talent

Throughout 2024, we evolved our employer brand proposition to continue to attract diverse talent, including appointments in key leadership roles.

Development and learning has three objectives: build the right competencies to stay safe and compliant within our regulatory environment; develop strategic capabilities; and provide employees with opportunities to grow and reach their potential. In June, we brought together our top 270 leaders in London for a three-day event following which leaders ran sessions with local teams to cascade the learning across the business. To build on this, we ran a five-day Growing at Haleon Week, available to all employees globally. More than 38,900 places were taken up across 16 sessions from 31 speakers.

We enhanced our global leadership development offer and continued to roll out our first-line leader programme (Lead) and launched a new programme for leaders of leaders (Inspire). More than 30% of our leadership population participated in one or more of our global leadership or talent programmes. We also evolved and simplified our approach to assessing and rewarding employee performance. The new approach helped to drive an increased awareness of how performance was evaluated and helped colleagues to be clearer on how their work supports our strategy.

Creating a more inclusive workplace

Our DEI strategy in 2024 underpinned our commitment for all our employees to be treated equally, and harassment and discrimination to not be tolerated. The focus was on three strategic priorities:

1. Employee belonging: workplace inclusion – create a work environment that is inclusive and accessible, where all employees feel like they belong, are valued and have tools to thrive.
2. Representation: attract, recruit, promote and retain the best talent with a variety of backgrounds and experiences that reflects the customers and consumers that our brands serve.
3. Societal change: community impact – leverage our expertise to enable health inclusivity through our business relationships, brands and research.

A DEI council met quarterly to receive performance updates and to discuss priorities, drive accountability, and initiate, fund and oversee the implementation of Haleon's global inclusion activities.

We made progress in 2024 with several initiatives, including: a new Community of Practice to share best practice and learnings; regular Employees Resource Groups (ERG) to discuss inclusion initiatives; and the successful launch of our global self-ID project as part of a broader initiative to strengthen representation data.

Our people-management development programmes aim to enhance peoples' capabilities and competencies through our learning modules. Our core leadership programmes, including Lead and Inspire, develop the skills of all our leaders to help mitigate bias and lead more inclusively.

Our four global ERGs; Pride (LGBTQ+), Empower (disability), Illuminate (race & ethnicity), and Women@Haleon (gender) are each sponsored by a member of the Executive Team and have grown their presence to 34 local chapters within 14 countries. We have developed a Caregivers Community ERG in the US and are in the process of creating a UK chapter, as well as a Family Veterans and Friends ERG in the US. Global and local events were held for International Women's Day, Pride Month, Black History Month, and many more.

Our strategic focus for 2025 will be on further embedding initiatives throughout our organisational processes, culture, and behaviours, expanding our leadership development programmes and refining our guidelines for inclusive hiring and interview panels.

>> See also our Nominations & Governance Committee Report on page 79.

Our culture and people continued

Company gender representation

As at 31 December 2024	Men	Women	Other	Non-disclosed	Total
Directors	5	6	–	–	11
Executive Team	7	6	–	–	13
Executive Team direct reports	51	45	–	2	98
Senior managers[1]	773	653	–	8	1,434
All employees	12,996	11,431	8	126	24,561

1 Comprised of Leadership roles as defined in our glossary.

Employee health and wellbeing
We want to be a place that betters employees' everyday health and wellbeing and allows them to be at their best. A place where we celebrate difference, prioritise mental and physical wellbeing, and build an inclusive working environment where everyone can thrive.

In 2024, we focused on: creating a wellbeing strategy and brand; launching our refreshed people-manager mental health training, Leading on Mental Wellbeing; implementing a Mental Health & Wellbeing standard; and launching a Health and Wellbeing Dashboard to help measure organisational health and wellbeing.

In 2025, we plan to launch our new health and wellbeing framework including our new global flagship Employee Assistance Programme partnership, plus a refreshed, more structured Health and Wellbeing Champions network.

Workplace environments
In 2024, we updated our Workplace Solutions standards to help ensure each office/site delivers the appropriate level of service, to meet our business and employees' needs more effectively. Our standards aim to guarantee our locations provide the right mix of productivity, community, collaboration and focus areas, while supporting our philosophy Hybrid@Haleon. This philosophy empowers managers and teams to trust each other and find the right approach to drive performance.

Health and safety
We continued on our journey to deliver our zero-harm culture by strengthening our environment, health and safety (EHS) performance. Our EHS management system and strategy focus on strengthening our health and safety culture and capability, while aiming to make it easier to prevent harm. Our strategy is supported by annual targets and objectives which seek to drive continuous improvement, while helping us to reduce the number of reportable injury and illness cases and serious incidents.

We also provide task-specific and risk-based health and safety training for our employees and third-party temporary workers, focusing on hazard identification and risk reduction in the workplace.

	2024	2023
Reportable Injury and Illness Rate per 100,000 hours worked	0.13*	0.14
Lost time injury and illness rate per 100,000 hours worked	0.10*	0.10

* KPMG LLP has issued independent limited assurance over the selected data indicated using assurance standard ISAE (UK) 3000.

There were no fatalities in 2024.

Upholding our standards
We have standards and policies in place to ensure we uphold high standards of business ethics. We are committed to transparency, integrity, consumer satisfaction, safety and compliance with all relevant laws and regulations.

Product quality, safety and development
Our products undergo extensive quality testing and controls as part of our manufacturing processes. In addition, we have portals for consumers to obtain product information and report adverse reactions. The Haleon Quality System establishes standards that govern the entire product lifecycle, ensuring consistency across all business units and third-party manufacturers. It emphasises the role of management at all levels in upholding these standards, particularly during product development. Haleon's scientists focus on tailoring products to meet local needs, subjecting them to rigorous research and testing to comply with quality and safety standards, thereby fostering consumer trust. This process includes various assessments such as stability testing, consumer feedback, and clinical studies.

Integral to this system is the Trusted Ingredients programme, which leverages cross-functional expertise to guide the selection of active pharmaceutical ingredients and excipients or additives used in our products. Haleon implements controls to evaluate potential benefits and risks and consumer concerns associated with these ingredients, including an independent evidence-based safety review for new ingredients added to the product portfolio.

The purpose of the Haleon Safety Board, as part of the governance framework that manages Haleon's 'Product User Safety' principal risk, is to: (1) set the Company's product safety strategy; and (2) oversee the implementation of the product safety policy in relation to the composition and core company position of all products. Additionally, continuous monitoring of ingredient safety is conducted in collaboration with industry peers, regulators and healthcare providers, ensuring that Haleon remains proactive in assessing the safety and benefits of its products.

Code of Conduct
Our Code of Conduct helps to promote ethical business practices and offers guidance to our Board, Executive Team, employees, and third-party temporary workers. Non-compliance with our Code is considered misconduct and may lead to disciplinary action, including termination. Relevant principles of our Code also extend to our suppliers, distributors, agents, consultants, and contractors.

The Code: comprises 19 principles; is available in 17 languages; combines written standards with a decision-tree approach to help make the right choices and know when to seek advice; and includes annual mandatory training including anti-bribery and corruption and keeping data secure.

Anti-bribery and anti-corruption (ABAC)
Our ABAC Policy outlines our global principles, standards, requirements and zero-tolerance stance. All employees and third-party temporary workers are required to adhere to this policy.

Regular internal checks are conducted as part of our financial control procedures, and due diligence checks are performed on all high-risk third parties.

During 2024, regular updates on the compliance programme were provided to the Executive Team and the Audit & Risk Committee.

Speak up
Haleon encourages anyone, whether working for the Company or not, to speak up about misconduct, breaches of policy or procedures, and suspected violations of laws and regulations. Concerns can be raised in multiple languages via an independently managed web form and hotlines, or by email, telephone, or post. All cases are handled in accordance with Haleon's investigatory principles: humanity; confidentiality; proportionality; and non-retaliation. Regular updates and investigation reports are reviewed by senior management and the Audit & Risk Committee, and learnings are converted into recommendations and updated training. During 2024, we upgraded to a new platform to help to improve our processes.

Human rights
Our Human Rights Policy, which is reviewed by the Environmental & Social Sustainability Committee, sets out how we integrate human rights into our business operations and our relationships with suppliers and other business partners. We seek to align our human rights procedures with international agreements and guidelines, such as the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Co-Operation and Development's (OECD) Guidelines for Multinational Enterprises. We are committed to upholding the Universal Declaration of Human Rights and the core labour standards set out by the International Labour Organisation.

Responsible suppliers
Haleon's supply chain has significant scale and complexity with a mixture of direct and indirect supplies and services such as raw materials and logistics. We are a member of Manufacture 2030, a platform to drive consistency and transparency of supplier sustainability reporting.

- Our Supplier Code of Conduct establishes the minimum environmental, social and ethical standards to be met by any entity that supplies products or services to Haleon.
- We follow set processes for contracting with new suppliers, and those we continue to work with, including due diligence processes and using approved buying channels.
- Our third-party risk management process seeks to assess risks across our supply chain, and where necessary we undertake additional due diligence. In 2023, we joined the ethical supply chain platform Sedex. In some of the due diligence processes, we use a combination of Sedex assessments and Pharmaceutical Supply Chain Initiative audits to assess risks to drive improvements.

Cyber security
We recognise that, in common with most other organisations, Haleon is at risk of a cyber-security attack or threat that could compromise our ability to manufacture, distribute and sell our products and services. We continue to invest to mitigate this risk, including using advanced technologies and engagement of third-party experts to provide additional support and guidance. We have a dedicated cyber-security threat intelligence function focused on the threat landscape and attack vectors that are targeting healthcare providers, including ransomware threats, and a cyber-defence team in place to monitor and react to cyber threats. Cyber intelligence is integrated into our cyber-security risk management and governance processes. Haleon's Chief Information Security Officer is responsible for the cyber-security function, and provides frequent updates on issues including: current threats; operational key risk indicators; and cyber-security maturity improvements, to the Executive Team and Audit & Risk Committee, who have oversight of our information security and cyber-risk strategy. Cyber-security risk updates are shared with the wider Board by the Audit & Risk Committee.

- Our newly appointed Chief Information Security Officer has more than 20 years' information technology and security experience.
- External consultants are engaged to assess our cyber-security maturity against the US National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). They provide continued assurance that our plans and processes are delivered to best protect Haleon from threats including a framework for data controls which covers our digital supply chain.
- We have a third-party risk management process in place to help ensure that inherent risk assessments are completed for third-party suppliers, with additional due diligence assessments completed for higher-risk suppliers. Processes include: identification and mitigation of risks; risk assessments; adherence to information and control standards; and incident notification requirements in contracts.
- We constantly look to mature our cyber-security systems and controls to keep pace with the threat landscape. Our preparedness activities include: a cyber-security week; testing our response procedures and processes by performing simulations and crisis management exercises, including advanced Red and Black team exercises; and penetration testing to develop our response to potential incidents, such as ransomware attacks. Vulnerability management, monitoring and alerting processes are in place to help protect the Company against cyber attacks.
- Our annual awareness campaigns promote our global cyber-security policies and procedures, handling of confidential data, social media and cyber-security practices, and remind employees of resources available to protect themselves, Haleon and consumers. Internal policies for protecting Company assets include protection of information, acceptable use of technology resources, AI and related procedures. We are focused on minimising risks through fostering secure practices and behaviours, for example, constant programmes aimed at recognising and reporting suspicious online behaviour or phishing.
- During 2024, Haleon did not identify any significant cyber-security incidents.

>> See also: Our approach to risk; the Audit & Risk Committee Report; and Risk factors on pages 51, 72 and 193.

Our approach to sustainability

Running a responsible business is a strategic imperative for Haleon and hardwired into how we do business.

Our Responsible Business strategy focuses on three interconnected focus areas: making everyday health more inclusive; reducing our environmental impact; and upholding our standards by operating with ethical, responsible, and transparent behaviours and standards of conduct. The following pages outline Haleon's progress against our Environment and Health Inclusivity focus areas. Progress against Upholding our Standards is detailed on page 20. The Board has overall responsibility for the Group's Responsible Business strategy, delegated to the Environmental & Social Sustainability Committee.

Tackling carbon emissions
In 2024[1], we achieved a 50%* net reduction in our market-based Scope 1 and 2 carbon emissions versus 2020. We implemented several projects to switch to renewable energy sources such as renewable fuels and electric steam generators, including electric steam generator installation at our sites in Pulo Gadung, Indonesia, and Nairobi, Kenya. We have increased our use of carbon offsets this year to offset hard-to-abate Scope 1 emissions. However, we have a staged plan to reduce our use of offsets year-on-year to a maximum of 5% of baseline year emissions by 2030, in line with our Science Based Targets Initiative (SBTi) target.

We are improving the granularity of the data used for Scope 3 emissions reporting each year, enabling more accurate reporting of our baseline and our performance in the reporting period. Haleon's source to sale Scope 3 emissions decreased by 10% in the reporting period[1] versus 2022 due to the use of emission factors that better reflect suppliers' emissions reduction actions, inventory reduction, initiatives to make our packaging more sustainable, and switching to lower emissions-intensity forms of transport for logistics and distribution.

In January 2024, we launched Haleon's Sustainable Supply Chain Pledge, asking our suppliers to demonstrate their shared commitment to climate action. Signatories are requested to move to renewable electricity and develop a science-based target in line with SBTi.

Making our packaging more sustainable
To reduce our use of virgin petroleum-based plastic, we continued to scale up current, and launch new initiatives in 2024, focused on formats that account for the largest share of our plastic packaging: tubes and bottles. This included a further roll-out of Centrum and mouthwash bottles made with recycled plastic, and the launch of toothpaste tube caps made using bioplastic.

We also remain on track to develop solutions for product packaging to be recycle-ready[2] by 2025 where safety, quality and regulations permit. We expect 80-85% of our product packaging to be recycle-ready by the end of 2025 on this basis. In the 2024 reporting period, 74%* of our packaging was recycle ready[1].

For the remaining 15-20% of our product packaging, there is not yet a recycle-ready solution that meets the stringent safety, quality and regulatory requirements for healthcare packaging. For example, there is currently no commercially available solution to make Otrivin Metered Dose Nasal Spray from a single packaging material that enables the precise dosing and fine spray needed to deliver the product benefit and meet quality standards.

Sourcing trusted ingredients sustainably
As part of our aim to source key agricultural, forestry and marine-derived ingredients and packaging materials more sustainably, we increased our percentage of sustainably sourced key materials to 81%[1,3], primarily driven by an increase in sustainably sourced paper materials, to 80% of all paper materials in the reporting period[1,3]. We maintained strong performance on sustainably sourced palm oil derivatives at 92%[1,3].

Our Healthy Mint Supply Chain programme in India has now enrolled over 7,500 farmers, increasing our percentage of sustainably sourced mint to 91%[1,3]. The programme is focused on improving mint farming practices, reducing the environmental impact while delivering social benefits to the local community. In 2024, new techniques, technologies and training for smallholder mint farmers led to improved productivity, higher yields and reduced water usage.

Integrating water stewardship and waste circularity
With a focus on better water management and less waste in our operations, we aim to certify all our manufacturing sites with the Alliance for Water Stewardship (AWS) certification by 2025, and the TRUE waste certification by 2030. We also aim for water neutrality for sites in water-stressed basins[4] by 2030. Since 2023, 12 of our 24 manufacturing sites have achieved the AWS certification, with a further seven recommended for certification. Five of our manufacturing sites achieved TRUE waste certification this year.

Health inclusivity
We aim to empower 50 million people a year by 2025 to be more included in opportunities for better everyday health. In 2024, we empowered over 50 million people[5], achieving against our target one year ahead of plan. We did this through continuing to expand programmes which build health knowledge, promote healthy behaviours and address barriers to better everyday health such as bias and prejudice.

We track the number of people empowered by a variety of Haleon health inclusivity initiatives, which reach people directly, or through Health Professionals. We take action to improve health inclusivity by driving change through our purposeful brands, empowering self-care, investing in research and action, and building healthier communities through our community investment programmes.

>> More information on our Responsible Business strategy and performance is available in Haleon's Responsible Business Report at **www.haleon.com/our-impact/esg-reporting-hub**

During 2024 we focused on:

- Expanding the educational content available on, and reach of, the Haleon Health Partner online portal, empowering over 35 million people* in 2024[5]. Health Professionals engaging with tools and materials on the portal increase their own and patients' health knowledge and understanding of conditions and how to treat them.
- Scaling up Theraflu's 'Rest and Recover' programme, a multi-year initiative in the US and Poland to champion the right for workers to take time off when they fall sick and the importance of doing so. In 2024, we empowered over seven million people*[5] in the US through engagement with the programme.
- Expanding Polident's 'Smiles Can't Wait' programme from Thailand and the Philippines to Indonesia, with an aim to make dentures and denture care more accessible by providing treatment, education on how to care for dentures, and by tackling stigma associated with tooth loss.
- Continuing our work with Remote Area Medical and Walmart to provide free dental health education and treatment through mobile dental vans to underserved communities in the US
- Leveraging the latest results of the Health Inclusivity Index to inform policies and actions to improve health inclusion, including at the Global Health Literacy Summit and Future of Health Summit. We continue to support Economist Impact in further research and will publish Phase 3 findings in 2025.
- Joining the British Red Cross' Disaster Relief Alliance. The Alliance works to provide vital aid in the immediate aftermath of an emergency, but also invests in preparedness programmes, helping to build more resilient communities which are better prepared for, and can recover faster from, potential future emergencies.

>> More information on the Health Inclusivity Index is available at **www.impact.economist.com/projects/health-inclusivity-index**

Our aims	2024 performance[1]	2023 performance[1]	2022 performance[1]
Empower millions of people a year to be more included in opportunities for better everyday health, empowering 50 million people a year by 2025[5].	50m+	41m+	22m+
Reduce our net Scope 1 and 2 carbon emissions by 100% by 2030 vs a 2020 baseline[6].	-50%*	-48%	-44%
Reduce our Scope 3 carbon emissions from source to sale by 42% by 2030 vs a 2022 baseline[6].	-10%	-2%[7]	–
Reduce our use of virgin petroleum-based plastic by 10% by 2025, and a third by 2030 vs a 2022 baseline[8].	-1%	+3%	–
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 safety, quality and regulations permit[2].	74%*	70%	65%
All key agricultural, forest and marine-derived materials used in our ingredients and packaging to be sustainably sourced and deforestation-free by 2030[3].	81%	62%	–

>> Further details are in our TCFD and SECR disclosures from pages 24 and 188, our principal risk related to ESG on page 55, and Notes 1 and 12 to the Consolidated Financial Statements on pages 124 and 136.

>> For further information on our reporting criteria please see Haleon's 2024 Responsible Business Basis of Reporting. The Responsible Business Report, KPMG LLP's limited assurance conclusion and Haleon's reporting criteria are available at **www.haleon.com/our-impact/esg-reporting-hub**

* KPMG LLP has issued independent limited assurance over the selected data indicated using assurance standards ISAE(UK) 3000 and ISAE3410.

1 The 2024 and 2023 reporting periods for Scope 1 and 2 Carbon emissions (market-based) and health inclusivity is 1 December (in the prior year) – 30 November (in the year stated). The 2022 reporting period for these metrics is the calendar year. The annual reporting period for Scope 3 emissions, plastic, packaging and sustainable sourcing is 1 July (in the prior year) – 30 June (in the year stated). 2020 and 2022 baseline reporting periods are calendar years.

2 Recycle ready refers to product packaging and devices that are made of materials that are proven to be compatible with existing or emerging recycling infrastructure. In line with the CDP definition of 'technical recyclability' this does not take into account whether the collection, sorting and recycling of the packaging or device happens in practice, at scale, and with reasonable economics. The reported result against this KPI includes all packaging in scope of our reporting, and does not exclude packaging where there is not a recycle-ready solution that meets stringent safety, quality and regulatory requirements for healthcare packaging.

3 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. This is the first year this KPI is reported as an aggregate measure with all key materials.

4 Determined using publicly available tools to identify water risk, such as the World Resources Institute Aqueduct Tool, site-specific reviews of local water risk using local data, and materiality of the risk to the business.

5 Reporting period = 1 December 2023 – 30 November 2024. Multiple initiatives, measured in several different ways, contribute to this result. In some cases proxies for empowered have been used, and estimations, extrapolations and assumptions have been made. Recognising this limitation, the published result is accurate to the best of our ability and knowledge.

6 Scope 1, 2 and 3 emissions calculated in line with the GHG Protocol. Scope 1 and 2 are market-based emissions from Haleon's operational control. Our 2030 Scope 1 & 2 goal is underpinned by a 95% absolute reduction target. Scope 3 estimated footprint includes all indirect emissions from Haleon's value chain, and our source to sale commitments include GHG Protocol categories except 6, 7 and 10-15. For further information on our reporting criteria see Haleon 2024 Responsible Business Basis of Reporting.

7 Calculated in accordance with methodology and data improvements and updated carbon emissions factors, and so the 2023 value differs from the value disclosed in the 2023 Annual Report and Form 20-F.

8 Scope includes product packaging and some devices, including toothbrushes.

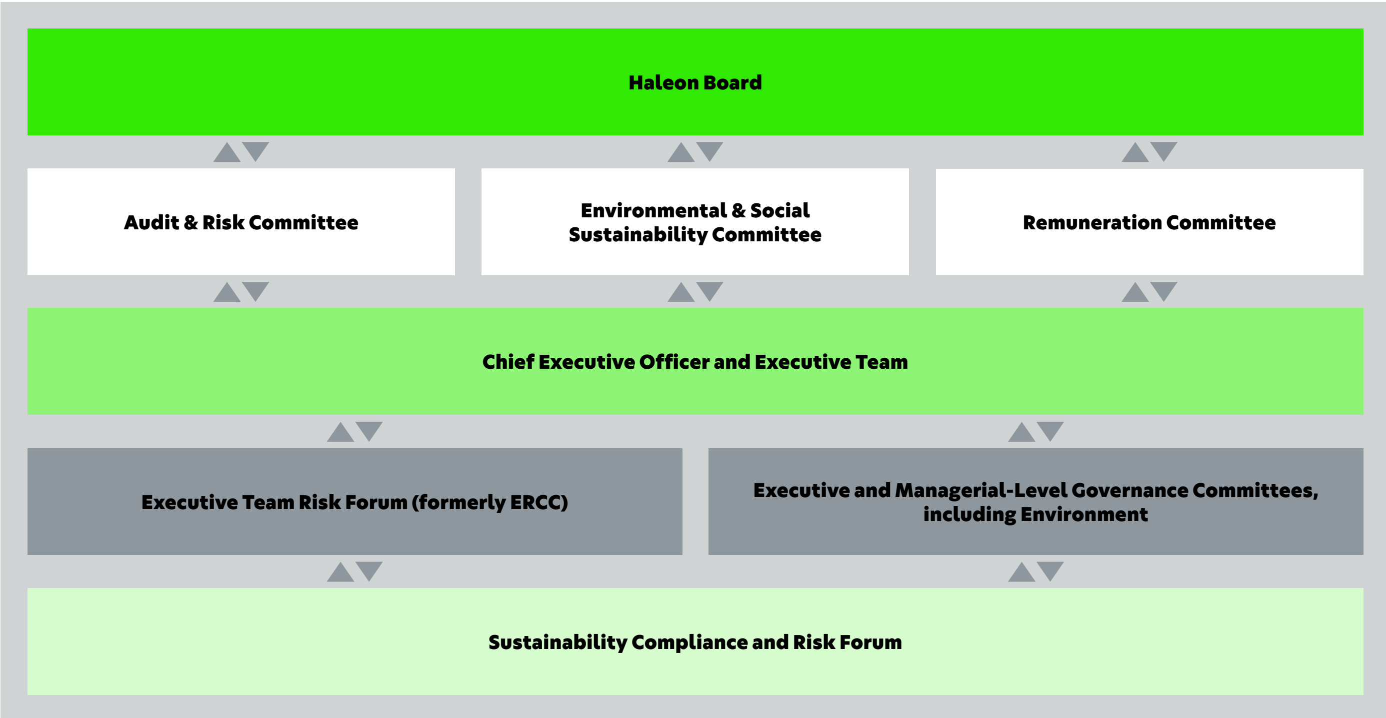
Our approach to sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD)

Compliance statement
In accordance with the FCA's UK Listing Rule 6.6.6R, the Companies Act 2006 s414CB(A1) and (2A) and the SEC's Guidance Regarding Disclosure Related to Climate Change (2010), we present our TCFD compliance statement and confirm that we have made climate-related financial disclosures for the year ended 31 December 2024 which are consistent with the TCFD Recommendations and Recommended Disclosures, on pages 24-31.

We also include climate-related disclosures throughout Haleon's Annual Report and Form 20-F 2024, including information on our principal risk related to ESG on page 55, key performance indicators on page 33, Notes 1 and 12 of the Financial Statements on page 124 and from page 136, and reporting for the UK Government's guidance on Streamlined Energy and Carbon Reporting (SECR) on pages 188 and 189.

Governance
Governance over climate-related risks and opportunities is consistent with the governance structures in place across Haleon, comprising of the Board, Board committees, executive and management-level governance committees, and specialist working groups across the business (see diagram below, with arrows indicating flow of information).



The Board takes overall accountability for risk and opportunity management, including climate change. The Board delegates specific matters related to climate change to subcommittees in the following ways:

- The Environmental & Social Sustainability Committee (ESS) provides oversight and effective governance over progress with the environmental and social sustainability agenda, including climate change. The ESS Committee meets at least three times a year and is comprised of four Non-Executive Directors. In 2023, the ESS Committee received an outside-in assessment and deep dive facilitated by external experts, to evaluate Haleon's Responsible Business strategy and goals, including those on climate. In 2024, the ESS Committee had a series of deep dives complemented by externally facilitated subject matter experts which focused on specific topics, including implications for Haleon's net zero priorities.
- The Audit & Risk Committee meets at least four times a year and oversees Haleon's principal risks, including Haleon's principal risk related to ESG, which covers climate change (page 55).
- The Remuneration Committee meets at least four times a year and supports Haleon's climate strategy by aligning Haleon's Performance Share Plan with ESG performance via the ESG qualifier. This includes our Scope 1 and 2 decarbonisation goal (page 85).

The Chief Executive Officer and the Executive Team are responsible for the delivery of Haleon's Responsible Business strategy, and they are supported by various governance forums to monitor the climate strategy, including the management of climate-related risks and opportunities.

- The Environment Steering Committee governs progress against Haleon's environment strategy and commitments, including climate change commitments. The Committee meets at least quarterly and makes strategic recommendations on managing our environmental footprint for approval by the Executive Team and the Board. It also monitors climate-related risks, opportunities and regulations. It is chaired by the Vice President of Sustainability and Executive Team members include the Chief Corporate Affairs Officer, the Chief Supply Chain Officer, and the Chief R&D Officer.
- The Executive Team Risk Forum (Risk Forum) consists of members of the Executive Team and Heads of Audit & Risk and Ethics & Compliance. The Risk Forum meets at least four times per year and is responsible for ensuring that the principal risks are managed effectively. This includes Haleon's principal risk

related to ESG, which covers climate-related risks (page 55). In April 2024, the Risk Forum reviewed the principal risk related to ESG. The principal risk is owned by the Chief Corporate Affairs Officer and monitored through Haleon's risk management framework described on page 51.
– Compliance and Risk Forums (CRF) are conducted by our functional teams, categories, and business units, to embed risk management in day-to-day business operations. The Sustainability CRF meets at least every other month and is responsible for monitoring, assessing, and mitigating potential risks that may impact Haleon's responsible business strategy delivery, including risks associated with climate change. Membership includes the Vice President of Sustainability and members of the sustainability team.
– Working groups in our global functions, global categories and business units integrate responsible business targets, principles and initiatives (including those related to climate change) into Haleon's strategic business planning process, capital planning and budgeting, evaluation of potential divestments or acquisitions, day-to-day responsibilities and metric management.

Responsible business scorecards, at both enterprise-wide and business unit level, track in-year targets against our responsible business commitments, including targets tracking carbon emissions reduction. The ESS and the Executive Team receive progress updates against these quarterly as a tool to evaluate performance and inform decision-making, including on climate-related issues.

Responsible business targets are incorporated into employee personal objectives and performance evaluations where relevant, including climate-related objectives for executive management. Executive remuneration is tied to specific responsible business-related KPIs. For the year ended 2024, this included climate-related objectives (pages 33 and 90).

Strategy and risk management

Identifying, assessing, and managing climate-related risks

The process for identifying, assessing and managing climate-related risks is consistent with Haleon's four-step enterprise risk management process described on page 51. This ensures that accountability for the identification, assessment, mitigation and monitoring of risks is aligned with Haleon's strategic objectives. At the corporate level, ESG and the integration of sustainability and climate-related risks into our business and investment decisions was identified as a principal risk; read more on page 55. We have developed our Responsible Business strategy and goals, including those related to climate, to manage risks as well as realise opportunities, such as changing consumer preferences.

The Sustainability CRF leads the environmental (including climate) and social risk identification and assessment process, which is conducted on an ongoing basis. Risks are assessed by taking into consideration the likely impact (considering both financial and reputation impacts), the probability of the risk, and the controls that are in place to manage the risk, in line with Haleon's risk management framework outlined on page 51. This helps to identify those risks and controls where management should focus its effort.

Continuous evaluation and management of risk is embedded in our strategy to enable an appropriate, measured and timely response. Risk owners are assigned to the risks (including climate risks) and continually monitor and assess each risk. A combination of internal knowledge and external factors, such as horizon scanning, legal and regulatory developments, and emerging climate science, are considered to determine whether to mitigate, transfer or accept climate-related risks. In some cases, it may be deemed appropriate to transfer the risk, for example by discharging costs or liability to another party in our value chain. Part of the risk assessment process is also acceptance: establishing a level of comfort with the risk, considering our existing control strategies, and considering them currently sufficient.

The most significant climate-related risks and opportunities are described in detail on pages 27 to 31 along with our plans to manage these. These are considered to have the most significant impact on our business, strategy and financial planning. Risk and mitigation plans undergo a formal review at least once a year. Haleon performed a climate-related risk and opportunity assessment using scenario analysis in 2023 and plans to conduct these assessments at least every three years.

Our resilience to climate change

As outlined in the risks on pages 27 to 31, the quantitative scenario analysis indicates that our business is not at high risk of facing significant financial impacts from climate-related risks in the short term. The analysis was performed in 2023, however the results are still relevant to the business. Any climate-related risks with a medium-risk financial impact are either projected to occur in the long term or have already been addressed through our mitigating actions. As a result, we do not anticipate the need for major changes to our strategy to respond to these risks.

In the medium and long term, we need to consider transition risks. The transition to a low-carbon economy could have financial implications for Haleon, as consumer preferences shift towards sustainable products, potentially impacting our market share and brand reputation. Additionally, increased carbon taxes on emissions across our operations and supply chain could also have financial impacts. However, these risks can be mitigated if we achieve our carbon reduction targets for emissions across all scopes. We have already conducted life-cycle assessments for 11 key products to better understand and mitigate the risks associated with their life-cycle stages. You can read more in our Climate Action Transition Plan.

In the long-term, we need to be aware of the impacts of physical risks. Our key facilities could be affected by flooding and heatwaves, leading to disruption and damage. Our Oral Health product line could also be impacted by disruptions in the supply of raw materials, particularly wheat and corn, which are at a higher risk of yield impact due to long-term climate change. While we already have a resilient sourcing strategy for these key crops, we need to continue monitoring the situation.

The transition to a low-carbon economy also presents an opportunity for Haleon, as consumer preferences shift towards more sustainable products. To capitalise on this opportunity, we need to improve the sustainability of our products and make consumers aware of these changes through effective claims and consumer messaging.

Our approach to sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued

Climate-related scenario analysis
Climate-related scenario analysis is used to assess the potential impact of climate-related risks and opportunities. In 2022, we performed our first qualitative analysis which we refreshed in 2023, both qualitatively and quantitatively, in order to assess the risks and opportunities in greater detail and understand the impact of climate change on our existing business model. A year has passed since we conducted our scenario analysis under the TCFD framework. However, the insights derived from this analysis remain relevant. The results have been used to inform our strategy and financial planning, including updates to our underlying cash flows for our planned actions to meet our climate ambitions.

We worked with a sustainability intelligence company, Risilience, to quantify the potential financial impact of our physical and transition climate risks and opportunities. Risilience used a 'Digital Twin', which is a data-driven digital representation of our business and value chain. This used internal data from our business including current and approved financial projections, market breakdown, key facilities, raw materials and our GHG footprint, to stress-test and quantify the potential financial impact of climate risks and opportunities under different scenarios.

The climate scenarios used as part of the analysis are outlined below. We also modelled a 2.5°C warming trajectory but we are not disclosing it here as we are only disclosing the results with the highest potential impact.

Warming trajectory by 2100	Climate scenarios	Rationale behind climate scenario analysis selection
1.5°C	Paris Ambition: Rapid transition to a low-carbon economy with orderly emissions reductions and rapid consumer preference change.	Enables us to test our business strategy against the most optimistic scenario from a climate-transition perspective. Aligns with our target to be a net zero business from source to sale by 2040, aligned to guidance from The Climate Pledge and Race to Zero. Aligns with TCFD and IPCC[1] recommendations to include a 2°C or lower scenario, with 1.5°C scenario recommended as the '2°C or lower', aligning with the latest scientific research from the IPCC. This scenario represents the worst case'/ highest potential for transition risk for our business.
>4°C	No Policy: Reversal of emissions reductions and abolishment of climate policy leading to extreme warming.	Enables us to test business strategy against the worst-case scenario from a physical risk perspective. This scenario was used in our qualitative analysis in 2022.

A number of assumptions were made in carrying out the analysis:

- Current mitigating actions were not modelled for any of the scenarios.
- All scenarios were modelled independently, i.e., no correlation was assumed between different risks and opportunities.
- Investment costs required to realise opportunities were not taken into account.

While many scenario models and techniques are advanced, we recognise that knowledge in this area is growing, and we expect models and pathways to evolve with time. Models also have limitations, and there are certain areas which are challenging to model. Additionally, in certain situations, different models can project contrasting results. In these situations, we have considered how different outcomes would impact our businesses.

Impact of climate-related risks and opportunities and resilience of our strategy
In 2023, we updated the time horizons used to consider the impact of climate risks and opportunities. The length of the time horizons were reduced to allow greater alignment to modelling capabilities for quantitative scenario analysis and to reduce the risk of modelling uncertainties associated with using time horizons beyond 2050. This provides more accurate results compared to using longer time horizons and aligns with our business risk cycles, allowing us to use the analysis for strategic decision making.

We define short, medium and long-term horizons as follows:

- **Short-term (0-4 years)**: aligns to our financial planning and risk management framework.
- **Medium-term (5-9 years)**: aligns to our interim Scopes 1, 2 and 3 emissions reduction targets of 2030.
- **Long-term (10+ years)**: aligns to our net zero target of 2040 and the UK Government's net zero target of 2050.

[1] We used the IPCC Representative Concentration Pathways (RCPs) to assess physical climate risk. RCPs are commonly used by climate scientists to assess physical climate risk, with each pathway representing a different GHG concentration trajectory which can then be translated into global warming impacts. We used climate data from the World Climate Research Programmes Coupled Model Intercomparison Project – Phase 6 (CMIP 6 – adjusted for spatial resolution and bias corrected) to do this translation. RCPs feed into climate, crop and flood models. There are four RCP pathways with RCP8.5 representing the worst case scenario.

Physical risks

Risk	Impact analysis	Management of risk
Impact of extreme weather events on operations and supply chain The revenue and cost impact of damage and disruption to key facilities from the following climate hazards: riverine, coastal and flash flooding, heatwaves, water stress, and temperate and tropical windstorms. **Paris Ambition (1.5°C)** S M L **No Policy (4°C)** S M L	**Potential impacts included in our Paris Ambition (1.5°C) and No Policy (4°C) scenario analysis included:** – Revenue disruption from the interruption of supply of electricity, gas and water, due to heatwaves and flooding. – Inefficiencies in production due to disrupted employee travel, e.g., caused by flooding. – Increased facility and operational down time, due to damaged transport infrastructure. – Direct damage to stock, buildings, and contents from flood and windstorms. Under a No Policy (4°C) scenario, the hazards with the greatest potential to impact our business are riverine and flash flooding, and heatwaves, over the long-term time horizon. Three of our sites, Guayama (Puerto Rico), Tianjin (China) and Dungarvan (Ireland), are at greatest risk of property damage from riverine flooding owing to their close proximity to rivers. Sites in the US, southern Europe and eastern China are located in regions that could experience a rapid increase in heatwave probability driven by global average temperatures and the likelihood of prolonged extreme temperature events. Heatwaves have the potential to cause disruption through interrupting our supply chain (such as from infrastructure damage to the road and rail network) as well as reducing the productivity of our workforce through human health impacts. The risk of water stress is considered to be low with 0.4% of annual revenue from our owned sites being potentially impacted in the long-term (by 2050). **Assumptions:** – 2023 financial values are kept constant up to 2050 and acute physical risk shocks were applied to these values. – The revenue share for our sites was assumed to be site revenue as a proportion of total revenue. The remaining revenue share was split proportionally across third-party manufacturers' sites. – Meteorological conditions that could lead to water stress (i.e., severe drought) were considered. Local geological conditions were excluded from the analysis.	**Actions:** – In 2024 we conducted refresher training for regional EHS and engineering leads on climate risks. – Manufacturing sites are included within a loss-prevention survey programme and are routinely visited to confirm appropriate resilience measures are in place, including flood, wind and storm protection. – Our manufacturing sites have emergency plans, disaster recovery plans (DRPs), and business continuity plans (BCPs), which we continuously improve to further enable our sites to withstand extreme weather events. – Our BCPs include options for multiple sourcing for manufacturing of our products. This is achieved by using a combination of Haleon or third-party manufacturing organisations' sites, spread across different geographies. – We conducted value-chain water footprint analysis to better understand potential water-related risks in specific geographies and prioritise actions. – All our manufacturing sites are implementing the Alliance for Water Stewardship (AWS) standard to address local water-related risks and opportunities. Since 2023, 12 of our sites have been certified with a further seven recommended for certification. In 2023 our Cape Town site became water neutral following water replenishment activities in 2022 with WWF South Africa. **Metrics and targets:** – All our manufacturing sites in water-stressed basins[1] to be water neutral by 2030. We consider water neutrality achieved when the amount of water replenished in the catchment exceeds the site's water withdrawal. – We aim for AWS certifications at all our manufacturing sites by the end of 2025. – In 2024 we implemented a new metric to monitor the percentage of sales generated by our own sites at high risk of extreme weather events.

Key

Time horizon for impact
S Short-term 0-4 years
M Medium-term 5-9 years
L Long-term 10+ years

Financial impact of risk or opportunity
Low risk £10m-£40m
Medium risk £40m-£80m
High risk >£80m
Opportunity

[1] Determined using publicly available tools to identify water risk, such as the WRI Aqueduct Tool, site-specific reviews of local water risk using local data, and materiality of the risk to the business.

Our approach to sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued

Physical risks

Risk	Impact analysis	Management of risk
Reduced availability of raw materials due to chronic weather impact The financial impacts on ingredient production due to chronic climate change induced by changing temperature and precipitation patterns. The following raw materials were considered for the analysis: corn, wheat, mint, palm oil and soybean. **Paris Ambition (1.5°C)** S M L **No Policy (4°C)** S M L	**Potential impacts included in our Paris Ambition (1.5°C) and No Policy (4°C) scenario analysis included:** – Reduction in crop yields leading to supply and demand implications and price volatility. – Supply shortages which could prevent or limit the production of key product lines and lead to a loss in revenue. – Increased costs due to long-term chronic drought affecting crop supply and implementation of adaptation measures such as irrigation solutions. Scenario analysis was conducted to assess the financial impact of crop yield fluctuations caused by long-term climate change for our key crops. Changes in rainfall and temperature were assessed using data on crop sourcing locations and crop vulnerability. The effects of sudden hazards like heatwaves and droughts on crops were also assessed, considering the sourcing locations with a high likelihood or increasing probability of such events. Changes in long-term precipitation and temperature patterns under the No Policy (4°C) scenario are likely to affect wheat and corn sourcing, with wheat experiencing the largest average percentage yield decline of c.37% between 2023 and 2050. Our key sourcing regions for these crops (France, US and UK) could also be impacted by extreme weather events, such as drought or severe heatwave events, further reducing crop yields. In our Oral Health products, corn is a crucial feedstock. However, the projected impact on corn yields in 2050 is anticipated to be minimal, accounting for less than 3% of the total revenue generated by Oral Health products in 2023. Under the No Policy (4°C) scenario, certain areas of central US may see corn yields decline as a result of precipitation variation. **Assumptions:** – 2023 financial values are kept constant up to 2050 and acute physical risk shocks are applied to these values. – The impact of climate conditions on raw material supply is limited to temperature and precipitation. Other conditions, such as soil quality, were excluded from the analysis. – Revenue impacts were considered in terms of reduced crop yields leading to production limitations. Price fluctuations were not considered in the analysis.	**Actions:** – Seek to assess feasibility of substituting raw materials with lower-risk alternatives, for example replacing corn-derived ingredients with alternatives to reduce exposure to yield and cost fluctuations. – We have a robust sustainable sourcing strategy in place (pages 22 and 23). – Our sourcing strategy involves multiple sourcing options from different geographies and holding materials' safety stocks where feasible. Continuity of supply is a priority for our procurement team. – Haleon has defined and launched its Supplier ESG Expectations, which outlines the targets we have set our suppliers, such as requiring materials to be covered by industry-recognised certifications where relevant. – Sustainability requirements are embedded into tender processes. **Metrics and targets:** – We aim for all of our key agricultural, forest, and marine-derived materials to be sustainably sourced and deforestation-free by 2030[1]. For the key material supply chains in scope of this goal, we use recognised global certification programmes wherever possible, for example Roundtable on Sustainable Palm Oil (RSPO) Mass Balance certification for our palm oil derivatives, and Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) certifications for our paper packaging materials. Where these are not available, we are working with independent experts to define clear standards and processes for sustainable sourcing based on the specific issues and opportunities for each material.

[1] Scope includes Haleon's globally managed spend on key materials that are agricultural, forest, or marine-derived. Globally managed spend covers the majority of our internal spend and expands across some of our third-party manufacturing network.

Key

Time horizon for impact
S Short-term 0-4 years
M Medium-term 5-9 years
L Long-term 10+ years

Financial impact of risk or opportunity
Low risk £10m-£40m
Medium risk £40m-£80m
High risk >£80m
Opportunity

Transition risks

Risk

Carbon pricing policy

The financial impacts of carbon taxes on emissions across our operations and supply chain.

Paris Ambition (1.5°C)

S
M
L

No Policy (4°C)

Not applicable

Impact analysis

Potential impacts included in our Paris Ambition (1.5°C) scenario analysis included the following (the No Policy (4°C) scenario was not relevant):
- Direct increase to overhead costs from Scope 1 and 2 emissions (e.g., cost of electricity and fuel).
- Increased cost of raw materials from upstream suppliers passing through increased costs from Scope 3 emissions.
- Reduction in sales from passing the costs from carbon taxes on to consumers.

Under a Paris Ambition (1.5°C) scenario where global carbon prices are expected to grow significantly from 2023, the potential impact is a medium risk if we do not reach our SBTi-aligned target for Scope 1 and 2 emissions. However, if we meet our SBTi target, the risk is significantly reduced as we aim to achieve at least 95% absolute Scope 1 and 2 emissions reduction by 2030 (vs a 2020 baseline).

Indirect Scope 3 emissions account for the majority of our exposure to carbon costs, particularly upstream emissions associated with farming and processing, which could be passed on by our suppliers. We have limited ability to influence these costs as they will depend on the extent to which suppliers reflect carbon tax expenditure within prices. The risk of indirect Scope 3 costs will be greatly reduced if we are able to meet our commitment to reduce Scope 3 emissions from source to sale by 42% by 2030 (vs a 2022 baseline) and deliver our net zero source to sale target by 2040, aligned to guidance from Race to Zero and Amazon Climate Pledge.

Assumptions:
- Business as usual emissions trajectory where emissions grow proportionally to revenue growth.
- Linear trajectories were used between scenario data points to estimate climate pricing data for intervening years.
- All global emissions are subject to carbon pricing and no border adjustments were included in the analysis.
- No risk is assumed under a No Policy (4°C) scenario. This is due to this scenario representing a reversal of current policies including currently implemented carbon prices.
- Carbon price used in the analysis (2027 weighted average carbon price (USD/tonne): $83.45. Carbon prices used in analysis were collated from sources such as the International Monetary Fund, International Energy Agency and Network for Greening the Financial System.

Management of risk

Actions:
- Delivery of our carbon emissions reduction targets for Scopes 1, 2 and 3 carbon emissions as outlined below and in our Climate Action Transition Plan will mitigate our operations' exposure to future carbon pricing and environmental taxation.
- We work with our suppliers and through industry groups such as Energize to help suppliers map their carbon emissions and take actions to reduce their carbon footprint.
- We have launched our Supplier Climate Training Programme with over 350 suppliers. The aim is to educate and support them on their decarbonisation journey. This covers topics like: transitioning to renewable electricity, carbon footprint and emissions calculations and carbon pricing.
- In 2024, Haleon implemented an internal carbon pricing scheme that converts carbon emissions into a commercial value for supplier selection criteria. This mechanism encourages suppliers to reduce their carbon footprint to make themselves more competitive. Haleon's carbon price follows the EU ETS cost of carbon.

Metrics and targets:
- Reduce net Scope 1 and 2 carbon emissions by 100% by 2030 vs a 2020 baseline, underpinned by our SBTi target to reduce absolute Scope 1 and 2 carbon emissions by 95% by 2030 vs a 2020 baseline.
- Reduce Scope 3 carbon emissions from source to sale by 42% by 2030 vs a 2022 baseline.[1]
- Achieve net zero carbon emissions from source to sale by 2040, aligned to guidance from the Climate Pledge and Race to Zero.[1]

Key

Time horizon for impact
S Short-term 0-4 years
M Medium-term 5-9 years
L Long-term 10+ years

Financial impact of risk or opportunity
Low risk £10m-£40m
Medium risk £40m-£80m
High risk >£80m
Opportunity

[1] Our net zero and Scope 3 carbon emissions targets span carbon emission categories from source to sale (excluding GHG protocol categories 6, 7 and 10-15).

Our approach to sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued

Transition risks

Risk	Impact analysis	Management of risk
Changing consumer preferences: risk The financial impacts of taking action towards the sustainability of our products, and consumer purchasing shifting towards more sustainable brands (e.g. products with less plastic or more recyclable packaging). **Paris Ambition (1.5°C)** S M L **No Policy (4°C)** S M L	**Potential impacts included in our Paris Ambition (1.5°C) and No Policy (4°C) scenario analysis included:** – Reduction in product sales and loss in market share. – Reputational damage and reduction in brand loyalty. Under a Paris Ambition (1.5°C) scenario, it is expected that consumers will rapidly shift towards more sustainable products. The unmitigated potential risk to our business is considered to be medium. The majority of potential revenue loss is driven by our Oral Health products which represent the largest share of total revenue. Oral Health product consumers in the US are likely to see a rapid shift towards more sustainable products. **Assumptions:** – Buying preferences will vary at differing rates across global regions. – To model demand shifts of our products, consumer-led demand for sustainable packaging was used as a proxy. – The risk was modelled under a scenario where we do not act to improve the sustainability of our products, in order to analyse the unmitigated impact of consumer demand shifts.	**Actions:** – To meet or exceed the expectations of Haleon's key stakeholders, including consumers, we are committed to deliver on our Responsible Business strategy and targets (page 23). – We conducted an extensive study to explore and understand the importance of social and environmental issues to people around the world, to understand their sustainability priorities in relation to our categories of Oral Health, OTC and VMS. We conducted quantitative research in 11 markets in 2022 (Australia, Brazil, China, Germany, Indonesia, Italy, Poland, South Africa, Thailand, UK, US) and qualitative research in four markets in 2023 (China, Germany, UK, US) that included online consumer communities, digital listening (US), cultural analysis and expert interviews. This work has given us an understanding of consumers' priorities, identifying opportunities for Haleon to help address these. – Using our sustainability claims tracker, twice a year we monitor the incidence of environmental and social sustainability claims across new product launches in our categories. – Haleon's sustainability impact assessment tool (SIAT) enables our R&D teams to calculate, analyse and compare the impact of product and packaging design decisions on key environmental-impact parameters (including carbon footprint and packaging). – In 2024 we improved the SIAT scoring process to make it more quantitative and introduced a weighted sustainability scoring. – We are participating in externally verified sustainable choice ranges such as Amazon's 'Climate Pledge Friendly' programme as well as making direct sustainability statements in relation to our products. – With a focus on health inclusivity, our brands seek to tackle specific barriers that stand in the way of better everyday health. This includes empowering consumers and Health Professionals to better understand the impact of climate change on health and equip both with tools and solutions to manage and mitigate the impact on everyday health. **Metrics and targets:** – Haleon has set targets with an aim to respond to changing consumer preferences, for example our aims for 100% of product packaging to be recycle-ready by 2025 and recyclable by 2030, where safety, quality and regulations permit, and to reduce our use of virgin petroleum-based plastic by 10% by 2025 and by a third by 2030 vs a 2022 baseline[1]. See page 23 for our performance. Where relevant, we incorporate environmental credentials into consumer-facing statements or listings in retailers' sustainable choices ranges.

Key

Time horizon for impact
S Short-term 0-4 years
M Medium-term 5-9 years
L Long-term 10+ years

Financial impact of risk or opportunity
Low risk £10m-£40m
Medium risk £40m-£80m
High risk >£80m
Opportunity

[1] Scope includes product packaging and some devices, including toothbrushes.

Transition opportunities

Opportunity	Impact analysis	Management of opportunity
Changing consumer preferences: opportunity The financial impacts of taking action towards the sustainability of our products, and consumer purchasing shifting towards more sustainable brands (e.g., products with less plastic or more recyclable packaging). **Paris Ambition (1.5°C)** S Opportunity M Opportunity L Opportunity **No Policy (4°C)** S Opportunity M Opportunity L Opportunity	**Potential impacts included in our Paris Ambition (1.5°C) and No Policy (4°C) scenario analysis included:** – Changing consumer demand to low-carbon alternatives leading to a gain in market share and an increase in product sales. – Positive reputational impacts and increasing brand loyalty. The potential market opportunity for more sustainable products could be significant under a Paris Ambition (1.5°C) scenario, equating to 2.6% additional revenue in 2032, compared to baseline projected revenues. Consistent with the related risk, the greatest potential for upside is driven by our Oral Health products. The size of the potential opportunity decreases in the long term, as more products align with consumer preferences and take actions to meet future climate targets. Therefore, the opportunity reduces for product groups which have already seen a sustainable shift. **Assumptions:** – Buying preferences will vary at differing rates across global regions. To model demand shifts for Haleon's products, consumer-led demand for sustainable packaging was used as a proxy. – The opportunity was modelled under a future where we work to improve the sustainability of our products in order to understand the potential financial gains that could be realised.	**Actions:** – Management activities as for equivalent risk on page 30, with a focus on realising opportunities of responding to changing consumer preferences. **Metrics and targets:** – Haleon has set targets with an aim to respond to changing consumer preferences, for example our aims for 100% of product packaging to be recycle-ready by 2025 and recyclable by 2030, where safety, quality and regulations permit, and to reduce our use of virgin petroleum-based plastic by 10% by 2025 and by a third by 2030 vs a 2022 baseline. See page 23 for our performance. Where relevant, we incorporate environmental credentials into consumer-facing statements or listings in retailers' sustainable choices ranges.

Metrics and targets

We have made significant progress in establishing our standalone Responsible Business strategy as a separately listed company (following demerger in July 2022). This has included the development of targets, associated delivery plans to meet targets, performance and risk management forums and processes. As outlined in this disclosure, we have developed metrics alongside our scenario analysis which are used to monitor certain risks and opportunities. This includes cross-industry metrics and targets recommended by TCFD, which can be found mapped to risks and opportunities on pages 27-31, in KPIs on page 33, our Scope 1, 2 and 3 emissions set out in line with the UK Government's guidance on Streamlined Energy and Carbon Reporting (SECR) on pages 188 and 189, and built into our ESG Qualifier as described on pages 33 and 85. In January 2025, SBTi validated our near-term target to reduce absolute Scope 1 and 2 GHG emissions by 95% by 2030 from a 2020 base year[1], which is the absolute target that underpins our target to reduce net Scope 1 and 2 GHG emissions by 100% by 2030 from a 2020 base year. SBTi also validated our target to reduce absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, upstream leased assets and downstream transportation and distribution by 42% versus our 2022 baseline within the same timeframe.

Haleon continues its journey to better manage climate risks, and in 2024 we have implemented a new metric to monitor the percentage of sales generated by our own sites at high risk of extreme weather events.

Our 2024 performance and the key areas which we will focus on in 2025 are described on pages 22 and 23. Performance against these targets, along with additional environmental metrics and reporting methodologies, can be found on our website.

>> More information on our Climate Action Transition Plan, including progress reported in our 2024 Responsible Business Report, is available at **www.haleon.com/our-impact/esg-reporting-hub**

Key

Time horizon for impact: S Short-term 0-4 years; M Medium-term 5-9 years; L Long-term 10+ years

Financial impact of risk or opportunity: Low risk £10m-£40m; Medium risk £40m-£80m; High risk >£80m; Opportunity

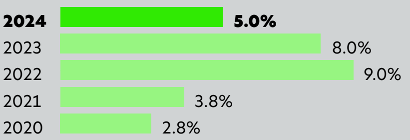
[1] The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

Our key performance indicators

We have several enterprise metrics monitoring performance across the business, from which we select our key performance indicators (KPIs). These are the most applicable in tracking our strategic performance, sustainability efforts and commitments to our key stakeholders. The Board and Executive Team monitor our KPIs to ensure continued alignment to our strategy and, where applicable, they are linked to Executive Directors' remuneration.

>> See also the Directors' Remuneration Report from page 82, and forward-looking statements on page 218.

Organic revenue growth[1,2]



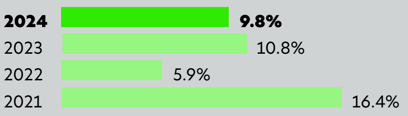
Delivery on our 4-6% guidance.

Relevance and calculation
Measures the strength of our existing portfolio.

Data is derived directly from our Financial Statements.

Future focus
Continue to deliver on our guidance, prioritising driving growth from increasing penetration, brand building, innovation, and developing routes to market.

Organic operating profit growth[1]



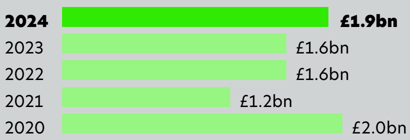
Continued profitable growth.

Relevance and calculation
Our organic operating profit growth is an important indicator of the strength of our business model.

Data is derived directly from our Financial Statements.

Future focus
Drive positive operating leverage, whilst at the same time ensuring healthy investment to drive top-line growth or return to shareholders.

Free cash flow[1]



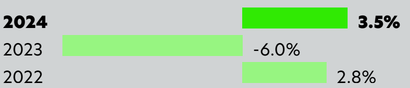
A key component in measuring the viability of our business.

Relevance and calculation
Provides us with capacity to invest in the business, pay down debt and make shareholder returns.

Data is derived directly from our Financial Statements.

Future focus
Drive free cash flow through a combination of working capital management and efficiencies across the business.

Adjusted diluted earnings per share (EPS) growth[1]



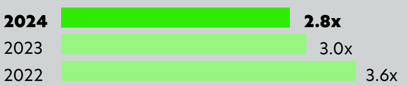
A key profitability measure, measuring the Group's performance against its sustainable growth model.

Relevance and calculation
Drives value-creating behaviours and captures excess cash returned to shareholders via share buybacks, which in turn increase total shareholder returns.

Data is derived directly from our Financial Statements.

Future focus
Top-line and bottom-line growth of the business, reduction of interest charges through optimal leverage and share buybacks.

Net debt/adjusted EBITDA[1]



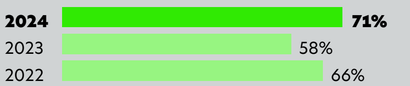
Targeting medium term leverage of c.2.5x net debt/adjusted EBITDA.

Relevance and calculation
Reducing our leverage strengthens our balance sheet and maintains our Investment-Grade credit rating.

Data is derived directly from our Financial Statements.

Future focus
Operate a strong Investment-Grade balance sheet with medium-term leverage of c.2.5x net debt/adjusted EBITDA.

Business gained/maintained share



Drive market share gains through brand building, innovation and increased investment in A&P and R&D.

Relevance and calculation
The attractiveness of our products is key for all our stakeholders, giving them confidence in our ability to increase household penetration and capitalise on new and emerging opportunities.

Based on Haleon's analysis of third-party market value sales data, including IQVIA, Circana & NIQ data.

Future focus
Ensure healthy investment in A&P and drive innovation through investment in R&D.

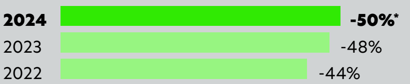
Changes made to our KPIs
Following the strong strategic progress made since our demerger, Haleon has reviewed its KPIs, given a number of targets are within sight of delivery. Some key changes are:

- Given Haleon's commitment to active portfolio management and the 2024 disposals of Nicotine Replacement Therapy (NRT) outside the US, and ChapStick, organic operating profit growth is now a KPI (i.e. excluding the impact of acquisitions and divestments, and at constant currency), rather than adjusted operating profit. This gives a more direct representation of the Company's performance.
- From 2024, we have included adjusted Diluted EPS growth at constant currency as a KPI, to ensure value creation across the business.
- Net debt/adjusted EBITDA has been retained as a KPI, both for consistency in our KPIs and to maintain strategic oversight of our leverage.
- Given our commitment on recycle-ready packaging will be fulfilled in 2025, we have replaced this metric with Virgin petroleum-based plastic reduction, in line with our responsible business agenda.

Executive Director Remuneration

- Performance Share Plan
- Annual Incentive Plan

Carbon reduction[3]



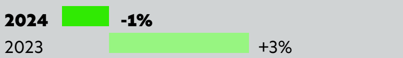
Reduce our net Scope 1 and 2 carbon emissions by 100% by 2030, versus our 2020 baseline.

Relevance and calculation
Decarbonising our operations is a key focus area and helps protect against climate-related transition risks.

We track the percentage change in total tonnes of market-based net Scope 1 and 2 greenhouse gas (GHG) emissions versus 2020.

Future focus
We are focused on addressing our remaining Scope 1 emissions by transitioning to renewable-energy-powered systems for heating and cooling.

Virgin petroleum-based plastic reduction[4]



Reduce our use of virgin petroleum-based plastic by 10% by 2025, and a third by 2030, versus a 2022 baseline.

Relevance and calculation
Packaging and plastic pollution is an environmental area of high concern to consumers. We are committed to addressing this by making our packaging and devices more sustainable.

We track the percentage change in estimated tonnes of virgin petroleum-based plastic in our packaging and devices, versus 2022.

Future focus
Continue to focus on reducing our use of virgin petroleum-based plastic, and replacing virgin petroleum-based plastic with recycled plastic or alternative materials, focusing on our most significant packaging formats.

Our KPIs and Executive Director remuneration in 2024

Elements of our Executive Director remuneration are linked to the delivery of specific KPIs that are considered the most relevant in assessing business performance and our commitment to our stakeholders.

>> See also our Director Remuneration report from page 82.

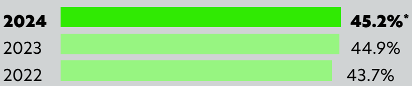
Performance Share Plan

- 50% linked to Cumulative free cash flow[8]
- 30% linked to Adjusted diluted EPS growth
- 20% linked to Organic operating margin improvement

Annual incentive plan

- 60% linked to Organic revenue growth
- 20% linked to Organic operating profit growth
- 20% linked to individual business objectives

Gender representation[5]



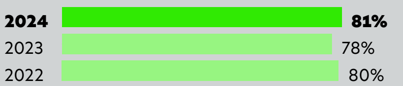
Track gender representation in leadership roles[6].

Relevance and calculation
We believe building an inclusive organisation that represents the consumers and communities who rely on our brands is a competitive advantage and is an important consideration for our stakeholders.

Calculated as a percentage of employees who self-identify as female, compared to the number of permanent employees, across a quarterly average.[5]

Future focus
Continue to track representation to understand the composition of our workforce and how it reflects our key stakeholders.

Employee engagement[7]



Build a company where employees are proud to work, feel inspired, challenged, supported and have a sense of personal accomplishment.

Relevance and calculation
Ensuring employees feel that Haleon is fulfilling its core engagement index measures is fundamental to our long-term success. We track responses to our core engagement index measures in our annual employee survey and review progress via our pulse survey.

Future focus
Continue to focus on strengthening our work processes to enhance productivity, allow for greater agility and deliver better performance. Initiatives include using our Employee Listening program to measure and improve our culture.

ESG Qualifier

The 2024 PSP has an ESG qualifier with thresholds set for three responsible business KPIs: Carbon reduction; Virgin petroleum-based packaging; and Gender representation. At the end of the performance period, if any of the thresholds are missed, a reduction in the level of vesting of 10% could be applied for each missed threshold. If the metrics are static or go backwards compared to the 2023 baseline, a 25% reduction in the level of vesting could be applied for each measure (see page 90).

[*] KPMG LLP has issued independent limited assurance over the selected data indicated using assurance standards ISAE(UK)3000 and ISAE 3410.
[1] Organic revenue growth, organic operating profit growth, net debt, adjusted diluted earnings per share growth and Free cash flow are non-IFRS measures. Definitions and calculations of non-IFRS measures can be found from page 43.
[2] Haleon portfolio revenue growth in 2020 and 2021 was 4.9% and 3.9% respectively, which illustrates the performance of the brands that made up the portfolio at the time of the demerger.
[3] Successful reductions shown as negative figures. The 2023 and 2024 reporting periods run from 1 December of the prior year to 30 November of the reported year. The 2020 baseline and 2022 reporting periods are calendar years. Carbon offsets account for 14% of our location-based Scope 1 and 2 carbon emissions in 2024.
[4] Successful reductions shown as negative figures. Reporting periods run to 30 June in each reporting year, from 1 July in the prior year. The 2022 baseline is the calendar year. Scope includes product packaging and some devices, including toothbrushes.
[5] In 2024, Haleon moved to a quarterly average methodology to track our gender representation in leadership. This measurement is taken at end of each quarter (March, June, September, December) and averaged across the four quarters.
[6] 'Leadership roles' is defined in our glossary.
[7] Measure shows the engagement index at Haleon calculated as an average favourability score on three questions: 1) I am proud to work for Haleon; 2) My work gives me a feeling of personal accomplishment; and 3) I would recommend Haleon as a great place to work.
[8] Measured on a cumulative basis across the period 2024-2026.

2024 Business review

Chief Financial Officer's review

Dawn Allen
Chief Financial Officer

I was delighted to be appointed as CFO of Haleon in November 2024. I have had an intensive onboarding period, visiting a number of our sites. Haleon's brands, world-class science and expert coverage is second to none. Having spent 25 years at Mars, and the last two years as CFO of Tate & Lyle, I am excited to have the opportunity to join Haleon at such a pivotal moment. I am confident in our strategy and delighted to be working with such talented teams across the world to unlock the next chapter for Haleon, as we continue to evolve into a leading fast moving consumer health company.

Strong financial performance
In 2024, Haleon delivered another year of strong financial performance continuing the trajectory that the business set out following demerger. We have also been proactively managing the portfolio for growth, divesting of ChapStick and the non-US Nicotine Replacement Therapy business, raising proceeds of £0.8bn. We have partially re-invested this cash into a £500m share buyback and increasing stake in our OTC China Joint Venture to 88%, with an option to acquire full ownership in 2025.

For the year, organic revenue increased 5.0% (reported (0.6)%) to £11.2bn. Headwinds from foreign exchange and net M&A reduced revenue by 3.7% and 1.9% respectively. Despite a challenging market backdrop, we saw broad-based organic growth across the regions demonstrating the attractiveness of our brands and geographic footprint. While growth was predominately weighted towards price, we saw a more balanced outcome between price and volume/mix in the second half of the year as inflationary pressures receded.

Strong organic operating leverage helped in part by efficiencies and savings across COGS, translated into adjusted organic operating profit up 9.8% (reported operating profit up 10.5%), representing 100bps of margin growth. This was more than offset by a drag from net M&A (5.2%) and FX (6.5)% which resulted in adjusted operating margin down 30bps on the prior year. Adjusted EPS was up 3.5% in the year, to 17.9p (reported EPS up 38.9% to 15.7p), largely reflecting the benefit of lower dividend payments for our China JV and the impact of the £500m share buyback which we executed during 2024.

Continued investments for growth
During the year we continued to invest, driving growth and building new capabilities. Our A&P spend was up 6.5% and 10.2% at constant currency, focused on key growth areas including Oral Health and VMS, and key markets. Adjusted R&D expenditure was flat and up 2.7% organically, with spend devoted to new innovations and clinical studies to support new differentiating claims. Part of these investments were funded through productivity savings.

Gross capital expenditure of £318m (2023: £336m) was largely devoted to systems, processes and automation which will be key to unlocking efficiency and driving sustainable growth.

During the year, we made good progress with our productivity programme which will result in annualised gross cost savings of approximately £300m by the end of 2025. We are on-track to deliver this through initiatives including restructuring and improving our processes.

Driving shareholder returns
Haleon delivered £1.9bn in free cash flow. This was driven by a strong organic trading performance and a reduction in working capital from 8.0% to 7.2% of sales, largely due to improved inventory management. Working capital is an area where we continue to be focused and see further optimisation opportunity.

During the year we also returned £1.1bn to shareholders through a £500m buyback with the remainder coming from dividends.

Taken together, this meant we reduced net debt by £607m, finishing the year at £7.9bn. During the year, we repaid $700m of our March 2024 notes. We also raised €750m and £300m in fixed notes with proceeds expected to fund our $1.75bn bond due in March 2025.

Our leverage now stands at 2.8x net debt to adjusted EBITDA (2023: 3.0x). We continue to believe c.2.5x net debt to adjusted EBITDA is the right leverage for Haleon over the medium-term. This enables the business to appropriately balance our capital allocation priorities of maintaining a strong balance sheet, to continue to invest for growth and explore acquisitions, as well as return surplus capital to shareholders through dividends and share buybacks.

Given these priorities, the Board has proposed a final dividend for 2024 of 4.6p per ordinary share and a total dividend of 6.6p per ordinary share, up 10% year on year. In addition, we have announced the allocation of £500m to share buybacks in 2025. This reflects our expected strong free cash flow generation.

Looking into 2025
There is more to do as we become more agile and consumer focused. Nevertheless, I am confident Haleon is well placed to achieve another year of strong financial performance. This, combined with our disciplined capital allocation framework, will help to ensure we continue to deliver value for all our stakeholders.

Income statement summary

	2024 £m	2023[2] £m	% change
Revenue	**11,233**	11,302	(0.6)
Revenue growth	**(0.6%)**	4.1%	
Organic revenue growth[1]	**5.0%**	8.0%	
Gross profit	**6,824**	6,747	1.1
Adjusted gross profit[1]	**7,099**	7,001	1.4
Operating profit	**2,206**	1,996	10.5
Adjusted operating profit[1]	**2,500**	2,549	(1.9)
Net finance costs	**(302)**	(368)	(17.9)
Profit before tax	**1,910**	1,628	17.3
Adjusted profit before tax[1]	**2,198**	2,181	0.8
Profit after tax attributable to shareholders of the Group	**1,442**	1,049	37.5
Adjusted profit after tax attributable to shareholders of the Group[1]	**1,638**	1,607	1.9
Earnings per ordinary share			
Diluted (pence)	**15.7**	11.3	38.9
Adjusted[1] (pence)	**17.9**	17.3	3.5

1 Definitions and calculations of non-IFRS measures can be found from page 43.
2 For a discussion of the Group's financial and operating performance for the year ending 31 December 2023, see Haleon's 2023 Annual Report and Form 20-F, pages 34-42.

Revenue

Reported revenue declined 0.6% to £11,233m (2023: £11,302m). Adverse foreign exchange had a £421m impact on total revenue. This was largely driven by Sterling strengthening against the US Dollar, Euro, Chinese Renminbi and key emerging market currencies. The net impact of M&A (including MSAs) was £197m adverse, reflecting the disposals of ChapStick and Nicotine Replacement Therapy business outside the US. Revenue grew 5.0% organically for 2024.

Gross profit

Reported gross profit increased by 1.1% to £6,824m (2023: £6,747m) with gross margin up 100bps to 60.7%.

Adjusted gross profit increased by 1.4% at actual exchange rates and 8.1% organically to £7,099m (2023: £7,001m). Adjusted gross profit was driven by pricing, lower cost inflation, a number of supply chain initiatives as well as inventory revaluation in H1 2024. Adjusted gross profit margin increased 130bps at actual exchange rates and 190bps at constant currency and excluding the net impact of M&A to 63.2% (2023: 61.9%).

Operating profit

Reported operating profit increased by 10.5% to £2,206m (2023: £1,996m) and reported operating profit margin increased 190bps to 19.6% (2023: 17.7%).

Adjusted operating profit declined by 1.9% at actual exchange rates to £2,500m (2023: £2,549m) and increased 9.8% on an organic basis. Adjusted operating profit margin declined 30bps to 22.3% (2023: 22.6%). On an organic basis, adjusted operating margin increased 100bps, driven by operating leverage from revenue growth combined with ongoing efficiencies across the business.

For the year, A&P spend was up 6.5% on a reported basis, and up 10.2% at constant currency, representing 19.2% of revenue (2023: 17.9%). Adjusted R&D expenditure was £297m (2023: £297m), flat at actual exchange rates and up 2.7% at constant currency and excluding the net impact of M&A, with increased spend on scientific evidence generation, including clinical studies to support new differentiating claims, partly offset by productivity savings.

Adjusting items within operating profit totalled £294m in 2024 (2023: £553m). This included the amortisation and impairment of intangible assets of £147m (2023: £224m) with £135m related to the impairment of Nexium from weaker market conditions in the Proton Pump Inhibitor (PPI) category. Restructuring costs totalled £214m (2023: £169m) and included £152m related to the productivity programme and £60m to the proposed Maidenhead site closure. Transaction-related costs were £(1)m (2023: £2m). Separation and admission costs were £30m (2023: £120m). Disposals and other items amounted to £(96)m (2023: £38m) and included a £121m gain on disposal from the divestment of the NRT business outside the US.

Net finance costs

Net finance costs were £302m (2023: £368m). This reflected finance costs of £384m (2023: £402m). Finance income was £82m (2023: £34m) largely related to interest income from the €750m and £300m fixed notes raised in September 2024.

Tax charge

The statutory tax charge of £435m (2023: £517m) represented an effective tax rate on IFRS results of 22.8% (2023: 31.8%). The 2023 tax charge included a £155m non-cash debit related to intragroup transfers.

The tax charge on an adjusted basis was £527m (2023: £512m) and the effective tax rate on an adjusted results basis was 24.0% (2023: 23.5%).

2024 Business review continued

Non-controlling interest
The Group's non-controlling interest, which largely relates to its OTC Joint Venture (JV) in China, fell to £33m (2023: £62m). This reflected a softer performance from the China JV in the first half given tough comparatives from the easing of lockdown restrictions relating to COVID-19 in 2023. In addition, the second half of 2024 dividend was included in the purchase price consideration of the additional 33% equity stake in the OTC China JV, which closed at the end of 2024 for c.£500m.

Profit after tax and earnings per share
Profit after tax attributable to shareholders of the Group was £1,442m (2023: £1,049m) and adjusted profit after tax attributable to shareholders was £1,638m (2023: £1,607m), up 1.9% at actual exchange rates. This resulted in diluted earnings per share of 15.7p (2023: 11.3p) and adjusted diluted earnings per share of 17.9p (2023: 17.3p). Apart from the movements described above, earnings per share was helped by a 1% reduction in the weighted average share count following the Group's purchase and subsequent cancellation of c.150.8m ordinary shares from the £500m allocated to share buybacks in 2024.

Geographical segment performance

Revenue by geographical segment for the year ended 31 December

	Revenue (£m)		Revenue change (%)					
	2024	2023	Reported	Organic[1]	Price[1]	Vol/Mix[1]	FX impact	Net M&A impact
North America	**4,042**	4,195	(3.6)%	1.1%	2.3%	(1.2)%	(2.8)%	(1.9)%
EMEA & LatAm	**4,631**	4,545	1.9%	7.9%	5.9%	2.0%	(3.8)%	(2.2)%
APAC	**2,560**	2,562	(0.1)%	6.0%	1.9%	4.1%	(4.9)%	(1.2)%
Group	**11,233**	**11,302**	**(0.6)%**	**5.0%**	**3.7%**	**1.3%**	**(3.7)%**	**(1.9)%**

1 Price and volume/mix are components of organic revenue growth. Definitions and calculations of non-IFRS measures can be found from page 43.

Adjusted operating profit by geographical segment for the year ended 31 December

	Adjusted operating profit[1] (£m)		YoY change	YoY Organic change[1]	FX impact	Net M&A impact
	2024	2023	**2024**			
Group operating profit	**2,206**	1,996	10.5%	26.1%	(7.9)%	(7.7)%
Reconciling items between adjusted operating profit and operating profit[2]	**294**	553	(46.8)%	–	–	–
Group adjusted operating profit[3]	**2,500**	2,549	(1.9)%	9.8%	(6.5)%	(5.2)%
North America	**1,000**	1,107	(9.7)%	(2.1)%	(3.4)%	(4.2)%
EMEA & LatAm	**1,054**	1,010	4.4%	20.2%	(9.0)%	(6.8)%
APAC	**539**	541	(0.4)%	12.6%	(9.1)%	(3.9)%
Corporate and other unallocated	**(93)**	(109)	14.7%	2.7%	10.1%	1.9%
Group adjusted operating profit	**2,500**	2,549	(1.9)%	9.8%	(6.5)%	(5.2)%

Adjusted operating profit margin by geographical segment for the year ended 31 December

	Adjusted operating profit margin[1] (%)		YoY change	YoY Organic change[1]	FX impact	Net M&A impact
	2024	2023	**2024**			
North America	**24.7%**	26.4%	(170)bps	(80)bps	(20)bps	(70)bps
EMEA & LatAm	**22.8%**	22.2%	60bps	240bps	(100)bps	(80)bps
APAC	**21.1%**	21.1%	–	130bps	(80)bps	(50)bps
Group	**22.3%**	22.6%	(30)bps	100bps	(60)bps	(70)bps

1 Definitions and calculations of non-IFRS measures can be found from page 43.
2 Reconciling items for these purposes are the adjusting items, which are defined under Use of non-IFRS Measures. A reconciliation between operating profit and adjusted operating profit is included under Use of non-IFRS Measures.
3 On a segment basis, adjusted operating profit is the measure of segment profit or loss reviewed by the Company's chief operating decision maker. Adjusting items are not allocated by segment, as these items are managed centrally by the Group, and therefore are not part of the measure of segment profit or loss reviewed by the Company's chief operating decision maker.

Geographical segment performance

North America

	2024 £m	2023 £m	Change (%) YoY	Organic[1]	Price[2]	Vol/Mix[2]
Revenue	**4,042**	4,195	(3.6)%	1.1%	2.3%	(1.2)%
Adjusted operating profit[1]	**1,000**	1,107	(9.7)%	(2.1)%	n/a	n/a
Adjusted operating profit margin[1]	**24.7%**	**26.4%**	**(1.7)%**	**(0.8)%**	**n/a**	**n/a**

2024 reported revenue was £4,042m (2023: £4,195m), a decline of 3.6% on a reported basis, which included the negative impact of exchange rates of (2.8)% and a (1.9)% impact from net M&A. As a result, revenue grew 1.1% on an organic basis with +2.3% price and (1.2)% volume/mix.

On an organic basis, excluding the impact of foreign exchange and net M&A, key highlights included:

- Strong Sensodyne growth underpinned by Sensodyne Clinical White.
- Mid-single digit VMS growth driven by strength in Centrum supported by Centrum Silver following the activation of cognitive function claims. In addition, there was a strong performance in Canada which benefited from a competitor being out of stock.
- Slight decline in Pain Relief with Voltaren up mid-single digit and Advil down low-single digit.
- Respiratory Health declined high-single digit reflecting a softer cold and flu season in second half of the year.
- Digestive Health and Other grew low-single digit with strength in Tums and Benefiber partly offset by mid-single digit declines in both Skin Health and Smokers' Health.
- Towards the end of the year, we started to commercialise Eroxon, the first FDA- approved topical erectile dysfunction (ED) treatment for OTC use in the US. While this is a new brand in a new category, we are continuing to invest in A&P to educate consumers on the treatment and drive momentum.

Adjusted operating profit declined 9.7% and 2.1% organically, driven by increased investment in A&P and R&D, along with the prior year including the benefit of a tax credit which did not repeat. Adjusted operating margin was 24.7% and declined 170bps at AER and by 80bps at constant currency and excluding the net impact of M&A.

Revenue growth

(3.6)%

Organic revenue growth[1]

1.1%

Organic profit growth[1]

(2.1)%

2024 Revenue

[1] Definitions and calculations of non-IFRS measures can be found from page 43.
[2] Price and volume/mix are components of organic revenue growth.

2024 Business review continued

Geographical segment performance continued

Europe, Middle East & Africa (EMEA) and Latin America (LatAm)

	2024 £m	2023 £m	Change (%) YoY	Organic[1]	Price[2]	Vol/Mix[2]
Revenue	**4,631**	4,545	1.9%	7.9%	5.9%	2.0%
Adjusted operating profit[1]	**1,054**	1,010	4.4%	20.2%	n/a	n/a
Adjusted operating profit margin[1]	**22.8%**	**22.2%**	**0.6%**	**2.4%**	**n/a**	**n/a**

2024 reported revenue was £4,631m (2023: £4,545m), an increase of 1.9% on a reported basis, which included the negative impact of exchange rates of (3.8)% and a (2.2)% impact from net M&A. As a result, organic revenue grew +7.9% with +5.9% price and +2.0% volume/mix.

Excluding the impact of foreign exchange rates and net M&A, Latin America, Middle East & Africa and Central and Eastern Europe all saw strong double digit organic revenue growth which was primarily driven by price. Northern Europe and Germany were up mid-single digit while Southern Europe was flat.

Excluding the impact of foreign exchange and net M&A, key highlights included:

- Oral Health supported by double digit growth across all three Power Brands, Sensodyne, parodontax and Polident/Poligrip.
- Strong growth in VMS led by Centrum.
- Pain Relief growing mid-single digit driven by mid-single digit growth in Voltaren and low-single digit growth in Panadol where growth was held back given strong consumption in Middle East and Africa in 2023.
- Performance in Respiratory Health was led by strong sell-in for Theraflu in Central and Eastern Europe although consumption was impacted by a soft cold and flu season.

Adjusted operating profit increased 4.4% and 20.2% organically, driven by productivity, operating leverage and a benefit of inventory revaluation in the first half. These positive drivers more than offset a strong increase in A&P. Adjusted operating profit margin was 22.8% and increased by 60bps at AER and 240bps at constant currency and excluding the net impact of M&A.

Revenue growth

1.9%

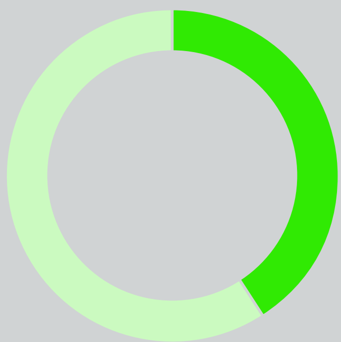
Organic revenue growth[1]

7.9%

Organic profit growth[1]

20.2%

2024 Revenue



EMEA & LatAm **41%**
Rest of world **59%**

[1] Definitions and calculations of non-IFRS measures can be found from page 43.
[2] Price and volume/mix are components of organic revenue growth.

Asia Pacific (APAC)

	2024 £m	2023 £m	Change (%) YoY	Organic[1]	Price[2]	Vol/Mix[2]
Revenue	**2,560**	2,562	(0.1)%	6.0%	1.9%	4.1%
Adjusted operating profit[1]	**539**	541	(0.4)%	12.6%	n/a	n/a
Adjusted operating profit margin[1]	**21.1%**	**21.1%**	**–**	**1.3%**	**n/a**	**n/a**

2024 reported revenue was £2,560m (2023: £2,562m), a decline of 0.1% on a reported basis, which included the negative impact of exchange rates (4.9)% and a (1.2)% impact from net M&A. As a result, organic revenue growth in APAC was +6.0% with +1.9% price and +4.1% volume/mix.

Excluding the impact of foreign exchange and net M&A, performance was particularly strong in India, up double digit driven by successful in-market execution following the change in distribution in the prior year. China grew mid-single digit, with double digit growth in second half of the year after passing the tough Fenbid/Contac comparative in first half of the year. South East Asia and Taiwan, and North Asia both grew mid-single digit, which offset a mid-single digit decline in Australia and New Zealand.

Excluding the impact of foreign exchange and net M&A, key highlights included:

– Double digit growth in Oral Health underpinned by strong growth in Sensodyne and parodontax.
– VMS growing high-single digit with Centrum up mid-single digit and Caltrate up double digit.
– Strong Respiratory Health growth with strong demand for cold and flu products in the first half of the year, with softer performance in fourth quarter.
– Pain Relief down mid-single digit driven by decline in Fenbid due to tough comparatives following the easing of COVID-19-related restrictions in China in first quarter of 2023 with stronger growth in the second half of the year. Panadol declined mid-single digit due to softer market dynamics in Australia despite continued share gains.

Adjusted operating profit declined 0.4% and increased 12.6% organically. This was driven by positive operating leverage combined with operational efficiencies which more than offset a strong increase in A&P spend. Adjusted operating margin was 21.1%, flat at actual exchange rates and increased 130bps at constant currency and excluding the net impact of M&A.

Revenue growth

(0.1)%

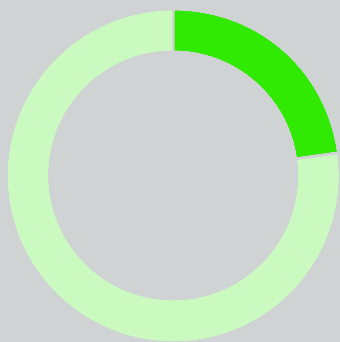
Organic revenue growth[1]

6.0%

Organic profit growth[1]

12.6%

2024 Revenue



[1] Definitions and calculations of non-IFRS measures can be found from page 43.
[2] Price and volume/mix are components of organic revenue growth.

Revenue by market category

Revenue by market category for the year ended 31 December

	Revenue (£m)		Revenue change (%)			
	2024	2023	Reported	Organic[1]	FX impact	Net M&A impact
Oral Health	**3,312**	3,136	5.6%	9.6%	(4.0)%	–
VMS	**1,696**	1,640	3.4%	7.6%	(4.2)%	–
Pain Relief	**2,564**	2,652	(3.3)%	0.1%	(3.4)%	–
Respiratory Health	**1,677**	1,736	(3.4)%	0.9%	(4.3)%	–
Digestive Health and Other	**1,984**	2,138	(7.2)%	5.5%	(2.9)%	(9.8)%
Group revenue	**11,233**	**11,302**	**(0.6)%**	**5.0%**	**(3.7)%**	**(1.9)%**

Oral Health
In 2024, Oral Health reported revenue increased 5.6% to £3.3bn with organic revenue growth of 9.6% (excluding a 4.0% adverse impact of foreign exchange rates). Over the course of the year, Haleon continued to see market share gains supported by innovation and geographic expansion combined with strong in-market execution. Across Sensodyne, where revenue (excluding the impact of foreign exchange), grew double digit, we benefited from the continued roll-out of Sensodyne Clinical White, which is scientifically proven through clinical studies to whiten teeth by two shades without worsening or causing sensitivity. Clinical White has now been launched in over 10 markets including the US, UK and France. This innovation has received strong consumer uptake, attracting a younger audience to the brand and was the number one US Oral Health market launch in 2024.

During the year, Haleon continued to see strong momentum building across its gum health portfolio with the launch of parodontax Gum Strengthen & Protect with hyaluronic acid: this multi-format range across both toothpaste and mouthwash has expanded the brand into the key untapped gum need-state of proactive gum care. The product has been rolled out across several markets in EMEA seeing strong performance.

Denture Care continued to see success from previous launches such as Polident Max Hold Plus, which we launched in 2022, and is now available in over 40 markets. This was complemented by the launch of Poligrip Ultimate 'All in One' in Southern Europe and Central Eastern Europe, delivering across key needs and features our Ultimate Biting Power Technology, with new clinical studies supporting strong consumer feedback.

VMS
In Vitamins, Minerals and Supplements, 2024 reported revenues increased 3.4% to £1.7bn. On an organic basis, revenues grew 7.6% (excluding a 4.2% adverse impact of foreign exchange rates).
2024 organic growth was driven by strength in Centrum which grew high-single digit benefiting from strong brand building and activation of its trusted science credentials including cognitive function claims for Centrum Silver. In India, Centrum continues to hold the number one multivitamin brand share on Amazon with the product now being distributed in bricks and mortar stores. Encouraging performance has been supported by strong commercial campaigns showcasing Health Professional advocacy particularly for joint pain. We also expanded the portfolio of Centrum Daily Kits in China - a range of daily nutrition packs with benefits tailored to life stages, developed for the needs of Asian consumers.

To address increased accessibility, we launched Centrum Essencial in Brazil at the end of 2023, a multivitamin offering at a lower price point, and in 2024 we launched Centrum single sachets focused on energy and immunity. These initiatives are driving access among low-income consumer groups in Brazil, with around half of consumers of these products in Brazil being new to the category.

Caltrate grew double digit, ahead of the market, driven by education and the successful 'Bone Up China' programme. This centres around the treatment and prevention of osteoporosis, leveraging its distinctive go to market model and securing the brand's position as the number one calcium brand globally and increasing penetration in China. In addition, performance was aided by a competitor being out of stock.

[1] Price and volume/mix are components of organic revenue growth. Definitions and calculations of non-IFRS measures can be found from page 43.

Emergen-C sales grew low-single digit, impacted by the softer cold and flu season in second half of 2024. Consumption, however, continues to outpace the market driven by price and new format innovation including the launch of Emergen-C Crystals Immune+, a new formula with vitamin D which is contributing to category share growth.

Pain Relief
In Pain Relief, reported revenue declined 3.3% resulting in £2.6bn of revenue. Organic revenue growth was 0.1% (excluding a 3.4% adverse impact of foreign exchange rates). As expected, 2024 performance reflected tough comparatives from the first half of 2023 due to strong demand for Fenbid in China, following the lifting of COVID-19-related restrictions, and Advil in Canada.

In 2024, Panadol declined low-single digit with performance improving towards the end of the year, after passing a difficult comparative in Middle East & Africa. In November, we launched Panadol Dual Action, a paracetamol and ibuprofen combination product, in five markets and initial feedback has been encouraging. We expect to further roll out this product globally over the coming years.

Advil revenue slightly declined impacted by changes in inventory levels at certain retail outlets. During the year, we launched Advil Targeted Relief in the US, the first topical pain relief product from Advil. In September 2024, Advil Dual Action became the first product to earn the American Dental Association's Seal of Acceptance in a new category for short-term pain relief, which helped to underpin performance.

Mid-single digit revenue growth in Voltaren was supported by strong double-digit performances in China and Central & Eastern Europe. During the year, we further expanded our penetration of 24-hour medicated patches with launches in France, Romania, Poland and Belgium. Beyond this, we repositioned Voltaren 1% Sport across Central & Eastern Europe, which is designed to cater to the needs of a younger demographic with a superiority claim of '50% faster recovery from injury'.

Respiratory Health
Respiratory Health reported revenue declined 3.4% to £1.7bn with organic revenue growth of 0.9% (excluding a 4.3% adverse impact of foreign exchange rates). 2024 growth was muted compared to recent years. This reflected a combination of lapping strong cold and flu comparatives arising from significantly elevated Contac demand in China in the first quarter of 2023 from the lifting of COVID-19-related restrictions, and a softer cold and flu season in second half of 2024, particularly in the US.

Performance was supported by mid-single digit growth in Otrivin, underpinned by strong execution from the launch of Otrivin Nasal Mist, which delivers improved consumer experience. This was further rolled out to a number of European markets including the Nordics underpinning market share gains.

Theraflu continued to outpace the market, growing mid-single digit. In the US, we launched Theraflu-D Flu Relief Max Strength Syrups with the powerful oral nasal decongestant, pseudoephedrine. This was an accelerated launch, in line with the US FDA Advisory Committee's proposal to remove oral phenylephrine (PE) from its approved list of ingredients for cough and cold medicines. Allergy revenues were flat on an organic basis (excluding the impact of foreign exchange rates) reflecting a soft season.

Digestive Health and Other
Digestive Health and Other reported revenue declined 7.2% to £2.0bn and grew 5.5% organically (excluding a 9.8% negative impact from organic adjustments and a 2.9% adverse impact of foreign exchange movements). Across the category, the 2024 reported revenue decline reflected the divestments of ChapStick and the Nicotine Replacement Therapy business outside the US. In 2024, (excluding the impact of net M&A and foreign exchange movements) Digestive Health and Other delivered mid-single digit organic growth which was underpinned by strength in Tums and ENO driven by innovation including Tums Chewy Bites and ENO Chewy Bites. Elsewhere, Nexium declined as a result of weak market conditions in the PPI category. In Skin Health, double-digit growth in Bactroban in China was a key growth driver helped by activation and a new acne-focused innovation. Towards the end of the year, we commercialised Eroxon in the US, the first FDA-approved topical erectile dysfunction (ED) treatment for OTC use. This launch is a new brand in a new category, therefore we expect it will take time to build consumer awareness and education. Smoking Cessation grew low-single digit.

2024 Business review continued

Indebtedness, liquidity and financial risk management

Indebtedness
At 31 December 2024, the Group's total borrowings were £10,127m (2023: £9,456m), and the Group's net debt was £7,907m (2023: £8,514m).

Long-term financing consists of $6,000m USD bonds, €3,100m Euro bonds and £1,000m GBP bonds issued under the Euro Medium Term Note programme as well as a CNY2,679m bank loan.

As at 31 December 2024, the Group's long-term and short-term credit ratings were Moody's: Baa1/P-2 and S&P: +BBB/A-2.

Total borrowings/profit after tax was 6.9x and net debt/adjusted EBITDA was 2.8x as at 31 December 2024. Haleon expects to operate with leverage of around 2.5x net debt/adjusted EBITDA over the medium-term.

Cash generation
Net cash from operating activities totalled £2,301m in 2024 (2023: £2,100m). Free cash flow was £1,944m, a £369m increase versus 2023, driven by an increase in operational cash flows, proceeds from the disposal of the Nicotine Replacement Therapy business outside the US.

Liquidity
At 31 December 2024, the Group had total liquidity of £4,144m comprising £1,937m of bank facilities and £2,250m of cash and cash equivalents, less £43m of bank overdrafts. The Group has undrawn credit facilities of $1,300m (2023: $1,300m) with maturity date of September 2025 and £900m (2023: £900m) with maturity date of September 2027. As at 31 December 2024, no amounts were drawn under these facilities (2023: nil).

The Group uses short-term financing to manage working capital requirements and has access to a $10,000m US commercial paper programme and a £2,000m Euro commercial paper programme. There was no commercial paper outstanding as of 31 December 2024 (2023: £nil).

Management believes that the Group has sufficient working capital for present requirements and to minimise liquidity risk, the Group has policies to limit the amount of debt maturing in any year. In addition, policies require the Group to always maintain a minimum available liquidity, including undrawn revolving credit facilities and available cash, less commercial paper issued.

Interest rate risk
The Group's strategic priorities are to minimise interest costs and minimise income statement volatility arising from interest rates.

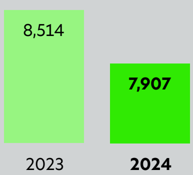
The Group has a policy to limit the amount of floating rate debt it holds to manage the amount of income statement volatility. The Group will regularly assess its interest rate profile in light of changes to market interest rates.

At 31 December 2024, 59% of debt was fixed with the balance being exposed to floating rates.

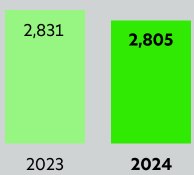
Foreign exchange translation risk
The Group's policy is to manage Group net debt such that the currency mix of debt broadly aligns with the currency mix of earnings, considering relative interest costs and practical implications. The currency mix of debt includes the impact of foreign exchange and cross-currency swaps.

De-leveraging through a combination of net debt reduction and adjusted EBITDA growth

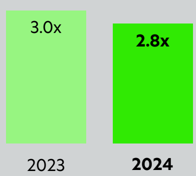
Net debt[1]
(£m)



Adjusted EBITDA[1]
(£m)

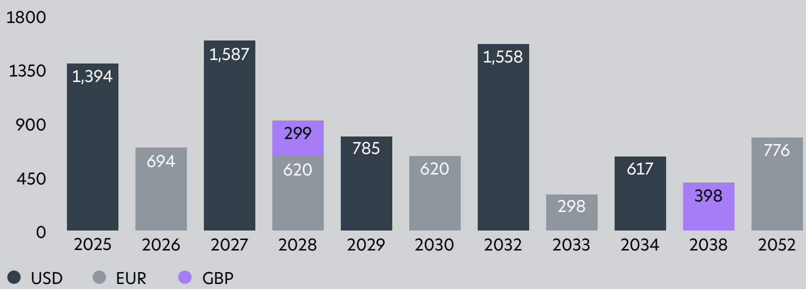


Net debt/ adjusted EBITDA[1]

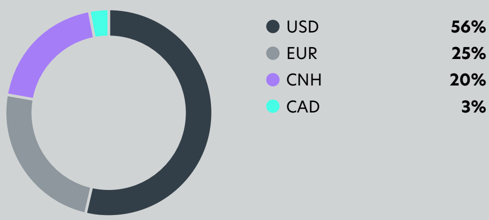


[1] Definitions and calculations of non-IFRS measures can be found from page 43.

Bond debt maturity profile (£m)

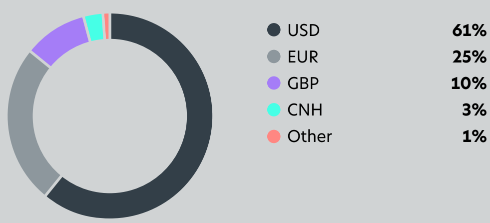


Currency mix of net debt
(including swaps)[1]



[1] The chart excludes (4)% of net assets in other currencies (£335m).

Currency mix of total borrowings
(including swaps)



Use of non-IFRS measures

We use certain alternative performance measures to make financial, operating, and planning decisions and to evaluate and report performance.

We believe these measures provide useful information to investors and where clearly identified, we have included certain alternative performance measures in this document to allow investors to better analyse our business performance and allow greater comparability. To do so, we have excluded items affecting the comparability of period-over-period financial performance. Adjusted results and other non-IFRS measures may be considered in addition to, but not as a substitute for or superior to, information presented in accordance with IFRS.

Adjusted results

Adjusted results comprise: adjusted gross profit; adjusted gross profit margin; adjusted selling, general and administration (SG&A); adjusted research and development (R&D); adjusted other operating income/(expense); adjusted operating profit; adjusted operating profit margin; adjusted income tax; adjusted effective tax rate; adjusted profit attributable to shareholders; and adjusted diluted earnings per share.

Adjusted results exclude net amortisation and impairment of intangible assets, restructuring costs, transaction-related costs, separation and admission costs, and disposals and others, in each case net of the impact of taxes (where applicable) (collectively, the adjusting items).

Management believes that adjusted results, when considered together with the Group's operating results as reported under IFRS, provide investors, analysts and other stakeholders with helpful complementary information to understand the financial performance and position of the Group from period to period and allow the Group's performance to be more easily comparable.

Adjusting items

Adjusted results exclude the following items (net of the impact of taxes, where applicable):

Net amortisation and impairment of intangible assets

Net impairment of intangibles, impairment of goodwill and amortisation of acquired intangible assets, excluding computer software. These adjustments are made to reflect the performance of the business excluding the effect of acquisitions.

Restructuring costs

From time to time, the Group may undertake business restructuring programmes that are structural in nature and significant in scale. The cost associated with such programmes includes severance and other personnel costs, professional fees, impairments of assets, and other related items.

Transaction-related costs

Transaction-related accounting or other adjustments related to significant acquisitions including deal costs and other pre-acquisition costs when there is certainty that an acquisition will complete. It also includes costs of registering and issuing debt and equity securities and the effect of inventory revaluations on acquisitions.

Separation and admission costs

Costs incurred in relation to and in connection with separation, UK admission and registration of the Company's ordinary shares represented by the Company's American Depositary Shares (ADSs) under the US Exchange Act of 1934 and listing of ADSs on the NYSE (the US Listing). These costs are not directly attributable to the sale of the Group's products and specifically relate to the foregoing activities, affecting comparability of the Group's financial results in historical and future reporting periods.

Disposals and others

Includes gains and losses on disposals of assets, businesses and tax indemnities related to business combinations, legal settlement and judgements, impact of changes in tax rates and tax laws on deferred tax assets and liabilities, retained or uninsured losses related to acts of terrorism, significant product recalls, natural disasters and other items.

These gains and losses are not directly attributable to the sale of the Group's products and vary from period to period, which affects comparability of the Group's financial results. In addition, these gains and losses include net monetary gains and losses arising from hyperinflationary economies as this affects comparability of the Group's financial results. From period to period, the Group will also need to apply judgement if items of a unique nature arise that are not specifically listed above.

Use of non-IFRS measures continued

The following tables set out a reconciliation between IFRS and adjusted results for the year ended 31 December 2024:

	Gross profit			Operating profit			Income tax		
£m	**2024**	2023	2022	**2024**	2023	2022	**2024**	2023	2022
IFRS results	**6,824**	6,747	6,577	**2,206**	1,996	1,825	**(435)**	(517)	(499)
Net amortisation and impairment of intangible assets[1]	**147**	224	172	**147**	224	172	**(35)**	(53)	(37)
Restructuring costs[2]	**123**	26	19	**214**	169	41	**(49)**	(35)	(7)
Transaction-related costs	**–**	–	–	**(1)**	2	8	**1**	–	(2)
Separation and admission costs[3]	**1**	4	4	**30**	120	411	**(7)**	(29)	(55)
Disposals and others[4]	**4**	–	–	**(96)**	38	15	**(2)**	122	94
Adjusted results	**7,099**	7,001	6,772	**2,500**	2,549	2,472	**(527)**	(512)	(506)

Gross profit margin for 2024 was 60.7% (2023: 59.7%, 2022: 60.6%) and adjusted gross profit margin for 2024 was 63.2% (2023: 61.9%, 2022: 62.4%).

	Selling, general and administration			R&D			Other operating income/(expense)		
£m	**2024**	2023	2022	**2024**	2023	2022	**2024**	2023	2022
IFRS results	**(4,452)**	(4,413)	(4,483)	**(298)**	(311)	(300)	**132**	(27)	31
Net amortisation and impairment of intangible assets[1]	**–**	–	–	**–**	–	–	**–**	–	–
Restructuring costs[2]	**90**	129	25	**1**	14	(3)	**–**	–	–
Transaction-related costs	**–**	2	8	**–**	–	–	**(1)**	–	–
Separation and admission costs[3]	**29**	116	407	**–**	–	–	**–**	–	–
Disposals and others[4]	**31**	6	44	**–**	–	–	**(131)**	32	(29)
Adjusted results	**(4,302)**	(4,160)	(3,999)	**(297)**	(297)	(303)	**–**	5	2

	Profit attributable to shareholders			Diluted earnings per share (pence)		
£m	**2024**	2023	2022	**2024**	2023	2022
IFRS results	**1,442**	1,049	1,060	**15.7**	11.3	11.5
Net amortisation and impairment of intangible assets[1]	**112**	171	135	**1.2**	1.8	1.4
Restructuring costs[2]	**165**	134	34	**1.8**	1.4	0.4
Transaction-related costs	**–**	2	6	**–**	–	0.1
Separation and admission costs[3]	**23**	91	356	**0.3**	1.1	3.8
Disposals and others[4]	**(104)**	160	109	**(1.1)**	1.7	1.2
Adjusted results	**1,638**	1,607	1,700	**17.9**	17.3	18.4

1 **Net amortisation and impairment of intangible assets:** includes £135m impairment charge of Nexium, impairment reversal of intangible assets of £(15)m (2023: £nil), and amortisation of intangible assets excluding computer software £24m (2023: £39m). Impairment reversal of intangible assets relates to the divestment of ChapStick on 31 May 2024.
2 **Restructuring costs:** includes amounts related to business transformation activities. In 2024, it includes £68m of non-cash costs.
3 **Separation and admission costs:** includes amounts incurred in relation to and in connection with the separation and listing of the Group as a standalone business.
4 **Disposals and others:** in 2024, it includes £(121)m gain from disposal of the Nicotine Replacement Therapy business outside the US.

Constant currency

The Group's reporting currency is Pound Sterling, but the Group's significant international operations give rise to fluctuations in foreign exchange rates. To neutralise foreign exchange impact and to better illustrate the change in results from one year to the next, the Group discusses its results both on an 'as reported basis' or using actual exchange rates (AER) (local currency results translated into Pound Sterling at the prevailing foreign exchange rate) and using constant currency exchange rates (CER). To calculate results on a constant currency basis, prior year exchange rates are used to restate current year comparatives except for the local currency of entities that operate in hyperinflationary economies. These currencies are translated into Pound Sterling using the prior year closing exchange rate. The principal currencies and relevant exchange rates in the key markets where the Group operates are shown below.

Average rates:	2024	2023	2022
USD/£	1.28	1.24	1.24
Euro/£	1.18	1.15	1.17
CNY/£	9.19	8.81	8.31

Organic revenue growth and organic operating profit growth

Our organic growth measures take our adjusted results and further exclude the impact of divestments, acquisitions, manufacture and supply agreements (MSAs) relating to divestments and closure of production sites, and the impact of foreign currency exchange movements including changes in currency and price growth in excess of 26% in hyperinflationary economies from one period to the next. Inflation of 26% per year compounded over three years is one of the key indicators within IAS 29 to assess whether an economy is deemed to be hyperinflationary.

The Group believes discussing organic revenue growth and organic operating profit growth contributes to the understanding of the Group's performance and trends because it allows for a year-on-year comparison of revenue and operating profit in a meaningful and consistent manner.

Organic measures are calculated period to period as follows, using prior year exchange rates to restate current year comparatives except for the local currency of entities that operate in hyperinflationary economies. These currencies are translated into Pound Sterling using the prior year closing exchange rate.

Current year organic measures exclude revenue and operating profit from brands or businesses acquired in the current accounting period.

Current year organic measures exclude revenue and operating profit attributable to brands or businesses acquired in the prior year from 1 January to the date of completion of the acquisition.

Prior year organic measures exclude revenue and operating profit in respect of brands or businesses divested or closed in the current accounting period from 12 months prior to the completion of the disposal or closure until the end of the prior accounting period.

Prior year organic measures exclude revenue and operating profit in respect of brands or businesses divested or closed in the previous accounting period in full.

Prior year and current year organic measures exclude revenue and operating profit attributable to MSAs relating to divestments and closure of production sites taking place in either the current or prior year, each an organic adjustment. These adjustments are made because these agreements are transitional in nature and, with respect to production site closures, include a ramp-down period in which revenue and operating profit attributable to MSAs gradually reduces several months before the production site closes.

To calculate organic growth for the period, organic measures for the prior year are subtracted from organic measures in the current year and divided by organic measures in the prior year.

Organic revenue growth by individual geographical segment is further discussed by price and volume/mix changes, which are defined as follows:

Price: defined as the variation in revenue attributable to changes in prices during the period. Price excludes the impact to organic revenue growth due to (i) the volume of products sold during the period and (ii) the composition of products sold during the period. Price is calculated as current year net price minus prior year net price multiplied by current year volume. Net price is the sales price, after deduction of any trade, cash or volume discounts that can be reliably estimated at point of sale. Value added tax and other sales taxes are excluded from the net price. In determining changes in price, we exclude the impact of price growth in excess of 26% per year in hyperinflationary economies as explained above.

Volume/mix: defined as the variation in revenue attributable to changes in volumes and composition of products sold in the period.

The following tables reconcile reported revenue growth and reported operating profit growth to organic revenue growth and organic operating profit growth, respectively, for the periods presented.

Use of non-IFRS measures continued

Geographical segments

2024 vs 2023 (%)	North America	EMEA & LatAm	APAC	Total
Revenue growth	**(3.6)**	**1.9**	**(0.1)**	**(0.6)**
Organic adjustments	1.9	2.2	1.2	1.9
Effect of exchange rates	2.8	3.8	4.9	3.7
Organic revenue growth	**1.1**	**7.9**	**6.0**	**5.0**
Price	**2.3**	**5.9**	**1.9**	**3.7**
Volume/mix	**(1.2)**	**2.0**	**4.1**	**1.3**

2024 vs 2023 (%)	North America	EMEA & LatAm	APAC	Corporate and other unallocated	Total
Operating profit growth	**–**	**–**	**–**	**–**	**10.5**
Adjusting items	–	–	–	–	(46.8)
Adjusted operating profit growth	**(9.7)**	**4.4**	**(0.4)**	**14.7**	**(1.9)**
Effect of exchange rates	3.4	9.0	9.1	(10.1)	6.5
Adjusted operating profit growth (CER)	**(6.3)**	**13.4**	**8.7**	**4.6**	**4.6**
Organic adjustments	4.2	6.8	3.9	(1.9)	5.2
Organic operating profit growth	**(2.1)**	**20.2**	**12.6**	**2.7**	**9.8**

2023 vs 2022 (%)	North America	EMEA & LatAm	APAC	Total
Revenue growth	**1.9**	**6.4**	**3.6**	**4.1**
Organic adjustments	–	0.2	–	0.1
Effect of exchange rates	0.8	6.0	5.4	3.8
Organic revenue growth	**2.7**	**12.6**	**9.0**	**8.0**
Price	**3.6**	**12.8**	**2.7**	**7.0**
Volume/mix	**(0.9)**	**(0.2)**	**6.3**	**1.0**

2023 vs 2022 (%)	North America	EMEA & LatAm	APAC	Corporate and other unallocated	Total
Operating profit growth	**–**	**–**	**–**	**–**	**9.4**
Adjusting items	–	–	–	–	(14.5)
Adjusted operating profit growth	**3.5**	**3.4**	**6.9**	**34.6**	**3.1**
Effect of exchange rates	1.2	9.2	10.9	(28.5)	7.3
Adjusted operating profit growth (CER)	**4.7**	**12.6**	**17.8**	**6.1**	**10.4**
Organic adjustments	0.1	0.8	(0.2)	–	0.4
Organic operating profit growth	**4.8**	**13.4**	**17.6**	**6.1**	**10.8**

2022 vs 2021 (%)	North America	EMEA & LatAm	APAC	Total
Revenue growth	**16.8**	**10.1**	**15.4**	**13.8**
Organic adjustments	0.3	0.9	(1.0)	0.2
Effect of exchange rates	(11.2)	(0.1)	(3.8)	(5.0)
Organic revenue growth	**5.9**	**10.9**	**10.6**	**9.0**
Price	**2.9**	**6.4**	**2.6**	**4.3**
Volume/mix	**3.0**	**4.5**	**8.0**	**4.7**

2022 vs 2021 (%)	North America	EMEA & LatAm	APAC	Corporate and other unallocated	Total
Operating profit growth	**–**	**–**	**–**	**–**	**11.4**
Adjusting items	–	–	–	–	21.2
Adjusted operating profit growth	**29.2**	**1.8**	**9.8**	**5.2**	**13.8**
Effect of exchange rates	(17.9)	(0.6)	(4.2)	(5.2)	(7.8)
Adjusted operating profit growth (CER)	**11.3**	**1.2**	**5.6**	**–**	**6.0**
Organic adjustments	0.2	1.3	(3.4)	–	(0.1)
Organic operating profit growth	**11.5**	**2.5**	**2.2**	**–**	**5.9**

Use of non-IFRS measures continued

Market categories

2024 vs 2023 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
Revenue growth	**5.6**	**3.4**	**(3.3)**	**(3.4)**	**(7.2)**	**(0.6)**
Organic adjustments	–	–	–	–	9.8	1.9
Effect of exchange rates	4.0	4.2	3.4	4.3	2.9	3.7
Organic revenue growth	**9.6**	**7.6**	**0.1**	**0.9**	**5.5**	**5.0**

2023 vs 2022 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
Revenue growth	**6.1**	**(2.1)**	**4.0**	**9.9**	**2.0**	**4.1**
Organic adjustments	–	–	0.2	–	0.5	0.1
Effect of exchange rates	4.5	3.0	3.2	3.8	4.0	3.8
Organic revenue growth	**10.6**	**0.9**	**7.4**	**13.7**	**6.5**	**8.0**

2022 vs 2021 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
Revenue growth	**8.6**	**11.6**	**14.0**	**39.5**	**7.4**	**13.8**
Organic adjustments	(0.3)	(0.2)	(0.4)	–	2.2	0.2
Effect of exchange rates	(2.7)	(6.4)	(4.7)	(6.9)	(6.7)	(5.0)
Organic revenue growth	**5.6**	**5.0**	**8.9**	**32.6**	**2.9**	**9.0**

	2024	2023	2022
Gross profit growth	**1.1%**	2.6%	10.5%
Adjusted gross profit growth	**1.4%**	3.4%	12.8%
Effect of exchange rates	**4.7%**	3.9%	(5.6)%
Adjusted gross profit growth (CER)	**6.1%**	7.3%	7.2%
Organic adjustments	**2.0%**	0.1%	(0.1)%
Organic gross profit growth	**8.1%**	7.4%	7.1%

Adjusted EBITDA

Adjusted EBITDA is calculated as profit after tax excluding income tax, finance income, finance expense, adjusting items (as defined on page 43), depreciation of property, plant and equipment and right of use assets, amortisation of computer software, impairment of property, plant and equipment, right of use assets and computer software net of impairment reversals. Adjusted EBITDA does not reflect cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs, and although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and adjusted EBITDA does not reflect cash requirements for such replacements.

Adjusted EBITDA eliminates differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortisation expense). As a result, we believe that adjusted EBITDA provides useful information to understand and evaluate the Group's operating results.

The reconciliation between profit after tax for the year and adjusted EBITDA for the years ended 31 December 2024, 31 December 2023 and 31 December 2022 is provided below:

£m	**2024**	2023	2022
Profit after tax	**1,475**	1,111	1,119
Add back: Income tax	**435**	517	499
Less: Finance income	**(82)**	(34)	(51)
Add back: Finance expense	**384**	402	258
Less: Net monetary gain arising from hyperinflationary economies	**(6)**	–	–
Operating profit	**2,206**	**1,996**	**1,825**
Net amortisation and impairment of intangible assets	**147**	224	172
Restructuring costs	**214**	169	41
Transaction-related costs	**(1)**	2	8
Separation and admission costs	**30**	120	411
Disposals and others	**(96)**	38	15
Adjusted operating profit	**2,500**	**2,549**	**2,472**
Add back: Depreciation of property, plant and equipment	**160**	152	142
Add back: Depreciation of right of use assets	**53**	49	38
Add back: Amortisation of computer software	**75**	69	64
Add back: Impairment of property, plant and equipment, right of use assets and computer software net of impairment reversals	**17**	12	14
Adjusted EBITDA	**2,805**	**2,831**	**2,730**

Use of non-IFRS measures continued

Free cash flow

Free cash flow is calculated as net cash inflow from operating activities plus cash inflows from the sale of intangible assets, the sale of property, plant and equipment and interest received, less cash outflows for the purchase of intangible assets, the purchase of property, plant and equipment, distributions to non-controlling interests and interest paid.

We believe free cash flow is meaningful to investors because it is the measure of the funds generated by the Group available for distribution of dividends, repayment of debt or to fund the Group's strategic initiatives, including acquisitions.
The purpose of presenting free cash flow is to indicate the ongoing cash generation within the control of the Group after taking account of the necessary cash expenditures for maintaining the capital and operating structure of the Group (in the form of payments of interest, corporate taxation and capital expenditure).

The reconciliation of net cash inflow from operating activities to free cash flow for the years ended 31 December 2024, 31 December 2023 and 31 December 2022 is provided below:

£m	**2024**	2023	2022
Net cash inflow from operating activities	**2,301**	2,100	2,063
Purchase of property, plant and equipment	**(250)**	(234)	(304)
Purchase of intangible assets	**(68)**	(102)	(24)
Proceeds from sale of intangible assets	**325**	246	36
Less: Distributions to non-controlling interests	**(79)**	(58)	(48)
Less: Interest paid	**(360)**	(404)	(163)
Add: Interest received	**75**	27	19
Free cash flow	**1,944**	**1,575**	**1,579**

Net debt

Net debt at a period end is calculated as short-term borrowings (including bank overdrafts and short-term lease liabilities), long-term borrowings (including long-term lease liabilities), and derivative financial liabilities less cash and cash equivalents and derivative financial assets.

We analyse the key cash flow items driving the movement in net debt to understand and assess cash performance and utilisation in order to maximise the efficiency with which resources are allocated.

The analysis of cash movements in net debt allows management to more clearly identify the level of cash generated from operations that remains available for distribution after servicing the Group's debt. In addition, the ratio of net debt to adjusted EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage.

The reconciliation of net debt to the different balance sheet items as at 31 December 2024 and 31 December 2023 is provided below:

£m	**2024**	2023
Short-term borrowings	**(1,487)**	(656)
Long-term borrowings	**(8,640)**	(8,800)
Derivative financial liabilities	**(160)**	(190)
Derivative financial assets	**130**	88
Cash and cash equivalents	**2,250**	1,044
Net debt	**(7,907)**	**(8,514)**

Our approach to risk

We understand the challenges and uncertainties we face and take a proactive approach to risk management to maximise opportunities, drive informed commercial decision making, and protect our people and assets.

Risk management framework
At Haleon, management of risk is firmly embedded in our strategy to achieve our long-term goals. We have a diverse range of risks and have appropriate processes and tools to identify risks before they materialise.

The framework is embedded within the strategy and planning cycle, which ensures accountability for the identification, assessment, mitigation and monitoring of risks aligned with our strategic objectives. The framework supports information flow and open communication between the Board, the Audit & Risk Committee (ARC), the Executive Team, our functions, business units, markets and sites.

Our framework defines the essential elements of the Group's approach to risk management and compliance programmes, ensuring risks associated with conducting business activities are effectively controlled, in line with the Board's risk appetite and compliance with regulatory requirements.

The framework is aligned to the three lines model which assigns roles and responsibilities for the management of risks within Haleon.

Risk management at Haleon

Top down
- Board/Board Committees
- Executive Team Risk Forum
- Annual enterprise risk assessment

Bottom up
- Expert risk and control functions
- Business unit and function ongoing risk/control strategy review
- Business unit and function annual risk assessment

Internal inputs
- Internal data and insights
- Strategic objectives
- Internal audit outcomes

External inputs
- UK Corporate Governance Code, laws and regulations
- External partners
- External audit outcomes

Risk management governance

Top-down

Board
Accountable for risk management and defining Haleon's risk appetite towards achieving its strategic objectives

Remuneration Committee
Sets the structure for the Company's Remuneration Policy, reviews workforce remuneration and aligns incentives and rewards

Nominations & Governance Committee
Leads the process for appointments to the Board and ensures corporate governance standards are maintained

Environmental & Sustainability Committee
Provides oversight and governance over progress with the ESG agenda and external regulatory requirements

ARC
Provides oversight and effective governance over processes and systems for risk management, controls and reporting

Executive Team Risk Forum
Provides leadership oversight by reviewing top risks. Approves risk mitigation strategies and ensures effective risk management practices. Sets relevant risk management governance standards and policies

Expert risk and control functions
Provides subject matter expertise to the business, defines policy and control standards and challenges the management of risks

Enterprise Risk Management
Owns, designs and maintains the risk management framework. Provides expertise, support, challenge and monitors risk-related matters. Enhances the level of risk awareness of all employees through education workshops and training

Business units and functions
Establishes and maintains appropriate structures and processes of risk management and related control strategy. Owns business unit/functional risks, applies the risk management framework and ensures compliance with legal, regulatory and ethical expectations

Internal Audit
Provides independent and objective assurance over the adequacy and effectiveness of risk management, controls and governance processes

Bottom-up

Leadership – accountability to stakeholders for organisational oversight
First Line – ownership and operation of processes
Second Line – risk management expertise and control framework design
Third Line – independent assurance

Our approach to risk continued

Risk governance
The Board has ultimate accountability for managing the Group's risks and setting our risk appetite in line with our strategic objectives. The Board ensures appropriate oversight through various mechanisms, including strategy meetings, management reports and reviews of selected risk areas.

To assist the Board in discharging its responsibilities, the ARC is responsible for reviewing and assessing the effectiveness of the Group's risk management and internal control systems, covering the Group's enterprise risks, financial and operational controls and procedures.

The Executive Team is joined by the Head of Audit & Risk and Head of Enterprise Risk Management to form the Executive Team Risk Forum (Risk Forum). The Risk Forum meets quarterly and ensures that risks are adequately managed, and the risk management framework is effectively deployed throughout the Group. The Risk Forum discusses enterprise and emerging risks, reviews industry trends, regulatory developments, high-profile incidents and critical audit findings. Each enterprise risk is owned by a member of the Executive Team, who is accountable for designing and implementing risk mitigation strategies and regularly reporting risk updates to the ARC and Risk Forum. At a functional, business unit, market and site level, regular risk review meetings ensure a more granular review of risk and operationalisation of strategic priorities.

These governance forums provide the Risk Forum with a bottom-up view of risks and issues along with oversight of how the key risks are being managed. Open communication and adequate reporting remain essential to ensure Haleon's leaders maintain a sound risk culture and are kept informed to allow for swift decisions and meaningful actions. An annual management confirmation review across each business unit and function ensures key risks are well managed and that corrective and preventative actions are in place to address any significant gaps.

Assessing risk
We continuously assess and evaluate the risks posed by the changing environments in which we operate to ensure an appropriate, measured, and timely response by considering potential impacts and most likely scenarios.

The annual enterprise risk assessment (ERA) for 2024 included a risk survey and interviews with the Board, Executive Team and business unit general managers to identify and evaluate both current and emerging risks, and to inform the 2025 internal audit plan. The ERA outcome also reflects on whether we think the impact and likelihood associated with each of our enterprise risks are increasing or decreasing.

The top-down process is complemented by horizon scanning to identify external trends, and inputs from risk review meetings at all levels of the organisation help us identify opportunities and/or emerging risks.

The ERA results have been shared with the ARC and the Board to confirm the principal risks and agree on the Group's risk management priorities for 2025. Where the level of risk taken is likely to or has exceeded desired levels in the period, management action is taken to further reduce the risk.

Our principal risks
Our principal risks are a subset of our enterprise risks and are deemed by the Board to be the most significant risks faced by the Group, including those that can materially impact our performance and/or reputation and could threaten our long-term business model or liquidity.

Our principal risks remain unchanged from the previous year, are not listed in any particular order and do not comprise an exhaustive list of risks associated with the business. While a robust assessment of these risks has been undertaken, additional risks not known to the Board or assessed to be less significant may also materialise and result in an adverse effect on the business. Haleon also faces other enterprise risks that we manage as part of our integrated risk management framework including health and safety, product quality, product user safety, financial, and legal and compliance.

Principal risk and link to strategy	Description and risk development	Mitigation
1 2 3 4 ↔ **Growth model** Our success depends on our ability to identify and explore business opportunities to deliver organic growth. **Oversight forum** Board **Risk owner** Head of Strategy **Risk category** Strategic	Failure to meet our medium-term organic growth objectives due to inadequate strategic and/or financial planning, lack of innovation, and deficient execution could result in erosion of shareholder value and damage to our reputation. The consumer health sector continues to attract new competitors at global and local levels with significant growth potential, limited penetration of some categories and changing social and demographic trends. Our continued growth relies on our ability to successfully deliver innovation that is responsive to new product opportunities, competitor offerings and reflects changing consumer preferences. Continued pressure from international buying groups, changes in sales channel structures, and customer and market consolidation may negatively impact pricing, margins and market share. This risk remains unchanged from 2023. >> See also our business model on page 8.	We are actively implementing our growth strategy, achieving our organic growth objectives by increasing household penetration and capitalising on new and emerging opportunities. Our business unit leaders are dedicated to expanding our consumer base through our Power Brands and developing our strategic brands in local markets. We continuously review and benchmark our performance against competitors, analysing internal and external data when performing our business planning and budgeting processes. We ensure sufficient resources are allocated to research and development initiatives to drive consumer-centric innovation and stay ahead of market trends. We maintain an integrated forecast and demand planning process, ensuring discipline in pricing drivers and efficient commercial execution. Our global and local teams are mobilised to drive growth across all product portfolio categories. We have a clear value proposition across all sales channels, while actively pursuing opportunities to enhance route to market, increase profitability, grow market share, and expand our digital capabilities.

Principal risk and link to strategy	Description and risk development	Mitigation
3 4 ↔ **People and organisation** Talent attraction and retention is pivotal to the success of Haleon as is the effectiveness of our operating structures. **Oversight forum** Remuneration Committee **Risk owner** Chief Human Resources Officer **Risk category** People	Inability to attract, develop and retain a diverse range of skilled employees as we deliver a fit for the future organisation in a highly competitive market, which could impact our ability to achieve our strategic objectives. Strengthening our core people processes, including talent management and capability development, is a key enabler for success as we transform our business, ways of working, organisational structures and culture. This risk remains unchanged from 2023. >> See also our culture and people section from page 18.	We continuously work to attract and retain top talent. Our annual Haleon employee survey consistently shows high-level participation rates (89%) and provides us with valuable insights. Improvement areas and corresponding action plans are closely monitored by senior leadership. We continue to simplify processes and grow employee engagement delivering the change required to embed a purpose-led consumer and performance culture. We have a clear employer value proposition that reflects our strong corporate brand and reputation. Talent identification, mapping and succession planning exercises are undertaken for critical senior management positions, helping to optimise both talent management and leadership continuity. Learning and development programmes are in place, with regular uptake, to help ensure our people realise their full potential. Our talent pipeline is actively strengthened through leadership development initiatives. We are committed to building an inclusive workplace. Our established DEI strategy, overseen by our Global DEI Council, helps to ensure all our employees have equal opportunities for growth and development.

Strategy key

1 Increase household penetration
2 Capitalise on new and emerging opportunities
3 Maintain strong execution and financial discipline
4 Run a responsible business

Trend key

↑ Increasing risk
↓ Decreasing risk
↔ Unchanged
△ New risk

Our approach to risk continued

Principal risk and link to strategy	Description and risk development	Mitigation
2 **4** ↔ **Trusted ingredients** Haleon's brands must reflect trusted science and ingredients to consumers. **Oversight forum** ARC **Risk owner** Chief R&D Officer **Risk category** Operational	Loss of customer confidence due to not pursuing best-in-class science or not monitoring and responding to emerging ingredient data and changes in consumer perception of product ingredients could negatively impact our brands and our reputation. There continues to be pressure and scrutiny from governments, regulators, NGOs and consumers over the safety, efficacy, purity and potential environmental impact of ingredients within healthcare products. Monitoring our ingredient-related risks and taking proactive measures to address emerging ingredient regulations and industry trends remains a key focus. This risk remains unchanged from 2023.	Our approach and success as a global consumer health company is underpinned by our understanding of the evolving science of ingredients and deep human understanding of consumer needs and preferences. We manage ingredient-related risks through an established Trusted Ingredients Framework, enabling us to collect intelligence from multiple external sources, anticipating and detecting early signals to inform our approach and action plans to tackle ingredient risk. We have extensive controls in place designed to evaluate benefits and risks and identify potential concerns about ingredients. Whenever we introduce a new ingredient into our portfolio, we conduct an independent evidence-based review of the ingredient's safety. Cross-functional teams across Haleon conduct continuous monitoring of ingredient and materials data to facilitate the early detection of and response to emerging ingredient risks. When new risks are identified, there is an assessment of actions needed to proactively manage and mitigate the risk which could include the assignment of a dedicated specialist taskforce. We also actively participate in industry associations to gain insights and to impact the environment we operate in for the benefit of consumers.

>> Haleon may incur liabilities or be forced to recall products as a result of real or perceived product quality or other product-related issues, see page 196.
>> More information is available at **www.haleon.com/our-impact/environment/sourcing-trusted-ingredients-sustainably**

Principal risk and link to strategy	Description and risk development	Mitigation
1 **2** **3** **4** ↔ **Supply chain resilience** Continued challenges to our supply chain capacity test our resilience to ensure we meet increasing customer demand. **Oversight forum** Board **Risk owner** Chief Supply Chain Officer **Risk category** Operational	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 consumer demand and desired service levels. We operate a complex global supply chain that is susceptible to a variety of risks including geopolitical instability, extreme weather events and cyber-security threats. Building resilience into our supply chain is critical so we can continue to operate in the event of these risks materialising. In addition, indirect factors such as energy and commodity volatility can significantly disrupt business operations, impacting our ability to serve our customers and consumers. This risk remains unchanged from 2023.	We are investing in capacity across the network while simplifying the number of stock keeping units, strengthening our ability to respond to growing consumer demand for our products, and adhering to local regulations and safety standards. We have made good progress de-risking our supply of critical materials through our dual sourcing roadmap, increasing upstream supply chain resilience and allowing us to adapt to evolving portfolio needs and market conditions. Supply chain operations are managed through an extensive control framework, with oversight and continuous monitoring provided by senior management. Crisis management and business continuity plans covering a broad range of disruptive scenarios are in place, supporting effective incident response and rapid restoration of supply. Plans are regularly reviewed and tested. The above actions and frameworks build resilience, however we recognise the need for vigilance and improvement driven by the constant risk of issues and threats. Supply chain is developing a product focus approach to business continuity planning in 2025 while re-enforcing this ongoing expectation of vigilance and response.

Principal risk and link to strategy	Description and risk development	Mitigation
2 4 ↔ **Environmental, social and governance** Sustainability and climate-related risks are integrated into our business and investment decisions. **Oversight forum** Environmental & Social Sustainability Committee **Risk owner** Chief Corporate Affairs Officer **Risk category** Operational	Failure to address existing and emerging environmental, social and governance risks could materially damage our reputation leading to significant financial losses. Responsible performance is critical to our investors, customers, consumers and employees. The ESG regulatory environment continues to evolve with non-financial reporting requirements growing globally. This, combined with increasing scrutiny from our stakeholders, reinforces the importance of our responsible business objectives and how we measure our performance against these. The achievement of our ESG goals is influenced by the environment in which we operate. Important dependencies include: the pace at which global energy supplies switch to renewables; the recycling industry developing technology to recycle small formats; and the availability of responsibly and sustainably sourced or recycled materials. The uncertain nature of climate change, governmental response and consumer behaviour continues to bring additional challenges and opportunities. This risk remains unchanged from 2023. >> See also our approach to sustainability from page 22, including our TCFD disclosure.	Being a responsible business is central to Haleon's strategy and purpose, supported by strong Executive Team sponsorship and governance processes. Our responsible business objectives cover: carbon emissions; plastics and packaging; product quality; safety; and health inclusivity. We establish our sustainability goals through detailed analyses, benchmarking, and materiality assessments to ensure they are ambitious, relevant, and attainable. Our health inclusivity initiatives enable individuals to have greater access to opportunities for improved everyday health, thereby enhancing our brand and corporate reputation among consumers, customers, and other key stakeholders. Our governance boards and teams proactively monitor and oversee ESG matters, external reporting requirements and regulations. We receive limited assurance over select ESG KPIs, with a plan to expand this scope in future in line with new reporting frameworks. Our sustainability team works closely with business functions to assess the impacts of and response to regulatory changes. We update our climate risk modelling and action plan regularly through our TCFD programme of work and disclosures.

Principal risk and link to strategy	Description and risk development	Mitigation
4 ↑ **Cyber security** Haleon's operations depend on robust and secure IT systems and information management. **Oversight forum** ARC, Board **Risk owner** Chief Digital and Technology Officer **Risk category** Operational	Major disruption to our IT systems, including through cyber attacks, could materially impact our operations, harm our reputation and lead to significant financial losses. The scope, scale and likelihood of cyber threat activity continues to grow as the cyber landscape evolves and geopolitical conflicts intensify. Given our increasing reliance on digital services, such adversity could significantly disrupt our global business, R&D, supply chain and sales, results and reputation, and ultimately impact our consumers. This risk has increased since 2023 due to a rise in the number and sophistication of global cyber-security cases, our exposure via suppliers and other critical third parties, and new cyber risk through the adoption of AI tools.	Our focus remains on ensuring our operational technology is superior and robust to support Haleon's business needs and to facilitate targeted intervention as necessary. We operate and continuously improve the maturity of our technology control framework, optimising the usage of tools to simplify workflows and build capability. Investment in fit-for-purpose products is ongoing, ensuring our operational technology remains superior and robust to support business needs and facilitate targeted interventions as necessary. Leading external organisations are engaged to optimise our cyber defences and the maturity of our operating practices. This includes regular assurance of our cyber maturity, independent security and penetration testing, and crisis management exercises. We continue to mature and expand the scope of key established cyber-security functions which provide the foundation to protect against cyber-security threats and perform operational tasks to secure Haleon's environment.

Strategy key

1 Increase household penetration
2 Capitalise on new and emerging opportunities
3 Maintain strong execution and financial discipline
4 Run a responsible business

Trend key

↑ Increasing risk
↓ Decreasing risk
↔ Unchanged
△ New risk

Principal risk and link to strategy	Description and risk development	Mitigation
2 3 4 ↑ **Geopolitical instability** Changes in the geopolitical landscape are continuously monitored. **Oversight forum** Board **Risk owner** Chief Financial Officer **Risk category** Strategic	Failure to monitor and respond to increasing geopolitical tensions and macroeconomic uncertainty may impair our ability to deliver our growth and strategic objectives, leading to commercial, financial and reputational losses, challenging the exchange of products and services, and restricting the movement of talent. Increased sanctions, other supranational guidelines and the imposition of tariffs in key markets such as the US, raise our risk profile and could lead to severe trade disruptions, cash flow constraints, and restricted opportunities for strategic growth. International cooperation remains under pressure, including the increasingly complex political relationship between China and the US, our two largest markets, which may hinder the prospects of current trade deals and increase retaliation. This risk has increased in 2024 to reflect the continued and broadening conflicts across the Middle East and Ukraine, ongoing political and economic tensions between major economies and the rise in nationalism and protectionism.	We proactively monitor geopolitical and macroeconomic trends and consider the potential impact of these scenarios on our business. Scenario analysis is applied to our planning processes to evaluate potential impacts on our business model and operations. Geopolitical risks are considered and managed within our continuity planning for both our internal resilience and the resilience of our extended supply chain. Our trade compliance and sanctions teams closely monitor changes in regulation and oversee import and export activities, and our Treasury function manages our foreign exchange risk exposure. We are deeply concerned about the continued and broadening conflicts in various parts of the world and remain committed to enhancing everyday health with humanity, prioritising the safety, security and wellbeing of our employees. We continue to ensure access to our essential health products and provide humanitarian support, especially in areas affected by crisis and conflict.

Emerging risks

Emerging risks are uncertainties or potential disruptors that have not yet crystallised into specific risks and whose potential impact is difficult to predict. They are reviewed by the Board alongside our enterprise risks. Changes to our emerging risk profile in 2024 include broadening the scope of the mass generative AI emerging risk and removing macroeconomic uncertainty, as its impact is now addressed by the geopolitical instability principal risk.

Emerging risk	Description and risk development	Mitigation
Artificial intelligence (AI)	Given the relatively recent development of Generative AI and its rapidly evolving nature, new risks and opportunities continue to emerge. AI and Generative AI present opportunities to improve performance and productivity and generate business growth, with a focus on business services, commercial effectiveness, innovation and supply chain capabilities. With the adoption of AI, there is a rapidly evolving landscape for risk, governance and compliance. Examples include ensuring an understanding, and implementation, of country specific regulations, managing data privacy and intellectual property, securing AI platforms and considering AI enablement of employee, customer, consumer and partner interactions.	At Haleon we have Responsible AI Principles which provide employees with guidance as we develop and adopt AI technologies. We also have a Haleon Responsible AI Policy which is deployed company wide. It includes enterprise-wide governance, controls, technologies and culture requirements to mitigate risks including reputational and regulatory.

>> See also our culture and people, approach to sustainability (including our TCFD disclosure), Audit & Risk Committee Report and risk factors sections on pages 18, 22, 72 and 193.

Strategy key

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↑ Increasing risk
↓ Decreasing risk
↔ Unchanged
△ New risk

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the viability of the Group by considering the activities and principal risks together with factors likely to affect the Group's future development, performance, financial position, cash flows, liquidity position and borrowing facilities as described in the Annual Report.

The Director's assessment of viability has been made over a three-year period, which corresponds to the Group's planning cycle. Additionally, the Directors believe this presents the readers of the Annual Report with a reasonable degree of confidence over the period assessed.

The assessment considered the Group's prospects related to revenue, operating profit and free cash flow. The Directors considered the maturity dates for the Group's debt obligations and its access to public and private debt markets, including its committed credit facilities. The Directors also carried out a robust review and analysis of the principal risks facing the Group, including those risks that could materially and adversely affect the Group's business model, future performance, solvency and liquidity.

Stress testing was performed on a number of scenarios, including the potential impact of severe but plausible scenarios over the viability period for each potential combination of principal risks identified below. In total, four individual scenarios have been created incorporating a combination of principal risks. None of the scenarios modelled were found to have an impact on the long-term viability of the Group over the assessment period. In addition, the Group would be able to withstand the impact of the most severe combination of these risks with mitigating actions available. These mitigating actions could be reasonably implemented by the Group and include reducing A&P spend, reducing capital spend, pausing M&A activity and cancelling shareholder dividends.

Based on the assessment described above, and considering the Group's current financial position, debt maturity profile, stable cash generation, access to liquidity, geographic diversification and lack of concentration of supply, the Directors have a reasonable expectation that the Group is well positioned to manage principal risks and the potential downside impacts of such risks materialising. As a result, the Directors expect that the Company will be able to continue in operation and meet its liabilities as they fall due over the assessment period.

Scenario modelled	Key assumptions	Link to principal risks
Scenario 1: A climate event results in a major manufacturing site shutdown for 18 months, causing disruption to the supply chain increasing commodity, freight and labour costs and a Group-wide cyber event which would cause lost sales for two weeks.	– Decrease in net revenue and gross profit as a result of a loss of product sales. – Increase in commodity, freight and labour costs of other manufacturing sites.	– Supply chain resilience. – Trusted ingredients. – Environmental, social and governance. – Cyber security.
Scenario 2: No sales price increases or volume growth over the forecast period across all product categories to reflect slower economic growth and competitor activity.	– No price increases and forecasted growth, with a corresponding impact on cost of goods sold due to lower volumes.	– Growth model. – Geopolitical instability.
Scenario 3: Inability to access the capital market, inflationary pressure, foreign currency volatility, interest risks and geopolitical risks.	– Unable to access the commercial paper market or to refinance existing commercial paper balances at a reasonable cost. – Double interest costs on the portion of bond debt subject to floating rates (i.e. including the impact of derivatives). – Depreciation of major local currencies where the Group generates its profits by 5% against Pound Sterling. – No revenue and operating profit generated from countries involved in armed conflict across the plan period.	– Geopolitical instability.
Scenario 4: A significant incident that leads to a product recall and reputational damage for a key brand resulting in the loss of substantial sale of products from this brand for six months.	– 75% decrease in sales and operating profit for a Power Brand for six months. – Significant legal fine (5% of Group turnover). – Write off all inventories relating to the product of the above Power Brand. – Additional investment in A&P to rebuild the brand.	– Growth model. – Supply chain resilience. – Trusted ingredients.

Statement of compliance

Section 172 statement

Details relevant to how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006 can be found across the Report, including, but not limited to, the Chair's statement and CEO's review on pages 4 and 5, culture and people from page 18, and our approach to sustainability from page 22. The Section 172 statement is provided on page 68.

Non-financial and sustainability information statement

Non-financial and sustainability information, including a description of policies, due diligence processes, outcomes and risks and opportunities can be found as set out below. Internal verification and disclosure controls apply to all the information covered in these areas. Our climate-related financial disclosures are contained in the TCFD disclosure from page 24 and, for item (h), also on pages 33, 188 and 189.

>> Further information about our responsible business assurance activities can be found at **www.haleon.com**/our-impact/esg-reporting-hub

Our key policies and positioning statements, including our Code of Conduct can be found on Haleon's website:

Environment	**www.haleon.com**/our-impact/environment **www.haleon.com**/who-we-are/Governance/codes-policies-and-standards **www.haleon.com**/who-we-are/our-policy-positions **www.haleon.com**/our-impact/esg-reporting-hub
Employees	**www.haleon.com**/our-impact/upholding-our-standards **www.haleon.com**/who-we-are/Governance/codes-policies-and-standards **www.haleon.com**/who-we-are/our-policy-positions **www.haleon.com**/our-impact/gender-pay-gap **www.haleon.com**/our-impact/esg-reporting-hub
Social matters and business conduct	**www.haleon.com**/our-impact/upholding-our-standards **www.haleon.com**/who-we-are/Governance/codes-policies-and-standards **www.haleon.com**/who-we-are/our-policy-positions **www.haleon.com**/our-impact/esg-reporting-hub
Human rights and modern slavery statements	**www.haleon.com**/our-impact/upholding-our-standards **www.haleon.com**/who-we-are/Governance/codes-policies-and-standards **www.haleon.com**/our-impact/esg-reporting-hub **www.haleon.com**/our-impact/human-rights
Anti-corruption and anti-bribery	**www.haleon.com**/who-we-are/Governance/codes-policies-and-standards

The Strategic Report on pages 2 to 58 was approved by the Board on 20 March 2025.

Amanda Mellor
Company Secretary