HALEON

Climate Action Transition Plan

What's inside

Approval and review of the Climate Action Transition Plan
This statement has been approved by the Environmental & Social Sustainability Committee of the Board of Haleon plc on 6 March 2024 and updated to reflect the latest progress as agreed by the Committee on 18 February 2026.

Message from Vice President, Sustainability

Climate change has been identified by the World Health Organization (WHO) as the single biggest threat to human health, with the effects felt first and hardest by vulnerable populations and marginalised groups, compounding social and health inequities[1]. Communities around the world are facing significant challenges linked to climate change – from the impact of more frequent extreme weather events, to breathing polluted air, and a rise in vector-borne illnesses, such as dengue and malaria, which are affecting more areas as weather patterns change[2]. There is a clear need to reduce carbon emissions and tackle climate change while also providing solutions to help people mitigate the impact on their everyday health, now and in the future – ensuring the needs of vulnerable populations and marginalised groups who are disproportionately impacted are taken into account.

As a consumer company with a purpose to deliver better everyday health with humanity, recognising and acting on these links is at the heart of our Health Inclusivity and Sustainability strategy, which focuses on tackling the environmental and social barriers which stand in the way of people's better everyday health. We know that delivering on our carbon reduction goals and helping to address major social and environmental challenges is going to require bold data-driven collaboration across our value chain and systemic change.

We are making progress in decarbonising our operations, with the transition to 100% renewable electricity at our own sites from 2022. In the short-term, we will continue to decrease emissions in our direct operations by moving to renewable fuels and through the electrification of heating and cooling systems at our sites. Our upstream value chain emissions comprise the majority of our Scope 3 carbon emissions footprint – with raw and packaging materials used to make our products being the biggest drivers. Our category and procurement teams are working with our suppliers to tackle the key drivers of their carbon emissions intensity – for example, by setting clear expectations of our suppliers to move to renewable electricity, reduce carbon emissions in the processing of materials, and identify alternative low carbon feedstocks for key ingredient and packaging materials where the biggest driver of their footprint is the embedded carbon in the materials they are derived from.

Our Climate Action Transition Plan outlines the steps the Company will take to meet our goals of reducing net Scope 1 and 2 emissions by 100% by 2030 versus a 2020 baseline[3], Scope 3 emissions from source to sale by 42% by 2030 versus a 2022 baseline and achieving net zero emissions by 2040[4] aligned to guidance from The Climate Pledge and Race to Zero. In addition to reducing our carbon emissions across Scopes 1, 2 and 3, we are seeking to make our business more resilient to the impacts of climate change. Reflecting its strategic importance to our business, our Scope 1 and 2 decarbonisation commitment has been incorporated in our long-term incentive plan in the form of an ESG Qualifier, signalling that achieving our environmental commitments is fundamental alongside delivery of our long-term financial goals.

Given the scale of challenge in tackling climate change, a system-wide shift is required to create the right enabling environment to deliver rapid decarbonisation globally. We support policy interventions for a climate-resilient future such as policies to accelerate greening of the energy grid and are collaborating with industry partners to drive collective change in shared upstream supply chains.

Progress made towards our Climate Action Transition Plan will be reported annually, and we will continue to raise awareness that taking climate action provides opportunities to both reduce emissions and deliver co-benefits for everyday health and wellbeing.

Sarah McDonald
Vice President, Sustainability

[1] We must fight one of the world's biggest health threats – climate change (2023) World Health Organization. Available at: https://www.who.int/news-room/commentaries/detail/we-must-fight-one-of-the-world-s-biggest-health-threats-climate-change (Accessed: 01 March 2024).
[2] A Commission on climate change (2009) The Lancet. Available at: https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(09)60922-3/fulltext (Accessed: 1 March 2024)
[3] Our goal to reduce net Scope 1 and 2 carbon emissions by 100% by 2030 versus a 2020 baseline is underpinned by a 95% absolute reduction target and the use of up to 5% of offsets.
[4] Our source to sale Net Zero and Scope 3 carbon emissions goals exclude categories 6, 7 and 10-15.

Introduction

Our purpose underpins our drive to tackle carbon emissions. Climate change and everyday health are deeply intertwined and there are significant co-benefits for health in taking action to combat climate change. As a leading consumer company, acting on these linkages is critical to delivering on our purpose: **to deliver better everyday health with humanity.**

The case for action is clear and businesses have a key role to play in reducing carbon emissions. Our transition plan details the targeted actions we are taking to:

- Decarbonise our own operations and wider value chain.
- Mitigate and manage climate-related risks and opportunities.
- Take targeted action to reduce emissions from our raw and packaging materials footprint.
- Engage and collaborate with broader industry and suppliers.
- Act through our trusted and purposeful brands to raise awareness and galvanise action on issues that have implications for both climate change and health.

Our commitments

As part of our commitment to reducing our own environmental footprint, we are focused on cutting carbon emissions across our value chain and have set emissions reduction goals aligned to the Intergovernmental Panel on Climate Change (IPCC) pathway to 1.5°C.

In alignment with the Science Based Targets initiative (SBTi), our goal to reduce net Scope 1 and 2 carbon emissions by 100% by 2030 versus 2020 is underpinned by a 95% absolute reduction target and the use of up to 5% of offsets.

Our Scope 3 reduction target is focused on reducing 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. We exclude use-phase emissions such as emissions associated with water use in the consumption of our products (where the key driver of the footprint is the energy used to purify and pump water to homes) to allow us to focus on the areas where we can influence the most significant emissions reductions.

Of these categories, the primary focus of our strategy are the goods and services that we purchase, as these are the biggest contributors to our Scope 3 emissions.

We continue to improve the data collection processes used to measure and track our Scope 3 emissions and virgin petroleum-based plastic footprint. We updated our baseline year from 2020 to 2022, when we became a standalone business, as the 2022 data used to calculate and substantiate our packaging footprint and value chain emissions has greater availability and accuracy.

We remain committed to our SBTi-validated goals of reducing Scope 1, 2, and 3 carbon emissions by 2030 (as included in the box to the right) and are making good progress towards them. Additionally, we aim to achieve net zero emissions by 2040, in line with the Climate Pledge and Race to Zero.

We have a number of projects and activities underway to support our transition to a net zero future. See Cutting carbon emissions in our operations on page 10 and Cutting carbon emissions in our value chain on pages 11-15 for more detail.

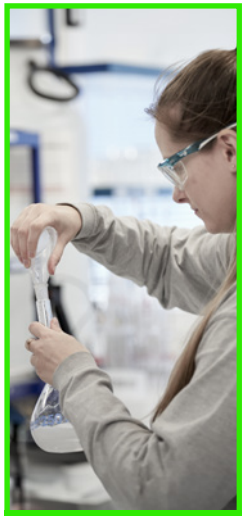
Our goals:

- Reduce our net Scope 1 and 2 carbon emissions by 100% by 2030 vs 2020[1].
- Reduce our Scope 3 carbon emissions from source to sale by 42% by 2030 vs 2022[1,2].
- Achieve net zero carbon emissions by 2040 aligned to guidance from The Climate Pledge and Race to Zero[2].
- Reduce our use of virgin petroleum-based plastic by 10% by 2025 and by a third by 2030 vs 2022[1].
- Develop solutions for all product packaging to be recycle-ready[3] by 2025 and recyclable or reusable by 2030 where safety, quality and regulations permit.
- Work with partners to drive global and local initiatives to collect, sort and recycle our packaging at scale by 2030.
- All of our key agricultural, forest and marine-derived materials used in our ingredients and packaging to be sustainably sourced and deforestation-free by 2030[4].
- Achieve TRUE certification at our manufacturing sites by 2030.
- Achieve the Alliance for Water Stewardship (AWS) standard certification at our manufacturing sites by 2025 and achieve water neutrality at our manufacturing sites in water-stressed basins[5] by 2030.

[1] The baseline reporting period follows the calendar year.
[2] Our source to sale Net Zero and Scope 3 carbon emissions goals exclude categories 6, 7 and 10-15.
[3] Recycle-ready means packaging that has been developed to be compatible with a targeted existing or emerging recycling infrastructure. By recycling infrastructure we mean the state-of-the-art technology and operations capable of achieving efficient collection, sorting, and processing into recycled material feedstocks.
[4] 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.
[5] 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.

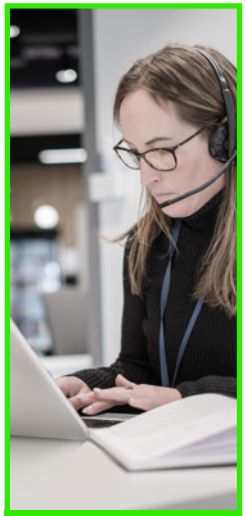
Our carbon emissions

Taking a life-cycle approach, we measure and disclose carbon emissions across our full value chain, working with our internal teams and suppliers to collect data. Our carbon footprint captures emissions across the Scope 1, 2 and 3 categories relevant to our business[1]. We conduct our emissions data collection, calculations, measurement and reporting in line with the Greenhouse Gas (GHG) Protocol. While our Scope 3 carbon goal (see page 5) and the progress we record towards our goal is source to sale and does not include use-phase emissions, our measurement and disclosure of our entire Scope 3 carbon emissions footprint includes emissions from the use-phase (see page 7). For further information on our measurement approach, see our **Basis of Reporting**.



Research & Development

Our scientists and category teams innovating and testing new products.



Sourcing

Sourcing packaging materials and ingredients from our suppliers.

Manufacturing

Manufacturing Haleon products.

Packaging

Packaging Haleon products.

Transport

Distributing Haleon products.

Customers

Selling products in store or online.

Consumers

Consumers practising self-care and everyday health.

End of life

For products and packaging.

[1] We exclude Category 10 – Processing of sold products; Category 13 – Downstream leased assets; and Category 14 – Franchises.

Our carbon emissions continued

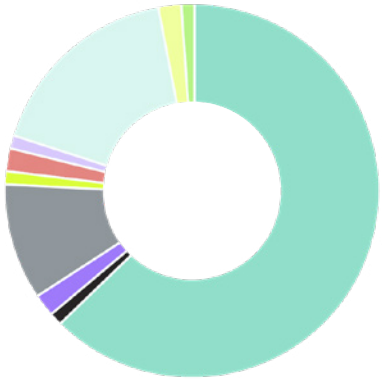
We calculate and disclose our Scope 1, 2 and 3 carbon emissions. Scope 1 and 2 emissions are aligned with Streamlined Energy and Carbon Reporting (SECR) guidance. We used carbon emissions calculated based on 2020 data as the baseline for determining our goals related to net Scope 1 and 2 carbon emissions, and 2022 data as the baseline for determining our goals related to Scope 3 carbon emissions. While our Scope 3 carbon goal (see page 5) and the progress we record towards our goal is source to sale and does not include use-phase emissions, our measurement and disclosure of our entire Scope 3 carbon emissions footprint includes emissions from the use-phase as shown in the graphic to the right.

Combined Scope 1 and Scope 2 location-based emissions make up 7% of our 2025 carbon footprint. Scope 3 emissions are 93% of our 2025 carbon footprint, as illustrated on this page. Our raw and packaging materials fall under Category 1 – Purchased goods and services and are a key contributor to our Scope 3 emissions: over 60% of our carbon emissions are driven by the ingredients, packaging and services we buy and use to make our products.

Our 2025 total carbon footprint across Scopes 1, 2 and 3[1]

Scope 1	**2%**
Scope 2 (Location-based)	**5%**
Scope 3	**93%**

Scope 3 emissions



Our 2025 Scope 3 footprint by reporting category

Category 1 – Purchased goods and services	**63%**
Category 2 – Capital goods	**1%**
Category 3 – Fuel and energy-related activities	**2%**
Category 4 – Upstream transportation and distribution	**10%**
Category 6 – Business travel	**1%**
Category 7 – Employee commuting	**2%**
Category 8 – Upstream leased assets	**1%**
Category 11 – Use of sold products	**17%**
Category 12 – End-of-life treatment of sold products	**2%**
Categories 5, 9 and 15 – Waste generated in operations, downstream transportation and distribution, investments	**1%**

For our SECR Disclosure please see our latest Annual Report and Form 20-F at haleon.com/investors/results-reports-presentations/results.

[1] 2025 Scope 1 and 2 (location-based) carbon emissions reporting period = 1 December 2024 to 30 November 2025. 2025 Scope 3 carbon emissions reporting period = 1 July 2024 to 30 June 2025. Our estimated Scope 3 source to sale carbon emissions target spans all carbon emission categories from source to sale (excluding GHG protocol categories 6, 7, 10-15). It covers mandatory Scope 3 upstream and downstream emissions. It excludes indirect consumer use-phase emissions, such as emissions associated with water used with our products.

Climate Action Transition Plan at a glance

Manufacturing
Products
Value Chain

2023

Short-term (0-4 years)

Decarbonisation foundations

- 100% renewable electricity in our directly owned and controlled sites.
- Carbon pricing mechanism developed for evaluating capital expenditure.
- Evaluating renewable fuel and heating opportunities.

- Lightweighting product packaging to reduce the absolute amount of plastic in our product packaging.
- 10% reduction in virgin petroleum-based plastic in our product packaging by 2025 vs a 2022 baseline.
- Using alternative non-virgin sources of plastic.
- All packaging to be recycle-ready by 2025, where safety, quality and regulations permit.
- Sustainability impact assessment tool (SIAT) in use to evaluate sustainability credentials of product innovation.
- Achieving the AWS standard at our own manufacturing sites.

- Engaging with existing suppliers to support renewable electricity transition.
- Evaluating supplier maturity on their decarbonisation journey to take targeted action in our supply chain.
- Integrating carbon pricing into supplier tender and selection process.

2025

Medium-term (5-9 years)

Scale & accelerate action

- Reduce net Scope 1 & 2 carbon emissions by 100% vs a 2020 baseline.
- Scaling on-site solar energy generation and storage.
- Scaling use of renewable fuels and electrification of heat.

- One third reduction in virgin petroleum-based plastic in our product packaging by 2030 vs a 2022 baseline.
- All packaging recyclable or reusable by 2030, where safety, quality and regulations permit.
- Swapping higher carbon footprint materials for lower carbon footprint alternatives, see page 14 for more details.
- Achieving TRUE certification at our own manufacturing sites.
- Achieving water neutrality at our own manufacturing sites in water-stressed basins.

- Key current and prospective suppliers powered by renewable electricity in their own operations.
- Key agricultural, forest and marine-derived materials used in our ingredients and packaging purchased using globally managed spending are sustainably sourced and deforestation-free.
- Prioritising green logistic providers.

2030

Long-term (10+ years)

Achieving net zero

- Continued energy efficiency and management programmes.

- Launching ultra-low carbon product formats and circular solutions.
- Scaling use of bio-based feedstocks, green chemistry solutions, and materials made with renewable energy and from waste materials.
- Innovating products that reduce consumer use-phase emissions.

- Prioritising net zero suppliers.

2040+

We aim to abate our carbon emissions as much as possible. Where it is not possible or practicable to do so. We plan to use location-based carbon offsets that are associated with carbon reductions or removals. This will be limited to 5% of Scope 1 and 2 emissions by 2030, and 10% of value chain emissions included in an SBTi-aligned net zero goal. Our criteria for offsets includes:

- **Additional:** Net carbon emissions savings or sequestration benefits of any project are over and above those that would have occurred in the absence of the project.
- **Not overestimated:** Sequestered carbon must be accurately estimated and monitored to ensure that it is not released back into the atmosphere.
- **Permanent:** The carbon sequestered or reduced must be stored for a long period of time, ideally for centuries.
- **Verifiable:** The project must be independently verified by a third party to ensure that it meets the required standards.

Plan assumptions

The delivery of our Climate Action Transition Plan and its associated goals and initiatives depends on system-wide change, including the electrification of national grids, supporting decarbonisation policy, the maturation of carbon markets, the commercialisation of innovative technologies and materials, the availability of alternate sources of materials such as non-virgin sources of plastic, and shifts in consumer preferences.

For details on our Basis of Reporting, visit our ESG Reporting Hub at https://www.haleon.com/our-impact/esg-reporting-hub

Throughout this report, 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 Scope 1, 2 and 3 emissions reduction goals by 2030.
Long-term (10+ years): Aligns to our 2040 net zero goal aligned to guidance from The Climate Pledge and Race to Zero and the UK Government's net zero target for 2050.

Impact on business and strategy

Haleon is a consumer company that is solely focused on better everyday health. Our people, brands, research, investment and innovation are all aimed at improving the everyday health of those we serve at all stages of their lives.

When people are enabled to take better care of their everyday health, it shapes how they feel and their quality of life – today, and into the future. Yet we recognise and understand the social and environmental challenges that still hold many back from achieving better everyday health.

That is why improving **health inclusivity** is central to our strategy and where we can have the most impact. By building health knowledge, increasing access to everyday health products and tackling bias and prejudice, we can help millions of people take more control of their everyday health.

Beyond individual health barriers, environmental changes are a significant threat to human health. We recognise that Haleon's long-term success is dependent on the health of the people, natural world, and shared resources we all rely on. Because better everyday health is only possible when the planet we share, and society we live in, are healthy too. That is why we are focused on reducing our environmental footprint and operating **with enduring resilience** across our value chain, including by cutting carbon emissions and strengthening our business in the face of climate change. Our Climate Action Transition Plan is fully integrated into this strategy.

As we continue to reduce the environmental footprint of our products and operations, we also prioritise the areas where our decarbonisation goals intersect with wider environmental needs—making packaging more sustainable and managing natural resources responsibly, including through sustainable sourcing and water stewardship—all of which support the delivery of our Climate Action Transition Plan.

To help build resilience in support of a net-zero future, we have set goals aligned with the IPCC pathway to 1.5°C and established programmes across our operations to drive progress. More detail on how we are cutting carbon emissions across our operations and value chain can be found on pages 10-15 and in the Climate Action Transition Plan at a Glance on page 8.

Delivering our climate ambitions will require ongoing collaboration across the organisation and beyond. Page 24 outlines the capability-building initiatives underway to support our people, while page 16 provides further information on how we are strengthening supplier engagement.

We use climate scenario analysis to identify potential climate-related risks and opportunities associated with the transition to a low-carbon economy. The insights inform our strategy and financial planning, including updates to underlying cash flows linked to our climate actions. For more details, please see our integrated Climate and Nature-related Financial Disclosures (TCFD and TNFD) in our latest Annual Report and Form 20-F **here**.

Across our value chain, we have integrated carbon pricing criteria into supplier selection and to set emissions expectations for our existing supplier base. This approach aims to incentivise both current and potential suppliers to accelerate decarbonisation within their operations. To support their transition, we are providing supplier education forums on emission factors and Scope 3 emissions, and working with partners to help suppliers map their carbon footprints, switch to renewable electricity and decarbonise their own operations.

As a business with global scale and reach, we recognise our responsibility to reduce our impact while adapting our operations in line with a low-carbon pathway—so that we can help people live longer, healthier lives today and tomorrow.

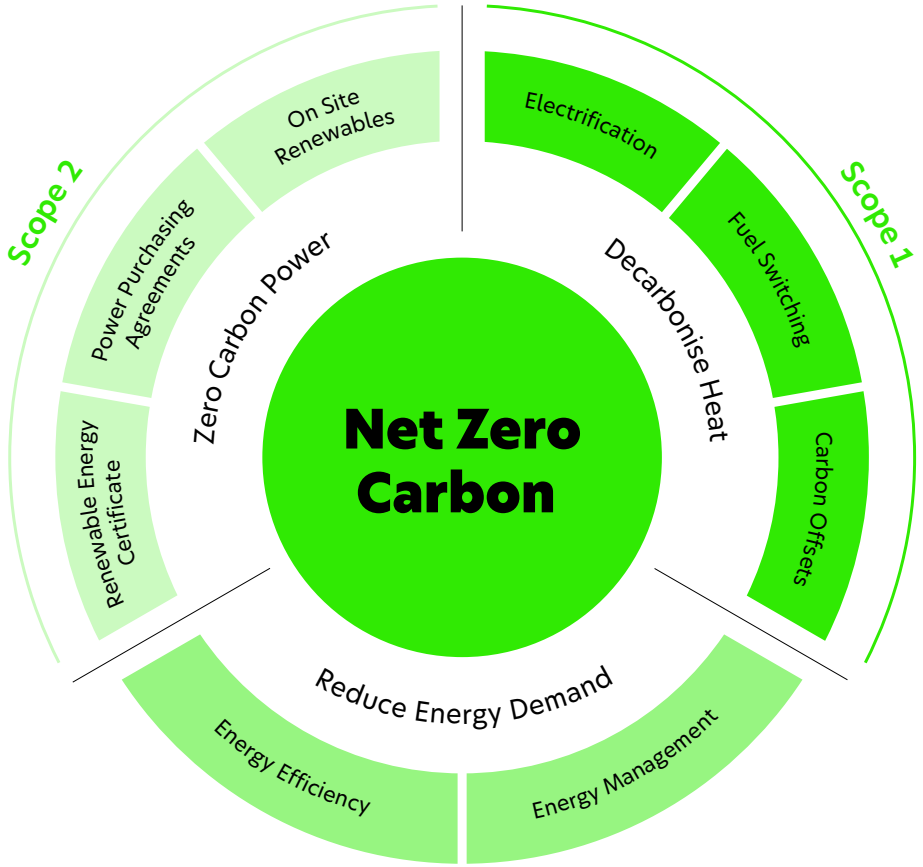
Cutting carbon emissions in our operations

Our goal[1]
We aim to reduce our net Scope 1 and 2 carbon emissions by 100% by 2030 vs our 2020 baseline

2025 performance	2024 performance
55%*	50%
reduction vs 2020	reduction vs 2020

Reduction strategy
Our Scope 1 and 2 emissions reduction strategy is focused on three decarbonisation levers over the short and medium terms:

- Decarbonising our heat and cooling energy production through electrification, switching fuels, and abating the remaining emissions through offsets (see page 8 for offset criteria).
- Continuing to reduce our energy demand through energy efficiency and management programmes.
- Switching to renewable sources for our electricity, through the installation of solar renewable energy sources on or near our sites, or through procuring renewable electricity.



Priority actions
To reduce Scope 1 emissions, we are implementing energy-efficiency projects and have a site by site roadmap to replace fossil-fuelled boilers with electric ones. Where this is not practicable, we aim to use renewable fuels. By procuring and investing in 100% renewable electricity in our directly owned and controlled sites through the installation of site-based solar energy systems, buying renewable energy certificates (RECs) and entering into power purchasing agreements (PPAs), we have mitigated most of our Scope 2 emissions. We will continue increasing the proportion of renewable electricity that is self-generated at our sites, while also increasing our use of dedicated, additional PPAs to increase the supply of renewable electricity and reduce our reliance on RECs and our exposure to shifts in their pricing.

* KPMG LLP has issued independent limited assurance over the selected data highlighted on this page with an asterisk (*), which has been extracted from Haleon's 2025 Annual Report and Form 20-F, in accordance with ISAE(UK)3000 and ISAE 3410. See KPMG LLP's limited assurance opinion and the reporting criteria in the Basis of Reporting for further information on the selected data **here**.
[1] Our goal to reduce net Scope 1 and 2 carbon emissions by 100% by 2030 is underpinned by a 95% absolute reduction target. The 2020 baseline reporting period is the calendar year. The reporting period is 1 December (prior year) – 30 November (current year).

Cutting carbon emissions in our value chain

Our goal[1,2]
We aim to reduce our Scope 3 carbon emissions from source to sale by 42% by 2030 vs our 2022 baseline

2025 performance
13%
reduction vs 2022

2024 performance[3]
9%
reduction vs 2022

Scope 3 reduction strategy

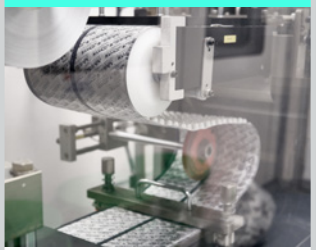
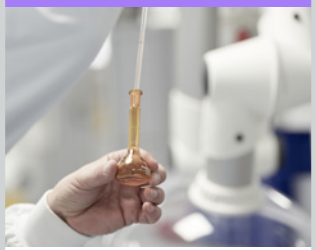
The vast majority of our source to sale Scope 3 carbon emissions are generated by the raw and packaging materials, and services we buy and use to make our products. Key contributors to these carbon emissions from our purchased goods and services include multilayer laminate tubes (ABL), paper packaging, and active pharmaceutical ingredients.

Having identified the key contributors to our Scope 3 source to sale emissions, we are focused on systematically reducing their impact. We are also focusing on decoupling emissions from future business growth.

In our 2025 reporting period, Scope 3 emissions from source to sale decreased by 13% from the 2022 baseline, showing continued progress towards our SBTi validated target to reduce Scope 3 emissions source to sale by 42% by 2030. As part of this decrease, upstream transport and distribution emissions reduced by 31% versus 2022, primarily due to a reduction in the use of air freight. Purchased goods and services remain the main driver of our Scope 3 emissions overall. Our Scope 3 strategy is focused on three areas:

- **Optimise:** Short-term actions we can take to decarbonise across our value chain, driven by the co-benefits of other environmental initiatives (for example, lightweighting packaging and switching from virgin plastic to recycled plastic) and by working with our suppliers to incentivise their transition to renewable electricity (see Supplier engagement on page 16 for more details).
- **Re-engineer:** Medium-term actions we can take to reduce our use of carbon-intensive raw and packaging materials or replace them with lower-carbon alternatives.
- **Reinvent:** Long-term actions to reinvent product formats and formulations to dramatically reduce their carbon emissions footprints.

Scope 3 reduction strategy

Short-term (0-4 years)	Medium-term (5-9 years)	Long-term (10+ years)
Optimise	**Re-engineer**	**Reinvent**
		
Value engineering - remove, reduce, replace. Switching from virgin plastic to recycled. Suppliers using renewable electricity. Selecting suppliers with lower emissions. Reduce our use of carbon-intensive raw and packaging materials.	Replace carbon intensive raw and packaging materials with low-intensity alternatives.	Reinvent product formats and formulations with ultra-low carbon footprint alternatives.

[1] Our Scope 3 carbon emissions target spans carbon emission categories from source to sale (excluding GHG-protocol categories 6, 7 and 10-15). It covers mandatory Scope 3 upstream and downstream emissions. It excludes indirect consumer use-phase emissions, such as emissions associated with water used with our products. 2022 baseline year reporting period = 1 January 2022 to 31 December 2022. For further information on our measurement approach see our Basis of Reporting **here**.
[2] Reporting period = 1 July (previous year) to 30 June (current year).
[3] The 2024 results and 2022 baseline Scope 3 estimated emissions differ from the values disclosed in the 2024 Annual Report and Form 20-F and 2024 Responsible Business Report (10%) due to methodology and data improvements, including updated emission factors and granular data for products made at third-party manufacturers. While the change in the Scope 3 metric result is not material, the change in split of emissions across the GHG Protocol categories is material. The restated results better reflect the drivers of our footprint and where we are focusing our actions to reduce Scope 3 emissions.

Cutting carbon emissions in our value chain continued

Materials

Packaging

Across our product packaging, we are working to minimise waste and reduce our dependency on non-renewable sources. We are taking action to reduce our use of virgin petroleum-based plastic in our packaging and to transition to recycle-ready[1] packaging formats, while working with the wider industry to improve the recyclability of consumer health packaging waste. These programmes of work also bring a co-benefit of reducing our carbon emissions footprint.

We have made good progress against our virgin petroleum-based plastic in our packaging and we continue to increase our use of recycled and bio-based[2] plastic in our packaging. We will continue to optimise packaging size and weight to use less plastic, for example by reducing headspace. Our virgin plastic reduction goal is calibrated considering limitations in the use of mechanically recycled plastic for healthcare products. We are working with suppliers to access bioplastics and chemically recycled resins suitable for healthcare products, whilst introducing mechanically recycled plastics in some product formats where permitted.

Transitioning our packaging to recycle-ready formats by 2025 is a key milestone to achieving recyclability for our product packaging by 2030[3] We have met our 2025 goal to develop solutions for all product packaging to be recycle-ready where safety, qualityand regulations permit in line with our 2025 external goal reaching 80%* across our product portfolio in the reporting period. This was driven by the continued global roll out of recycle-ready toothpaste tubes and the continued conversion of our bottles portfolio, including most mouthwash bottles, to recycle-ready packaging.

For the remaining 20% of our product packaging, we expect progress on recycle-ready to increase only marginally going forward, as we expect little to no further available recycle-ready solutions in the near future that meet the stringent safety, quality and regulatory requirements for healthcare packaging. This influences the degree of freedom we have to reduce the use of virgin petroleum-based plastic in these product formats, and therefore to benefit from the corresponding reduction in Scope 3 emissions.

Raw materials

As forests and soils are key carbon sinks, it is important we increase the traceability of our key raw material supply chains in support of our decarbonisation efforts. Our goal is that all key agricultural, forest and marine-derived materials used in our ingredients and packaging will be sustainably sourced and deforestation-free by 2030[4].

We are working to sustainably source the key ingredients we use in our products, helping to protect the environment, biodiversity, and ecosystems we source them from and support the communities who farm and harvest them. Our focus is on our key agricultural, forestry and marine-derived materials. These include palm oil derivatives, paper-based packaging, mint oils and flavours, soy derivatives, and corn and wheat derivatives. We prioritised these based on their use in our product portfolio and the inherent risks in those supply chains.

For our key material supply chains, we use recognised global certification programmes wherever possible, for example:

- Roundtable on Sustainable Palm Oil (RSPO) Mass Balance certification for our palm oil derivatives.
- Forest Stewardship Council (FSC) for our paper packaging materials.
- Programme for the Endorsement of Forest Certification (PEFC) certification for our paper packaging materials.

These certifications help to support responsible land management associated with the materials we use and deliver co-benefits in decarbonisation.

[1] Recycle-ready means packaging that has been developed to be compatible with a targeted existing or emerging recycling infrastructure. By recycling infrastructure we mean the state-of-the-art technology and operations capable of achieving efficient collection, sorting and processing into recycled material feedstocks.
[2] Bio-based plastic means plastic that is wholly or partly derived from materials of biological origin, excluding materials embedded in geological formations and/or fossilised.
[3] Where safety, quality and regulations permit.
[4] 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.
[*] KPMG LLP has issued independent limited assurance over the selected data highlighted on this page with an asterisk (*), which has been extracted from Haleon's 2025 Annual Report and Form 20-F, in accordance with ISAE(UK)3000 and ISAE 3410. See KPMG LLP's limited assurance opinion and the reporting criteria in the Basis of Reporting for further information on the selected data here.

Cutting carbon emissions in our value chain continued

Product impact assessment

Impact assessments

To meet our Scope 3 reduction from source to sale goal of 42% by 2030 versus our 2022 baseline, we are working closely with our category teams to assess the carbon impact of our innovation pipeline and reduce emissions from our existing product formats. We also measure consumer use-phase and end-of-life initiatives and take action where relevant to encourage consumer behaviour change to reduce these emissions, for example by reminding consumers to not leave water running while they are brushing their teeth. We use different tools to conduct impact assessments on innovations and products.

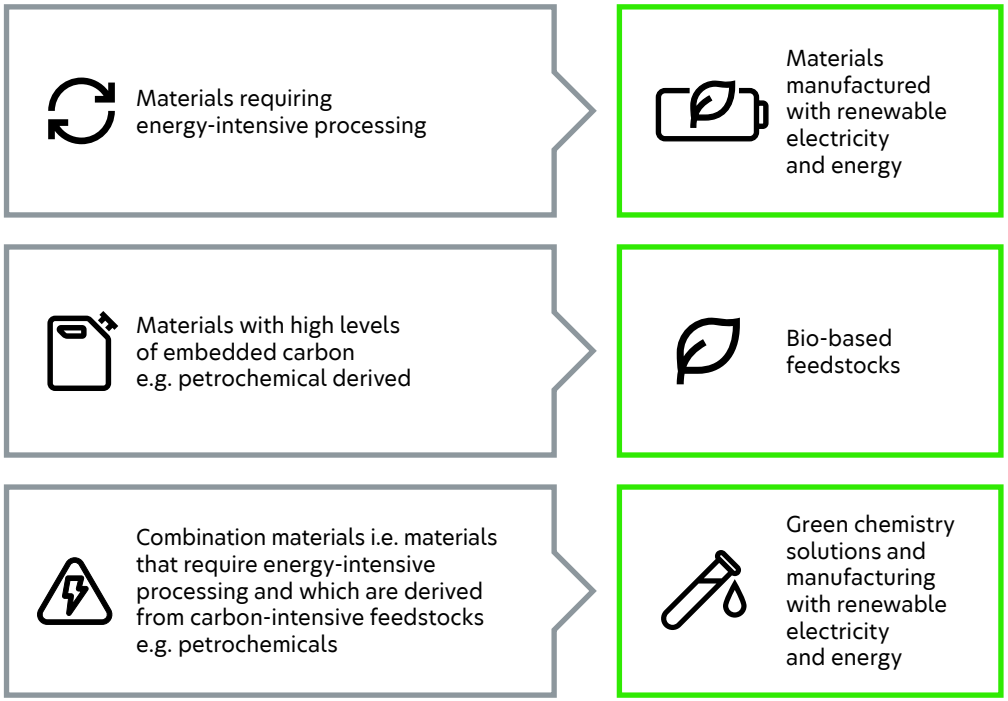
Our Sustainability Impact Assessment Tool (SIAT) is used by teams developing product innovations to assess the carbon impact from the inception of the product design phase. The SIAT assesses innovations from a life-cycle perspective to identify carbon hotspots and to understand if the emissions impact is the same, better, or worse than the previous product. SIAT results help to inform our decisions in product packaging and formulation in support of our carbon reduction and packaging goals. To enable our innovation pipeline to continue to support our decarbonisation goals, we have set standards for SIAT results. In 2025 all new product development projects were assessed using our tool and we set new performance goals, increasing the number of projects scoring better in our enterprise Health Inclusivity and Sustainability scorecards. This will help ensure we are maximising the opportunity to drive carbon reduction whenever we change our products by tracking innovation pipeline performance. We have completed life cycle assessments (LCAs) for 11 priority products to help us better understand and address the impacts that occur across each stage of their life cycles. These assessments have enabled us to identify the most significant carbon hot spots within our value chain for major product types. With additional insights from our suppliers, we now have a clearer view of the emissions associated with our packaging, active pharmaceutical ingredients (APIs), and raw materials.

Based on the main contributors to their carbon footprints, we have grouped our most carbon-intensive raw materials, APIs, and packaging components into three categories:

- Materials requiring energy-intensive processing.
- Materials with high levels of embedded carbon, such as petrochemical derivatives.
- Combination materials that involve both energy-intensive processing and high embedded carbon.

For each of these categories, we are identifying low-carbon solutions and exploring alternative lower-carbon materials. Such as those manufactured using renewable electricity and/or bio-based feedstocks, including waste-derived inputs and green chemistry approaches.

Carbon-intensive materials



Cutting carbon emissions in our value chain continued

We will progress our three-stage strategy to reduce our Scope 3 carbon emissions in line with our goals. Our primary focus will continue to be on the goods and services we purchase, as we continue to work on the 'Optimise' phase of the strategy. This phase involves engaging and supporting our suppliers to accelerate their transition to renewable electricity and driving forward actions which deliver co-benefits with our other environmental commitments, for example by switching from virgin plastic to recycled and bioplastic or alternative materials. In parallel, we will progress priority re-engineering programmes to swap carbon emission-intensive packaging and raw materials for lower-emission alternatives.

In our value chain, we are incentivising the transition to renewable electricity and overall emissions reduction. See pages 16-17 to learn more about Supplier engagement and our partnerships with Johnson Controls and Energize.

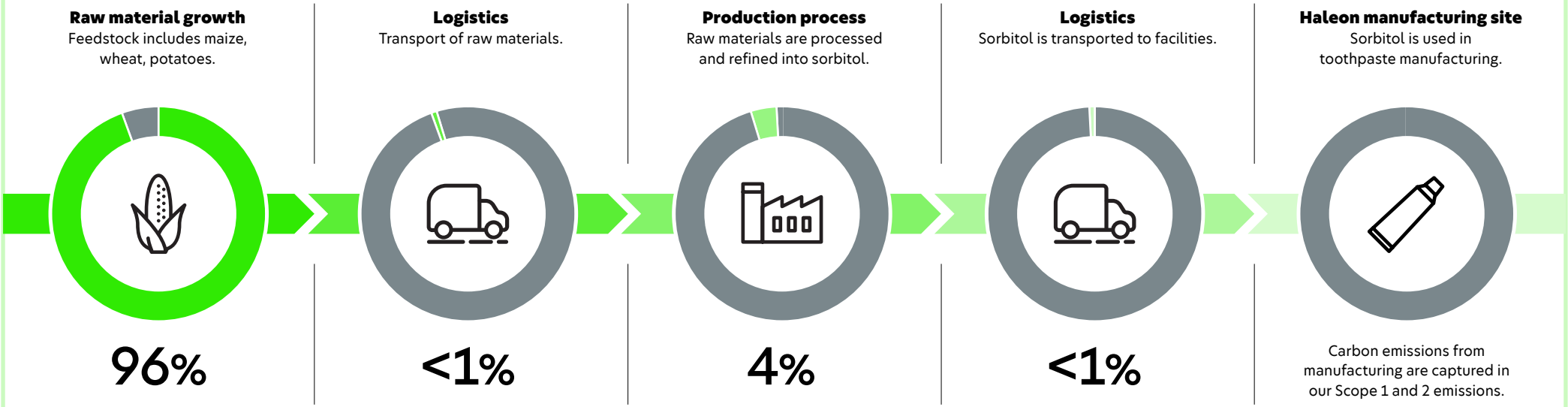
Priority actions

We have agreed our strategic approach and are building a pipeline of projects to drive decarbonisation in our wider value chain across packaging, raw materials and product design. Focusing on the goods and services that we purchase, we are building joint action plans with suppliers to address our highest carbon emission-intensive raw and packaging materials aligned with our three-stage Scope 3 carbon emissions reduction strategy.

Cutting carbon emissions in our value chain continued

Mapping the carbon footprint of key ingredients
Oral Health is a product category that is a key contributor to our carbon footprint due to the size and scale of our business. We are working with our suppliers to obtain information specific to the ingredients we source in our supply chain. Sorbitol is a key ingredient used in toothpastes as a flavouring agent and humectant (an ingredient that prevents toothpaste from drying out). The major carbon impact stage of sorbitol is the raw material growth phase. We are exploring opportunities to source low-carbon humectants to reduce our overall emissions with our existing suppliers for use in our Oral Health products.

Sorbitol carbon footprint[1]



[1] Data is based upon EcoInvent 3.0 emission factors.

Engagement strategy

We believe climate change and everyday health are deeply intertwined, and the scale of the challenge requires systemic change and collaboration. In addition to taking action in our own operations, by working together with others we can galvanise action and have a greater impact. We are committed to working with industry organisations, policymakers, and communities to catalyse action that delivers co-benefits for the climate and people's everyday health. We prioritise engagements that support the decarbonisation of emissions in our direct operations and across our value chain, while driving awareness and action on the links between climate change and health.

Supplier engagement
We seek to help protecting the environment, with a clear ambition to achieve net zero carbon emissions from source to sale by 2040, aligned to guidance from the Climate Pledge and Race to Zero.

Achieving our objectives relies on partnering with suppliers that share our values and demonstrate a commitment to continuous improvement. To support our objectives, we developed our Supplier Sustainability Guidance document, outlining our expectations across critical areas of the programme – such as decarbonisation, human rights, water stewardship, and sustainable sourcing – and suggesting practical measures suppliers can adopt to align with our sustainability goals. Central to this is our Sustainable Supply Chain Programme Pledge where we ask our suppliers to demonstrate their shared commitments to climate action by agreeing to the criteria below:

- Assess and disclose Scope 1, 2, and 3 emissions related to Haleon's business by the end of 2024.
- Develop and submit a science-based target to the SBTi by the end of 2025.
- Transition to 50% renewable electricity in 2024 and achieve 100% renewable electricity by 2025 to get below 0.1 tonnes CO_2e per MWh (using International Energy Agency reference data).
- Work with Haleon in establishing a robust framework for collective action towards net zero, defining shared goals, responsibilities, and key milestones along the way.
- Work with their suppliers to drive decarbonisation of their supply chain.

In addition, embedding carbon pricing into sourcing decisions has been a key lever in driving upstream decarbonisation of our scope 3 emissions with suppliers. By applying a carbon price to supplier bids, we recognise suppliers efforts to decarbonise in our sourcing decisions.

We host supplier engagement and knowledge-sharing sessions to build capability and foster innovation that will support us in delivering circular, low-carbon, sustainable outcomes at scale.

As our Scope 3 carbon impact is largely driven by our upstream supply chain, these initiatives will accelerate our journey to net zero. We are also involved with industry initiatives – that are supporting our suppliers with this transition. Our collaboration with Johnson Controls provides expertise in transitioning to green heat technologies. Together, these interventions create an ecosystem that empowers suppliers to deliver meaningful emissions reductions.

Engagement strategy continued

Industry engagement

Industry and peer collaboration is key to tackling carbon emissions at scale. We are members of a range of industry groups where best practice is shared and collaborative projects are enabled to drive climate action. These groups include The Climate Pledge and Energize.

We are also working with leading standards and industry groups to help achieve our broader environmental aims across sustainable sourcing. This includes the RSPO and Action for Sustainable Derivatives (ASD) for sustainable sourcing of palm oil derivatives. These environmental initiatives support our decarbonisation strategy and help to deliver co-benefits in climate action.

Forum for the Future is a leading non-governmental organisation (NGO) which has expertise in galvanising systems change. We are part of Forum for the Future's Climate and Health Coalition. The Climate and Health Coalition is a multi-stakeholder initiative with a mission to mobilise and equip the private sector to play a key role in accelerating the transformation of our health and climate systems towards outcomes that deliver benefits for both people and the planet. By working through this coalition, we can collaborate with peer companies, partners and experts to contribute to wider systems-thinking on how to take action on climate and health simultaneously.

The Climate Pledge
The Climate Pledge is a cross-sector community of companies, organisations, individuals, and partners, working together to reach net zero carbon by 2040. We are a signatory of The Climate Pledge.

Zeroute
By integrating detailed data on supplier locations, utility prices, emissions factors, operational constraints, and available abatement levers, the Zeroute platform optimises transition pathways to identify the lowest-cost, technically feasible carbon reduction plan for every major material we source. Using our data, Zeroute has modelled and sequenced the most effective abatement actions, enabling us to prioritise the right interventions at the right time to accelerate decarbonisation while minimising cost.

Johnson-Controls
To accelerate the transition away from fossil fuels in our supply chain, Haleon is collaborating with Johnson Controls to help suppliers decarbonise their industrial heat processes. Through this partnership, suppliers can access free consultations and desktop energy assessments tailored to their specific thermal needs. In addition, Johnson Controls offers innovative financial solutions enabling suppliers to adopt cleaner technologies without needing to fund capital investments upfront.

Energize
Energize is a programme by Schneider Electric that aims to help suppliers take action on climate change. It is designed to help accelerate renewable electricity access and adoption for pharmaceutical supply chains through education and functional support.

Sustainability in Dentistry Toolkit
The healthcare sector is responsible for around five percent of global GHG emissions[1], of which oral healthcare is a contributor. Engaging health professionals is also an important mechanism for generating co-benefits for both the climate and people's health. To help address oral health's contribution to reducing global GHG emissions, we collaborated with peer companies and the FDI (World Dental Federation) to contribute to the development of a 'Sustainability in Dentistry' toolkit. Recognising the importance of providing oral health professionals and their teams with the required resources and tools to play an active role in reducing the environmental impact of their dental practices, the resource helps dentists and their teams design and drive action plans to achieve more sustainable practices.

[1] Watts, N. et al (2020) The 2020 report of The Lancet Countdown on health and climate change: responding to converging crises, The Lancet. Available at: https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(20)32290-X/fulltext (Accessed: 1 March 2024)

Engagement strategy continued

Policy engagement

We are committed to working with policymakers in the interests of consumers, innovation and public health, and in compliance with local and international laws particularly in the interests of driving integrated action at scale at the intersection of climate and health. We believe that governments, policymakers, health systems and regulators should work together to address climate change and human health as deeply interconnected issues. We encourage policymakers to work with stakeholders, including industry, to:

- Build an understanding and awareness of the effects of climate change on people's health.
- Develop enabling policy frameworks to encourage investment in, and adoption of, low and zero-carbon technologies, such as renewable energy solutions.
- Participate in coalitions, adopt robust commitments, and drive collective action on private and public sector decarbonisation in pursuit of the Paris Climate Agreement's ambition to limit climate change to well below 2°C, and ideally 1.5°C, above pre-industrial levels.

UN General Assembly, London Climate Action Week and New York Climate Week

In 2025, at the UN General Assembly, we engaged with government representatives, multilateral health authorities and international standard-setters to promote the integration of oral health into the Non-Communicable Disease (NCD) agenda. Through dialogue with senior officials from global health institutions and national delegations, we advocated for recognising oral health as part of systemic health and for embedding prevention and treatment approaches within national and global health policies.

At the 2025 New York Climate Week, we held discussions centred on the health impacts of climate change—especially air-quality-related disease—alongside the policy and regulatory enablers needed to reduce emissions across value chains. We contributed to conversations on upstream supply-chain decarbonisation, clean-energy transitions and the development of regulatory frameworks that can accelerate low-carbon transformation and strengthen climate-health resilience.

World Economic Forum's Alliance for Clean Air

Since 2023 we are members of the World Economic Forum's Alliance for Clean Air, committing to quantify our air pollution footprint, set objectives to reduce our emissions, and act as champions to raise awareness of the impacts of air pollution on health. We publish our Air Quality Emissions Inventory in alignment with their methodology, which you can read in our ESG Data Book **here**.

Economist Impact's Health Inclusivity Index

Since 2022, we have supported Economist Impact in creating the Health Inclusivity Index, the world's first global benchmark assessing government efforts to ensure good health is accessible to all. Phase 1 assessed how countries' health policies and systems enable inclusivity, while Phase 2 assessed the extent to which countries are putting inclusive health policy into action through a survey of over 40,000 people across 40 countries. Published alongside Phase two of the Index, is the deep dive paper, '**A threat to health inclusivity: climate change exacerbates health exclusion**' which examines the impact of climate change on health inclusivity. Key research findings from the paper include how climate change, and related health effects, are not experienced equally, with low income countries facing more significant impacts and marginalised groups experiencing compounded vulnerabilities.

In 2025, **Phase 3** of the Index launched, examining the health and economic benefits of improving health inclusivity across seven everyday health conditions, including those linked to air pollution (ischemic heart desease and chronic obstructive pulmonary disease). We presented our global findings in several global and regional forums, including the UN Climate and Clean Air conference, World Health Organization Conference on air Pollution and Health, World Health Assembly.

Reducing air pollution in line with WHO targets[1] in the 40 Index countries could bring annual economic benefits of

US$100.7 billion

[1] WHO's Global Air Quality Guidelines recommend that the annual average concentration of PM2.5 should not exceed 5 ug/m°

Engagement strategy continued

Community engagement

We are using our climate ambitions to extend our influence in support of communities and health professionals acting on issues that have implications for both climate and health, such as air pollution. Through our trusted brands, we are launching campaigns to help raise awareness of climate change impacts and simple everyday actions individuals can take to help reduce the negative impacts on their health.

Otrivin's Actions to Breathe Cleaner Programme

Air pollution is one of the biggest environmental threats to public health globally, accounting for c.7 million premature deaths every year[1]. Air pollution and climate change are closely linked, with the burning of fossil fuels a key driver of both issues. Transitioning away from fossil fuels into clean, renewable electricity and energy is critical to tackling climate change and improving air quality.

Every year, evidence mounts of the impact air pollution is having on human health, with 9/10 people worldwide breathing polluted air that exceeds WHO safe limits. The impact on respiratory and cardiovascular health is clear and evidence continues to build around impacts on other aspects of health, including cognitive health. It is also an issue of social justice, impacting vulnerable communities disproportionately[2].

Through our respiratory brand, Otrivin, we launched the Actions to Breathe Cleaner programme to help people to mitigate the impact of air pollution on their health. The programme teaches young people about the everyday actions they can take to minimise the health impacts of air pollution, such as changing their route to school to reduce exposure.

[1] Ambient (outdoor) air pollution (2022) Who.int. Available at: https://www.who.int/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health (Accessed: 1 March 2024).
[2] 9 out of 10 people worldwide breathe polluted air, but more countries are taking action (2018) Who.int. Available at: https://www.who.int/news/item/02-05-2018-9-out-of-10-people-worldwide-breathe-polluted-air-but-more-countries-are-taking-action (Accessed: 1 March 2024).

Governance

Board responsibilities
In March 2023, the Board established the Environmental & Social Sustainability Committee, chaired by an Independent Non-Executive Director, Marie-Anne Aymerich. The role of the Committee is to provide effective governance over Haleon's progress against our health inclusivity and sustainability priorities, including climate change.

The Committee also oversees the embedding of robust ethical standards in our operations and value chain. Haleon's decarbonisation strategy and oversight of the Climate Action Transition Plan and its future updates rest with the Committee.

Environmental & Social Sustainability Committee terms of reference.

In addition to the Environmental & Social Sustainability Committee, specific climate change matters are managed by the following board committees:

- The Audit & Risk Committee oversees Haleon's principal risks, including Haleon's principal risk related to environment, social and governance (ESG), which includes climate-related risks.
- The Remuneration Committee supports Haleon's Health Inclusivity and Sustainability strategy, and specifically its climate strategy, by aligning Haleon's Performance Share Plan with ESG performance via the ESG qualifier, which includes our Scope 1 and 2 decarbonisation commitment.

Governance structure

Further information on Board-level committees and their roles and responsibilities can be found here in our latest Annual Report and Form 20-F.

Governance continued

Management roles and accountability

The Global Health Inclusivity and Sustainability team, which sits within our Corporate Affairs department, is responsible for managing climate change governance, strategy development and coordination, while programmes are delivered by Haleon's global functions, global category teams, and business units.

Working groups in our global functions and business units integrate Health Inclusivity and Sustainability principles and initiatives into our strategic planning process, day-to-day responsibilities, and in-year metrics.

Health Inclusivity and Sustainability scorecards at both enterprise-wide and business unit level track metrics on a quarterly basis and include measures for percentage carbon emissions reduction in Scopes 1 and 2, and progress against our Scope 3 decarbonisation roadmap.

The Executive Team and Environmental & Social Sustainability Committee receive quarterly updates on the status of in-year metrics measured on Haleon's Health Inclusivity and Sustainability scorecard and progress towards Haleon's 2025 and 2030 Health Inclusivity and Sustainability goals. The Executive Team and regional leadership teams link scorecard performance to employees' personal objectives and performance where relevant.

In measuring effectiveness and tracking our progress transitioning to a climate-resilient future, we will continue to measure and disclose our carbon footprint annually. Internally, we use our Health Inclusivity and Sustainability scorecards to track against in-year targets towards delivery of our decarbonisation goals that are also related to our Climate Action Transition Plan. Our Executive Team will receive quarterly updates on progress made against our Climate Action Transition Plan alongside Health Inclusivity and Sustainability metrics. The delivery of carbon emissions reduction as part of our Climate Action Transition Plan is considered by our Executive Team as part of our enterprise strategic planning process.

Risk management

Haleon's principal risk related to ESG, including climate-related risks, is monitored through Haleon's risk management framework.
Risk management processes are embedded into the global function and business units' day-to-day activities.

The Sustainability Compliance and Risk Forum (CRF) is responsible for monitoring, assessing and mitigating potential risks that may impact Haleon's Health Inclusivity and Sustainability strategy delivery, including climate change risk. The Sustainability CRF meets monthly and includes the Vice President, Sustainability and members of the Global Sustainability team.

In addition to risks associated with water supply and other impacts of extreme weather events on our operations and supply chain, the scenario analysis we carried out also identified both the potential risk, or opportunity, of changing consumer preferences and carbon taxation. We are responding to changing consumer preferences by taking action to make our products less carbon intensive as described on pages 13-14. By taking these actions, we are also able to make substantiated consumer-facing claims and qualify our products for low-carbon ranges such as Amazon's Climate Pledge Friendly range. To respond to the potential risk of carbon taxation, we are working to reduce our exposure through our activities as outlined in this Climate Action Transition Plan, prioritising action first on carbon-intensive raw and active pharmaceutical ingredients and packaging materials.

More information on risk management, and Haleon's climate-related risks and opportunities can be found **here** in our TCFD disclosure in our latest Annual Report and Form 20-F.

Case study: water risk

The water crisis is inextricably linked to the climate crisis. Climate change impacts – floods, sea level rise, droughts – are threatening the global water supply which in turn increases water stress and impacts access to adequate water and sanitation[1]. We recognise that water used in our operations is a local resource shared with the communities in which we operate.

As part of undertaking our climate risk assessment, we have assessed the impact of water stress on our business. In 2025, we reached our goal of achieving Alliance for Water Stewardship (AWS) core certification across all our manufacturing sites. We will continue to monitor and track compliance with AWS standards.

We are now focusing beyond our own manufacturing sites to the wider water context, taking a long-term view to protect business continuity and help ensure that supply chains are resilient to climate-related impacts. To do this, we are engaging key suppliers and third party manufacturers in water stressed areas[2] in understanding and managing their water impacts. We are also working to identify programmes and partnerships at basin level to enable our eight sites located in water-stressed areas to become water neutral by 2030. Our Cape Town site achieved water neutrality in 2023, and our site in Nairobi, Kenya is starting a programme in 2026 to become water neutral.

[1] Water and Climate Change (2021) Unwater.org. Available at: https://www.unwater.org/water-facts/water-and-climate-change (Accessed: 1 March 2024).
[2] 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.

Governance continued

Incentives and remuneration

Reflecting its strategic importance, our Scope 1 and 2 decarbonisation commitment has been incorporated in our executive incentive structure. The Performance Share Plan (PSP) is a long-term incentive plan and is an element of Haleon's Remuneration Policy for Executive Directors and other key employees. Its purpose is to incentivise and recognise delivery of longer-term business priorities, financial growth and increases in shareholder value. The PSP has an ESG qualifier with thresholds for each of its three measures. Two of the three measures relate to the Climate Action Transition Plan – Scope 1 and 2 carbon emission reduction and recycle-ready packaging.

If any of the thresholds are missed, a reduction in the level of vesting up to 10% could be applied for each missed threshold. Moreover, if the metrics are static or go backwards compared to the baseline, a 25% reduction in the level of vesting could be applied for each measure (i.e., a potential overall reduction of up to 75%). Delivering on our Health Inclusivity and Sustainability goals is fundamental to sustainable strong performance and the Remuneration Committee has therefore deliberately designed a more stringent long-term incentive structure than prevailing market practice. Creating a direct and tangible link between incentive measures and emissions reduction, this structure reflects the significance of decarbonisation within Haleon's strategy.

For more details on the ESG qualifier, see our latest Annual Report and Form 20-F here.

Financing our transition

In 2023, we performed our climate scenario analysis to assess climate-related risks and opportunities and understand the impact of climate change on our existing business model. The results are used to inform strategy and financial planning, including updating our underlying cash flows for our planned actions to meet our climate ambitions. This will be used in developing our strategic planning and budget process throughout our strategic planning cycles.

To meet our Scope 1 and 2 reduction goals by 2030, we have developed a high-level investment plan for sites in Haleon's operational control. This is divided into three areas and includes capital expenditure to:

- Reduce energy consumption at source, including the use of more energy-efficient lighting, motors, heating, and ventilation control.
- Install renewable electricity at our sites to build on the manufacturing sites where renewable capacity currently exists.
- Remove and upgrade fossil-fuelled boilers and replace with electrified alternative heat sources. This is the most significant investment allocated over the next three years as we continue this programme.
- We have incorporated shadow carbon pricing into our capital approval process (£60/tCO_2e) from 2024. This ia reviewed on an annual basis and aligned with the current European Carbon Trading Scheme (ETS).

Climate-related issues are currently being considered as part of our manufacturing site network strategy and investment plans. In the next two years we aim to integrate climate-related issues more widely into Haleon's financial planning process.

Culture and supporting policies

Instilling a workplace culture that aligns with our Health Inclusivity and Sustainability strategy and net zero ambitions is integral to achieving our goals.

Our purpose, culture and behaviours underpin our drive to be a net zero carbon company. Our long-term aim is to achieve net zero carbon emissions from source to sale by 2040, aligned to guidance from The Climate Pledge and Race to Zero.

Our purpose is to deliver better everyday health with humanity. To achieve this, we have defined two ambitions to achieve our purpose: to reach one billion more consumers by 2030 and deliver industry-leading shareholder returns.

Our health inclusivity and sustainability agenda is woven into every element of our Win as One strategy. Four strategic drivers underpin our ambitions, supported by four behaviours that foster an agile, performance-focused culture (see pages 35-39 of the **2025 Annual Report and Form 20-F** for more information on our culture).

Instilling a workplace culture that aligns with our Health Inclusivity and Sustainability strategy and net zero ambitions is integral to achieving our goals. Our long-term aim is to achieve net zero carbon emissions from source to sale by 2040, aligned to guidance from The Climate Pledge and Race to Zero.

In addition, a range of robust ethical standards, policies and practices, including our Code of Conduct, provides a framework to guide our approach in delivering our strategy and business performance.

Capacity building

In embedding the appropriate level of skills, competencies and knowledge in transitioning to net zero carbon, our internal capability platform offers two climate-specific internal training modules available to all employees. The modules cover foundational knowledge on GHG emissions, their measurement, implications on human health and climate risk as well as the Haleon strategy to reduce carbon emissions, the goals we have set, and the functions and work streams involved in achieving the goals.

To build capacity within our R&D function, we have developed the SIAT tool. To learn more about how our teams utilise this tool to assess the carbon impact of innovations, see page 14.

Our Procurement team is integral to our Scope 3 emissions reduction strategy and supporting suppliers in carbon reduction. Within our Procurement team, we have a dedicated sustainability function focused on supporting our net zero ambitions in our supply chain and reducing supplier impact. We are tracking supplier decarbonisation efforts, projects and their projected emission reductions while setting in-year pipeline targets.

In 2023, 2024 and 2025, the Environmental & Social Sustainability Committee conducted deep dive sessions covering the evaluation of our health inclusivity and sustainability strategy, TCFD, climate transition plans, and the impacts of nature and biodiversity loss. As we progress the implementation of our Climate Action Transition Plan, we will continue to maintain Board awareness and education on climate change matters.

We are updating and developing codes, policies and standards to support our teams, suppliers and stakeholders in driving climate action. **Our Environmental Sustainability Policy** outlines standards and commitments Haleon has set to minimise impacts on the environment. It also outlines our approach to engaging with key stakeholders on environmental topics, including the impact of climate change on health, sustainable packaging solutions, sustainable sourcing of key materials, and water stewardship.

Reporting

Data

We remain focused on further improving our data quality in the calculation of our carbon footprint. We use internal data for the calculation of our Scope 1 and 2 footprint. On Scope 3, a key focus has been on incorporating more granular data from our third-party manufacturers. In collaboration with external partners, in 2025 we upgraded the emission factors associated with many of the materials we procure. This process involved a thorough analysis of supply sources, transportation routes, processing methods, and countries of origin for incoming materials.

Additionally, we have utilised supplier-provided product carbon footprints to further enhance the specificity of our data.

This increased transparency is instrumental in targeting our decarbonisation efforts to address the biggest drivers of our footprint, identifying the lowest cost levers to reduce our Scope 3 carbon footprint. Data improvements also support robust measurement and reporting of our carbon footprint across the value chain.

Assurance and external verification

Selected ESG data points disclosed in our Annual Report are subject to independent limited assurance, including Scope 1 and 2 carbon emissions. The GHG emissions assurance is conducted in accordance with International Standard on Assurance Engagements '**ISAE (UK) 3000**' and '**ISAE 3410**'. KPMG LLP's limited assurance statement is available **here**.

Transparency

Transparent reporting is fundamental to our Health Inclusivity and Sustainability strategy and our transition to a net zero future. This Climate Action Transition Plan has been drafted with consideration of the Transition Plan Taskforce (TPT) Framework and the Task Force on Climate-related Financial Disclosures (TCFD) transition plan guidance.

Annually, we respond to the CDP Climate Change questionnaire and disclose our Scope 1 and 2 carbon emissions in alignment with UK SECR in our **Annual Report and Form 20-F**. We have embedded the TCFD framework into our annual reporting to further our understanding and mitigation of climate-related impacts and risks while identifying and adopting opportunities to support our transition.

We support efforts to standardise climate reporting and we keep ourselves informed of the new requirements emerging globally. We continue to prepare the business to be actively ready to disclose against those requirements for which Haleon will fall in scope.

Performance

To measure our effectiveness in driving climate action, it is imperative that we benchmark our progress against peers and broader industry. We publicly disclose our carbon emissions performance to a range of external benchmarking organisations, ESG ratings agencies, disclosure platforms and indices that assess our performance.

Further information on ratings and rankings and our performance can be found here.

- Climate Change: B
- Forest: B
- Water: A-

Additional information regarding our climate reporting can be found via the following channels:

- haleon.com/investors/results-reports-presentations/results
- haleon.com/our-impact/esg-reporting-hub
- haleon.com/our-impact

Disclaimer

This Climate Action Transition Plan contains certain statements that are, or may be deemed to be, 'forward-looking statements' (including for purposes of the safe harbor provisions for forward-looking statements contained in Section 27A of the US Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Forward-looking statements give Haleon's current expectations and projections about future events, including strategic initiatives and future performance, and so Haleon's actual results and performance may differ materially from what is expressed or implied by such forward-looking statements. Forward-looking statements sometimes use words such as 'expects', 'anticipates', 'believes', 'targets', 'plans' 'intends', 'aims', 'projects', 'indicates', 'may', 'might', 'will', 'should', 'potential', 'could', 'looks', 'ambition', 'seeks', 'commitment' 'goal' and words of similar meaning (or the negative thereof). All statements, other than statements of historical facts, included in this Plan are forward-looking statements.

Such forward-looking statements include, but are not limited to: statements relating to future actions and delivery on strategic initiatives; statements relating to Haleon's goals, commitments, targets and Health Inclusivity and Sustainability strategy of reducing its environmental impact; in particular, statements relating to commitments, targets and actions intended to reduce carbon emissions in the Group's own operations and across its value chain (including reducing emissions at the Group's factories, offices and labs as well as within its supply chain (e.g. raw materials, packaging materials, logistics and distribution)), to make our packaging more sustainable, to source our trusted ingredients sustainably, and to integrate water stewardship and waste circularity into our operations.

Any forward-looking statements made by or on behalf of Haleon speak only as of the date they are made and are based upon the knowledge and information available to Haleon on the date of this Climate Action Transition Plan. These forward-looking statements and views may be based on a number of assumptions and, by their nature, involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future and/or are beyond Haleon's control or precise estimate. Such risks, uncertainties and other factors that could cause Haleon's actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under the section headed 'Data' on page 25, the Plan Assumptions on page 8 and the 'Risk Factors' in our Annual Report and Form 20-F. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. Subject to our obligations under English and US law in relation to disclosure and ongoing information (including under the Market Abuse Regulations, the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority ('FCA')), we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should, however, consult any additional disclosures that Haleon may make in any documents which it publishes and/or files with the SEC and take note of these disclosures, wherever you are located.

No statement in this document is or is intended to be a profit forecast or profit estimate.

This document does not form part of the Haleon Annual Report and Form 20-F.