HALEON

# Responsible Business Basis of Reporting 2023

# 2023 Basis of Reporting

This document details the reporting methodology for non-financial Environmental, Social and Governance (ESG) metrics included in our 2023 'Annual Report and Form 20-F', 'Responsible Business Report' and 'Environmental, Social and Governance (ESG) Data Book'.

## Environmental KPIs

**Scope 1 and 2 greenhouse gas emissions and energy**

2023 reporting period: 1 December 2022 to 30 November 2023.

2020 baseline reporting period: 1 January 2020 to 30 December 2020.

All greenhouse gas (GHG) emissions are reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

Scope: As per the GHG Protocol, our data covers our Research and Development (R&D) and manufacturing sites where we have the authority to introduce and implement our operating policies and where we own and maintain the sites' facilities only. We also include our site at Buenos Aires site, Argentina, which is currently under the operational control of GSK and will transition to Haleon's operational control in 2024. The data do not include leased assets as we do not have the authority to introduce and implement our operating policies on these sites.

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Total Scope 1 GHG emissions** | Thousands of tonnes of $CO_2e$ | Direct carbon emissions occurring from sources that we own or control. Emissions sources include emissions from combustion in company owned or controlled boilers, furnaces, sales fleet, and losses from refrigerant leakage in Haleon owned ancillary equipment. | Each Haleon site records energy, fuel (e.g. gas, oil) and refrigerants in an online database (EHS One). The energy data is based on invoice data from utility companies and meter readings. Each energy use is converted to kilowatt hours (KWh), using standard conversion factors and calorific values.<br><br>Carbon emissions are calculated in $CO_2$ equivalents ($CO_2e$) in tonnes by multiplying the amount of energy and fuel in kWh by the associated carbon emission factor, and multiplying refrigerant losses in kg by the associated Global Warming Potential (GWP) per the GHG Protocol Corporate Accounting and Reporting Standard.<br><br>Carbon emissions related to third-party manufacturing for other companies cannot be isolated from those arising from our internal manufacturing and are included. Scope 1 |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | | carbon emissions from third-party manufacturing by others on behalf of Haleon are included in our scope 3 carbon emission reporting.<br><br>Carbon emission factors and calorific factors for the combustion of natural gas, LPG, refrigerants, diesel, and other fuels are sourced from DEFRA.<br><br>Scope 1 emissions were calculated using the following emission factors:<br>-December 2022: DEFRA 2022 Conversion Factors<br>-January - November 2023: DEFRA 2023 Conversion Factors |
| **Total Scope 2 GHG emissions – location-based** | Thousands of tonnes of $CO_2e$ | Indirect carbon emissions occurring from the generation of purchased electricity, steam, chilled water and heating or cooling consumed by Haleon using the average conventional grid emission factors of the country's energy mix without taking any renewable energy contracts into account. | Each Haleon site records purchased electricity and steam in an online database (EHS One). The energy data is based on invoice data from utility companies and meter readings.<br><br>All purchased energy is converted into $CO_2e$ using DEFRA conversion factors while all purchased electricity is converted to $CO_2e$ using IEA emission factors which relies on the average grid emission factor for electricity in the country in which it is purchased.<br><br>Carbon emissions related to third-party manufacturing for other companies cannot be isolated from those arising from our internal manufacturing and are included. Scope 2 carbon emissions from third-party manufacturing by others on behalf of Haleon are included in our scope 3 emissions reporting.<br><br>Scope 2 carbon emissions were calculated using the following emission factors:<br><br>Purchased Electricity<br>-December 2022: IEA 2022 Conversion Factors<br>-January - November 2023: IEA 2023 Conversion Factors<br><br>Purchased Steam<br>-December 2022: DEFRA 2022 Conversion Factors<br>-January - November 2023: DEFRA 2023 Conversion Factors<br><br>$N_2O$ and $CH_4$ emissions are included in DEFRA conversion factors but not in IEA conversion factors as they account for <5% of our total scope 2 location-based emissions and are therefore immaterial.<br><br>Due to the nature of the grid in Puerto Rico, our emission factor for electricity from our Puerto Rico site is from the aggregated energy data from the 2023 IEA emission factors. |
| **Total Scope 2 GHG emissions – market-based** | Thousands of tonnes of $CO_2e$ | Indirect carbon emissions occurring from the generation of purchased electricity, steam, chilled water and heating or cooling consumed by Haleon after | Each Haleon site records purchased electricity and steam in an online database (EHS One). The energy data is based on invoice data from utility companies and meter readings. |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | taking contractual instruments such as renewable energy contracts into account. | All energy purchased is converted into $CO_2e$ using emission factors from contractual instruments purchased where they exist and using average conventional grid emission factors otherwise.<br><br>Renewable energy certificates (RECs) are applied based on RE100 guidance which allows for RECs to be used against electricity consumed in the same country as where the RECs are purchased or used within the same market. We also apply Renewable energy Guarantees of Origin (REGOs) based on RE100 guidance. Whilst REGO agreements may cover more than 12 months, we have pro-rated the REGO agreements for the 12-month reporting period.<br><br>For our Montreal site in 2020 and 2021, we utilized Hydro Quebec's regional emission factors to more accurately reflect the Quebec region's >95% renewable electricity generation, offering a more precise alternative to the Canadian national grid averages for our emissions calculations. From January 2022 and onwards, we have purchased RECs to cover electricity consumption in Montreal.<br><br>The carbon emission factors for scope 2 carbon emissions are applied as per GHG Protocol guidance.<br><br>$N_2O$ and $CH_4$ emissions are included in DEFRA conversion factors but not in IEA conversion factors as they account for <5% of our total scope 2 market-based emissions and are immaterial. |
| **Total Scope 1 & 2 GHG emissions – location based** | Thousands of tonnes of $CO_2e$ | Total carbon emissions from sources that we own or control (direct emissions) and from the generation of purchased electricity, steam, chilled water and heating or cooling consumed by Haleon (indirect emissions). | The sum of total scope 1 carbon emissions and total scope 2 location-based carbon emissions. |
| **Total Scope 1 & 2 GHG emissions – market based** | Thousands of tonnes of $CO_2e$ | Total carbon emissions from sources that we own or control (direct emissions) and from the generation of purchased electricity, steam, chilled water and heating or cooling consumed by Haleon (indirect emissions), after taking contractual instruments such as renewable energy contracts into account. | The sum of total scope 1 carbon emissions and total scope 2 market-based carbon emissions.<br><br>Renewable energy certificates (RECs) and Renewable Energy Guarantees of Origin (REGOs) are applied based on RE100 guidance which allows for RECs to be used against electricity consumed in the same country as where the RECs are purchased or used within the same market. |

# 2023 Basis of Reporting

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Total GHG emissions offset** | Thousands of tonnes of $CO_2e$ | Total amount of carbon emissions offset by reduction or removal of carbon emissions in the same country or region in order to compensate for part of our emissions. | Part of our carbon emissions (steam from our Suzhou plant, diesel for backup electricity generation in case of emergency, and Combined Heat and Power (CHP) for electricity) have been offset.<br>These offsets cover the following:<br>1) Total carbon emissions from purchased steam at our Suzhou and St. Louis plants<br>2) Total carbon emissions at our Tianjin plant<br>3) Total carbon emissions from diesel for back-up electricity generation<br>4) Total carbon emissions from electricity generated by CHP installations<br>5) Total carbon emissions from refrigerant losses<br>6) Total carbon emissions from Haleon-owned fleet for business purposes<br>Whilst the discrete purchasing year for the offsets purchased is the 2023 calendar year, the offsets purchased apply to the December 2022 - November 2023 reporting period. |
| **Reduction in net scope 1 & 2 GHG emissions from a 2020 baseline - market-based** | % | Difference between the net market-based scope 1 & 2 market-based carbon emissions in the current reporting period compared to the 2020 baseline year. | The calculation is as follows:<br>$1 - \frac{(\text{Net amount of market} - \text{based scope 1 \&2 carbon emissions (tCO2e)})}{\text{Total market} - \text{based scope 1 \& 2 carbon emissions (tCO2e) in 2020}})$<br>x 100%<br>The net amount of market-based scope 1 & 2 carbon emissions is calculated by subtracting the total amount of GHG emissions offset from the total amount of market-based scope 1&2 GHG emissions.<br>The reduction in net scope 1 & 2 GHG emissions versus the baseline was calculated by dividing the net market-based scope 1 & 2 carbon emissions in the current reporting period (total market-based scope 1 & 2 emissions minus offsets) by the total market-based scope 1 & 2 carbon emissions in 2020 (when offsets were zero), expressed as a percentage. This reflects the reduction of our carbon emissions and takes our market interventions (renewable electricity and offset purchases) into account. |
| **GHG intensity (location-based)** | Tonnes of $CO_2e$ per million £ revenue | Normalised total amount of carbon emissions per unit of economic output | The sum of total scope 1 carbon emissions and total scope 2 location-based carbon emissions divided by the total amount of revenue in million £. |

# 2023 Basis of Reporting

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Energy** | | | |
| **Total energy consumed** | GWh | Total amount of energy purchased or self-generated, from non-renewable sources (grid electricity, natural gas, diesel, heavy fuel oil, and steam/hot water) and renewable sources (such as solar and biomass). | Each Haleon site records energy purchased or self-generated e.g. gas, oil, and purchased electricity and steam in an online database (EHS One). The energy data is based on invoice data from utility companies, invoices for fuel purchases and meter readings. Sites report energy from fuels in two ways:<br>• Monthly fuel purchase volumes<br>• The purchased fuel volumes are entered in the month the purchase occurs.<br>• On some sites, if the fuel purchased in one month is used over multiple months, the total volume is apportioned across the relevant months, starting from the last month of purchase until the current reporting month<br>• Logged fuel consumption records<br>Energy-related to third-party manufacturing for other companies cannot be isolated from those arising from our internal manufacturing and is included.<br>Total energy consumed is calculated by summing the amount of energy (in GWh) from December 2022 to November 2023 across sites.<br>We acquired the solar facility in Guayama in December 2022 and started including this in total energy consumed from January 2023 onwards. |
| **Total renewable energy** | % | Proportion of energy covered by renewable electricity certificates and energy from renewable sources (such as solar and biomass) out of the total amount of energy purchased or self-generated. | Each Haleon site records renewable energy covered by renewable electricity certificates and energy from renewable sources, e.g. solar energy, biomass, and purchased renewable electricity, in an online database (EHS One).<br>The percentage of renewable energy is calculated by dividing the total amount of renewable energy by the total amount of energy consumed times 100%. |
| **Total electricity consumed** | GWh | Total amount of electricity purchased or self-generated. | Each Haleon site records electricity purchased or self-generated in an online database (EHS One). The electricity data is based on invoice data from utility companies and meter readings.<br>Total electricity consumed is calculated by summing the amount of electricity from December 2022 to November 2023 (in GWh) across sites. Electricity produced by diesel backup generators and Combined Heat and Power (CHP) installations (at our Guayama and Aprilia sites) is not included in this total. However, the fuels used for these sources are accounted for in our total energy calculation. |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | | We acquired the solar facility in Guayama in December 2022 and started including this in total electricity consumed from January 2023 onwards. |
| **Total renewable electricity consumed** | GWh | Total amount of electricity covered by renewable electricity certificates and electricity from renewable sources (such as solar) purchased or self-generated. | Each Haleon site records renewable electricity covered by renewable electricity certificates and electricity from renewable sources used in an online database (EHS One).<br><br>Renewable electricity consumed is calculated by adding total self-generated renewable electricity (in GWh) with total renewable electricity purchased (in GWh).<br><br>Electricity produced by diesel backup generators and Combined Heat and Power (CHP) installations (at our Guayama and Aprilia sites) is not included in this total. However, the fuels used for these sources are accounted for in our total energy calculation.<br><br>We acquired the solar facility in Guayama in December 2022 and started including this in total renewable electricity consumed from January 2023 onwards. |
| **Total renewable electricity** | % | Proportion of electricity from renewable sources (such as solar and biomass) out of the total amount of electricity purchased or self-generated. | Each Haleon site records electricity used in an online database (EHS One). The percentage of renewable electricity is calculated by dividing the total amount of renewable electricity by the total amount of electricity consumed times 100%. |

**Scope 3 greenhouse gas emissions**

Reporting period: 01 July 2022 to 30 June 2023

Baseline reporting period: 01 January 2022 to 31 December 2022

Scope: Most Scope 3 categories utilises data that covers our Research and Development (R&D) and manufacturing sites where we have the authority to introduce and implement our operating policies and where we own and maintain the sites' facilities. We also include our site at Buenos Aires site, in Argentina, which is currently under the operational control of GSK and will complete its transition to Haleon's operational control in 2024.

Where appropriate for the Scope 3 category, we also include commercial sites and further employee data, pension investment data, and real estate portfolio data, amongst other sources. Where appropriate we extrapolate to also cover third-party manufacturing assuming that the product portfolio manufactured by third parties on behalf of Haleon has the same composition as our internal portfolio, and that the energy efficiency of third-party manufacturing sites is similar to the energy efficiency of Haleon's manufacturing sites. We report on all relevant categories as defined in the GHG protocol (all except category 10, 13, and 14, as these are not applicable to Haleon). Our targets span all categories from source to sale (excluding GHG-protocol categories 6, 7, 10-15).

| Category name | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Purchased goods and services** | $tCO_2e$ | All upstream (cradle-to-gate) emissions of purchased goods and services, including raw materials, active pharmaceutical ingredients, packaging materials, products supplied by contract manufacturers, logistics, marketing, corporate services, laboratory, HR services, R&D outsourced services, IT, marketing and sales, water supply, tech, clinical services, project chemicals, medical & regulatory, discovery; pre-clinical & development, lab animal services, and sales. | Each site records transactional data in an online database (ERP system). The quantity and spend are based on invoice data from suppliers.<br>Carbon emissions are calculated by multiplying tonnages by the appropriate carbon emissions factor for each packaging material type, raw and active material (for direct category transactions), and by multiplying spend by the appropriate emission factors for each spend category (for indirect categories).<br>The sum of these calculations determines the total amount of carbon emissions for purchased goods and services. |

## 2023 Basis of Reporting

| Category name | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Capital goods** | $tCO_2e$ | All emissions of purchased capital goods e.g., Industrial machinery, heating, ventilation, and cooling equipment. etc. | Each site records transactional data from the purchase of capital goods in an online database (ERP system).<br><br>Emissions from capital goods are calculated using US EPA Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, applied to Haleon's Capital spend data and adjusted for inflation from 2018 to the reporting year. |
| **Fuel and energy-related activities** | $tCO_2e$ | Well-to-tank emissions of purchased fuels & energy and transmission and distribution losses from purchased electricity | Each site records activity data from fuel and energy consumption in an online database (EHS One).<br><br>Carbon emissions from fuel- and energy-related activities are calculated by applying DEFRA 2023 well-to-tank emissions factors to Haleon's energy and fuel consumption data. |
| **Upstream transportation and distribution** | $tCO_2e$ | Purchased transport & distribution services (freight) | Each site records transactional data from upstream freight in transportation and distribution in an online database (ERP system).<br><br>Carbon emissions from upstream transportation and distribution are calculated using US EPA Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, applied to Haleon's transport and distribution spend data, adjusted for inflation from 2018 to the reporting year, and including unplanned delivery costs from Category 1, 2, and 4. |
| **Waste generated in our Operations** | $tCO_2e$ | Waste and waste-water | Each Haleon site records waste disposal data in an online database (EHS One).<br><br>Carbon emissions from waste generated in operations are calculated using DEFRA 2023 factors applied to waste data by end-of-life, using a commercial and industrial waste factor for solid waste. On-site material reuse is excluded, off-site reuse is treated as recycling, and on-site incineration is considered incineration without energy recovery. |
| **Business travel** | $tCO_2e$ | Hotel stays, train travel & flights, car rental & taxi spend, fuel spend, and company cars | Each Haleon site records business travel in an online database (SAP Concur). |

| Category name | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | (average distance travelled and number of vehicles) | Carbon emissions from hotel stays and train travel are calculated using 2023 DEFRA factors applied to room nights by country and rail distance split by "international rail" if outside the UK and "national rail" if within the UK.<br><br>Carbon emissions from flights are calculated using 2023 DEFRA emissions factors for travel class and distance (short-haul and long-haul). For flights from or to the UK, domestic factors distinguishing between short-haul to/from UK for flights < 3700km, and long-haul to/from UK for flights >3700km.<br><br>Carbon emissions from car rental & taxi spend are calculated using US EPA Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1, adjusted for inflation, applied to spend data.<br><br>Carbon emissions from fuel spend are calculated using IEA global average fuel price for diesel & petrol combined with DEFRA (2023) emissions factor average across petrol & diesel applied to spend data.<br><br>Carbon emissions from company cars are calculated using DEFRA 2023 emissions factor for average vehicle of unknown fuel (WTT + TTW) applied to average distance travelled and number of Haleon vehicles. |
| **Employee commuting** | $tCO_2e$ | A default emissions factor for employee commuting applied to the total full time equivalent (FTE) in each country | The number of full-time employees by country is extracted from Workday.<br><br>A default emissions factor for employee commuting from the Greenhouse Gas Protocol Scope 3 Screening Tool (Quantis) was applied to the total FTE in each country. |
| **Upstream leased assets** | $tCO_2e$ | Energy consumption in leased assets (by country) split into energy sources according to EIA. | Haleon receives a real estate portfolio list from its asset manager (CBRE).<br><br>Carbon emissions from upstream leased assets are calculated using the EU average building energy consumption per m2 is used to estimate leased asset energy consumption, split into energy sources based on IEA ratios. DEFRA 2023 fuel factors and IEA 2021 grid electricity factors were applied to the energy split by country. |

| Category name | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Downstream transportation and distribution** | $tCO_2e$ | Emissions from downstream transport and distribution estimated based on based on the total weight of Haleon products sold, including packaging. | Each site records transactional data in an online database (ERP system).<br><br>Carbon emissions from downstream transportation and distribution are estimated using average data from EUROSTAT. The total weight of products sold, and packaging is converted to road freight distance, assuming each journey moves 14.3 tonnes over 139km, including a return empty journey. The 2023 DEFRA average HGV emissions factor is applied to the total calculated km for a conservative estimate. |
| **Use of sold products** | $tCO_2e$ | Toothpaste (ambient water), denture fixative, denture cleanser (warm water), tablet/caplet/capsule, powder (hot water), and powder (ambient water | Sales data are recorded in an online database (ERP system).<br><br>Carbon emissions from use of sold products are assessed for key products based on sales volume and likely use-phase emissions. This included ambient and warm water consumption for various products, and energy consumption for heating liquids. 2023 DEFRA factors are applied to total water consumption, and IEA global average factors are applied to energy consumption associated with heating liquids. |
| **End-of-life treatment of products** | $tCO_2e$ | Tonnage of packaging split by packaging materials | Each site records transactional data in an online database (ERP system). The quantity and spend are based on invoice data from suppliers.<br><br>Carbon emissions from end-of-life treatment of products are calculated using procurement data on packaging tonnage split by materials. Global average end-of-life treatment ratios are sourced for each material, with a default 80:20 landfill to incineration split for non-recycled waste when material-specific data was unavailable. For unspecified or combined materials, the global average for all waste is used. A scale-up factor to account for third-party manufacturing is included, and 2023 DEFRA emissions factors for waste disposal are applied to the adjusted tonnage of recycled, incinerated, and landfilled materials, using appropriate factors for composite materials. |

## 2023 Basis of Reporting

| Category name | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Investments** | $tCO_2e$ | Total value of pensions | Haleon obtains its pensions and investments data from its pensions trust.<br>The 2022 MSCI All Countries World Index weighted average carbon intensity was applied to the total value of Haleon pensions. |

**Water**

Reporting period: 1 December 2022 to 30 November 2023.

Scope: As per the GHG protocol, our data includes sites where we have the authority to introduce and implement our operating policies and where we own and maintain the sites' facilities only. We also include our site at Buenos Aires site, in Argentina, which is currently under the operational control of GSK and will complete its transition to Haleon's operational control in 2024.

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Total water withdrawal** | Million $m^3$ | Sum of all water drawn from municipal sources, tankers, groundwater, or rainwater | Every Haleon site documents its water withdrawal in the EHS One online database.<br>The data on water withdrawal predominantly comes from three sources: invoices from suppliers, telemetric data from building management systems, and meter readings at our facilities. In instances where it is not feasible for sites to directly measure water withdrawal, estimates are made based on past performance. These estimates are utilised provisionally, until they can be updated with actual measurements.<br>Water data is recorded in $m^3$ and converted to million $m^3$. |

**Packaging recyclability**

2023 Reporting period: 1 July 2022 to 30 June 2023.

Reporting scope: The KPI spans our entire packaging and devices (items that deliver or are integral to delivering product benefits) portfolio.
The calculation is based on our internal manufacturing data and does not include data on third-party manufacturing. For reporting purposes, we extrapolate assuming that the packaging portfolio used by third parties on behalf of Haleon has the same composition as our internal packaging portfolio.

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Recycle-ready packaging** | % | Total amount of recycle-ready product packaging and devices purchased as a percentage of the total amount of product packaging (>99.5% of the total packaging footprint) and devices (<0.5% of the total packaging footprint) purchased in the reporting period.<br><br>'Product Packaging' means primary and secondary packaging and devices a consumer receives when they buy a product. 'Devices' refers to items that deliver or are integral to delivering product benefits (e.g. toothbrush, baby aspirator, patch, measuring cup). It does not include formulated medical devices such as toothpastes and creams/lotions.<br><br>'Recycle-Ready' means 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 | Each Haleon site records the quantity of product packaging and devices purchased in ERP systems.<br><br>To determine the total packaging footprint where this quantity is not recorded in a weight unit of measure, the quantity is converted to weight by multiplying it by the weight of the packaging or device component. The weight data is obtained from a packaging specification system (this represents 50% of the total packaging footprint). Where data is not available in a packaging specification system the data is provided by subject matter experts (SME) (this represents 33% of the total packaging footprint), or the average weight of a group of packaging formats (e.g. we used the manually calculated average weight of a subset of labels and shrink sleeves and applied this average weight across all labels and shrink sleeves in the dataset) (this represents 10% of the total packaging footprint).<br><br>To determine the part of the packaging footprint that is recycle-ready and proven to be compatible with existing or emerging recycling infrastructure, a mapping file at material type level based on expert knowledge is applied. This expert knowledge is based on various industry standard sources, including RecyClass, Association of Plastics Recyclers, Ceflex, industry studies, governmental reports, observations or opinions of packaging experts outside or in Haleon. Where for a fraction of the materials (representing 6% of the packaging footprint) recycle-readiness has not yet been mapped in detail, we conservatively assume this packaging is not recycle-ready.<br><br>The percentage recycle-ready packaging is determined by dividing the recycle-ready part of the packaging footprint by the total packaging footprint, expressed as a percentage. |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | packaging or device happens in practice, at scale, and with reasonable economics. | We are continuously improving our packaging data and reporting methodology and in case of significant changes (>5%) we will restate the results. |

**Virgin plastic reduction**

2023 Reporting period: 1 July 2022 to 30 June 2023.

2022 baseline reporting period: 1 January 2022 to 30 December 2022.

Scope: The KPI spans our entire packaging and devices (items that deliver or are integral to delivering product benefits) portfolio. The calculation is based on our internal manufacturing data and does not include data from our third-party manufacturing. For reporting purposes, we extrapolate assuming that the packaging portfolio used by third parties on behalf of Haleon has the same composition as our internal packaging portfolio.

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Virgin petroleum-based plastic reduction** | % | Difference in the amount of virgin plastic in packaging and devices purchased between the current reporting period and the baseline.<br>'Product Packaging' means primary and secondary packaging a consumer receives when they buy a product. 'Devices' refers to items that deliver or are integral to delivering product benefits (e.g. toothbrush, baby aspirator, patch, measuring cup). It doesn't include formulated medical devices such as toothpastes and creams/lotions.<br>'Plastic' refers to a wide range of synthetic or semi-synthetic materials that use polymer resins as a main ingredient.<br>'Virgin petroleum-based plastic' means plastic that is made from petrochemical feedstock such as natural gas or crude oil that has come from a | Each Haleon site records the quantity of plastic packaging and plastic devices or plastic for devices purchased in ERP systems.<br>To determine the total plastic footprint where this quantity is not recorded in a weight unit of measure, the quantity is converted to weight by multiplying it by the weight of the packaging or device component. The weight data is obtained from a packaging specification system (this represents 50% of the total packaging footprint). Where data is not available in a packaging specification system the data is provided by subject matter experts (SME) (this represents 33% of the total packaging footprint), or the average weight of a group of packaging formats (e.g. we used the manually calculated average weight of a subset of labels and shrink sleeves and applied this average weight across all labels and shrink sleeves in the dataset) (this represents 10% of the total packaging footprint).<br>The total tonnage of virgin plastic is calculated as follows: the weight of all plastic packaging minus the weight of all non-virgin plastic |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | fossilized source and/or embedded in geological formations and has never been used or processed before.<br><br>'Non-virgin petroleum-based plastic' means plastic which has been recovered from plastic waste converted back into plastic either through mechanical or advanced/chemical recycling, or made from a bio-sourced or other novel non-virgin petroleum feedstock(s). | packaging (mechanically recycled plastic, chemically recycled plastic, and biobased plastic).<br><br>The percentage change in the amount of virgin petroleum-based plastic packaging is calculated as follows:<br><br>$\frac{(\text{Virgin plastic in the current period (t)} - \text{Virgin plastic at baseline(t)})}{\text{Virgin plastic at baseline (t)}} * 100\%$ |

**Sustainable sourcing**

Reporting period: 1 July 2022 to 30 June 2023.

Scope: The KPI spans globally managed spend on our key agricultural, forestry- and marine-derived materials. Globally managed spend covers the majority of our internal spend and expands across some of our third-party manufacturing network.

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Sustainably sourced palm-oil derivatives** | % | Proportion of key palm-oil derivatives sourced sustainably.<br><br>'Key palm-oil derivatives' include Glycerine / Glycerol / Glycerin, Sodium Lauryl Sulphate and Cocamidopropyl Betaine / Tego Betaine, which account for >95% by volume of all identified palm oil derived materials purchased by Haleon.<br><br>'Sustainably Sourced' refers to these materials that are physically certified in line with RSPO supply chain certifications (Mass Balance, Segregated or Identity Preserved) or ISCC Plus certification requirements. | Each Haleon site records the quantity of palm-oil derivatives purchased in ERP systems.<br><br>To identify the tonnage of palm oil derivatives within the total tonnage of materials purchased, the words "glycerine", "glycerin", "glycerol", "glicerin" or "glycerol" are searched for in the "material" or "material description" field (or equivalent).<br><br>Similarly, Sodium Lauryl Sulphate, is identified using the keywords "sls","sulfate","lauril","empicol","lauryl","sod laur" and Cocamidopropyl Betaine/Tego Betaine using the words "betaine","betain".<br><br>Within this filtered subset, materials managed by Global Procurement are identified. Next, Glycerine, Sodium Lauryl Sulphate and Cocamidopropyl Betaine/Tego Betaine derived from palm oil or palm kernel oil are identified based on Procurement Managers' or suppliers' knowledge of contracts and materials. |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | | For suppliers that use multiple feedstocks for in-scope derivatives, conversion factors provided by these suppliers help apportion derivatives to the respective feedstocks (e.g., supplier A sells 80% of glycerine from palm oil and 20% from soybean oil). This knowledge is summarized in a mapping table which assigns a percentage feedstock to each relevant supplier-material combination present in the dataset.<br><br>To determine what proportion of palm-oil derived materials is RSPO/ISCC plus certified, a mapping file is used. The information whether palm oil derived material is RSPO certified is provided by suppliers on the invoice or CoA (Certificate of Analysis). Once a month the Procurement Team checks on the RSPO/ISCC website if a supplier's certificate is still valid. The subject matter expert then consolidates this information into a mapping file that helps identify by supplier what palm-oil derived material is RSPO/ISCC Plus certified.<br><br>Then, to calculate the percentage of palm-oil derivatives from sustainably sourced palm-oil derivatives, the total tonnage of sustainably sourced palm-oil derivatives is divided by the total tonnage of palm-oil derivatives, expressed as a percentage. |
| **Sustainably sourced paper-based packaging** | % | Proportion of paper sourced sustainably.<br><br>'Paper' refers to corrugates, cartons, and leaflets made from materials that are harvested from forest environments.<br><br>'Sustainably Sourced paper' refers to paper that is:<br>• Made from fully recycled material (≥97% as declared by the supplier), or<br>• Wholly virgin paper material which has been 'chain of custody' certified through a recognized third-party programme (e.g. FSC, PEFC, or SFI), or<br>• A mix of recycled and virgin paper material, the virgin element of which has been chain of custody certified deforestation-free through a recognized third-party programme | Each Haleon site records the quantity of cartons, corrugates, and leaflets purchased in ERP systems.<br><br>To determine the total paper footprint where this quantity is not recorded in a weight unit of measure, the quantity is converted to weight by multiplying it by the weight of the paper component. The weight data is obtained from a packaging specification system (this represents 50% of the total packaging footprint). Where data is not available in a packaging specification system the data is provided by subject matter experts (SME) (this represents 33% of the total packaging footprint), or the average weight of a group of packaging formats (this represents 10% of the total packaging footprint).<br><br>To determine what proportion of paper is made from ≥97% recycled material or chain-of-custody deforestation-free, a mapping file is used. The information on whether paper is made from ≥97% recycled material or chain-of-custody deforestation-free is provided by suppliers following a request for information. The subject matter expert then consolidates this information into a mapping file that helps identify by supplier what paper is made from ≥97% recycled material or chain-of-custody deforestation-free.<br><br>Then, to calculate the percentage of sustainably sourced paper, the total tonnage of paper is divided by the total tonnage paper that is |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | | made from ≥97% recycled material or chain-of-custody deforestation-free, expressed as a percentage. |
| **Sustainably sourced soy derivatives** | | Proportion of soy derivatives sourced sustainably.<br>'Soy derivatives' refers to materials derived from soy.<br>'Sustainably Sourced soy derivatives' refers to materials derived from soy which were either grown and harvested in a low-risk country based on the SEDEX commodity risk rating, or if the material is sourced from a high-risk country based on the SEDEX commodity risk rating, Haleon has purchased Roundtable on Responsible Soy (RTRS) credits to cover the volume purchased. | Each Haleon site records the quantity of soy-derived materials purchased in ERP systems.<br>To identify the tonnage of soy-derived materials within the total tonnage of materials purchased, the words "soy", "glycerine", "glycerin", "glycerol", "glicerin" or "glycerol" are searched for in the "material" or "material description" field (or equivalent).<br>Within this filtered subset, materials managed by Global Procurement are identified. Next, materials derived from soy are identified based on Procurement Managers' or suppliers' knowledge of contracts and materials.<br>Soy-derived materials to be considered as 'Sustainably Sourced' must be confirmed through Procurement Managers' or suppliers' knowledge as being originated (grown/harvested) from low-risk countries. For soy-derived materials from high-risk countries, the procurement managers then work with their sustainable commodity credits supplier to purchase the equivalent number of RTRS credits to cover these volumes.<br>Then, to calculate the percentage of soy derivatives from sustainable sources, the sum of soy-derived materials from low-risk countries and soy-derived materials from high-risk countries covered by RTRS is divided by the total tonnage of soy derivatives, expressed as a percentage. |
| **Sustainably sourced corn/wheat derivatives** | | Proportion of corn/wheat derivatives sourced sustainably.<br>'Corn/Wheat derivatives' refers to materials derived from corn or wheat.<br>'Sustainably sourced corn- and wheat derivatives' refers to materials for which the corn or wheat feedstock is harvested from a low-risk country based on the SEDEX commodity risk rating, or if the material is sourced from a high-risk country based on the SEDEX commodity risk rating, it has been certified against Haleon's recognized certifications list for corn and wheat (International Sustainability and Carbon Certification (ISCC), | Each Haleon site records the quantity of corn- and wheat-derived materials purchased in ERP systems.<br>To identify the tonnage of corn- and wheat-derived materials within the total tonnage of materials purchased, the words "sorbitol", "citric acid", "fructose", "starch", "ascorbic acid", "dextrose", "xanthan gum", "mannitol", "glucose" and "xylitol" are searched for in the "material" or "material description" field (or equivalent).<br>Within this filtered subset, materials managed by Global Procurement are identified. Next, materials derived from corn and wheat are identified based on Procurement Managers' or suppliers' knowledge of contracts and materials. |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | Sustainable Agriculture Initiative Farm Sustainability Assessment (SAI-FSA), Global Good Agriculture Practice (Global GAP), Red Tractor, or Roundtable Responsible Soy (RTRS) corn certifications), or have been verified by Haleon (or a chosen third party) to adhere to the Haleon crop production standard. | Corn- and wheat-derived materials to be considered as 'Sustainably Sourced' must be confirmed through Procurement Managers' or suppliers' knowledge as being originated (grown/harvested) from low-risk countries. For corn- and wheat-derived materials from high-risk countries, the procurement managers then determine by material, by supplier, and by site whether the material is covered by one of Haleon's recognised certifications based on information from the suppliers and validated by Procurement through evidence provided by suppliers in the form of copies of certificates and/or certification codes.<br><br>Then, to calculate the percentage of corn - and wheat derivatives from sustainable sources, the sum of corn– and wheat-derived materials from low-risk countries and corn- and wheat-derived materials from high-risk countries certified against Haleon's recognized certifications list is divided by the total tonnage of corn – and wheat derivatives, expressed as a percentage. |
| **Sustainably sourced mint oils and flavours** | | Proportion of mint oils and flavours sourced sustainably.<br><br>'Mint oils and flavours' refers to mint oil, menthol, and de-mentholised mint oil (DMO) of natural origin.<br><br>'Sustainably sourced mint oils and flavours' refers to materials for which the mint feedstock is harvested from a low-risk country based on the SEDEX commodity risk rating, or if the material is sourced from a high-risk country based on the SEDEX commodity risk rating then volumes are deemed sustainably sourced if the natural mint is grown by farmers which are part of sustainable agriculture programmes which Haleon recognises under its Healthy Mint Supply Chain requirements. | Each Haleon site records the quantity of mint oils and flavours purchased in ERP systems.<br><br>To identify the tonnage of mint oils and flavours within the total tonnage of materials purchased, the words "Mint", "Menthol", "Mentol", "Menta" and supplier-specific mint flavour names are searched for in the "material" or "material description" field (or equivalent) within the Flavours/Fragrances category group.<br><br>Within this filtered subset, materials managed by Global Procurement are identified. Next, mint oils and flavours of natural origin are identified based on Procurement Managers' or suppliers' knowledge of contracts and materials.<br><br>Mint oils and flavours to be considered as 'Sustainably Sourced' must be confirmed through Procurement Managers' or suppliers' knowledge as being originated (grown/harvested) from low-risk countries. For mint oils and flavours from high-risk countries, the procurement managers then determine the percentage of natural mint grown/harvested by farmers which are part of sustainable agriculture programmes which Haleon recognize under our Healthy Mint Supply Chain requirements.<br><br>Then, to calculate the percentage of natural mint oils and flavours from sustainable sources, the sum of mint oils and flavours from low-risk countries and natural mint oils and flavours from high-risk countries grown/harvested by farmers which are part of sustainable |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | | agriculture programmes which Haleon recognize under our Healthy Mint Supply Chain requirements is divided by the total tonnage of natural mint oils and flavours, expressed as a percentage. |

## Health & Safety KPIs

**Health & Safety**

For the 2023 reporting period, our Health & Safety data is reported for the period 1 January 2023 to 31 December 2023.

| Description | Unit of reporting | Definition | Scope | Methodology |
|---|---|---|---|---|
| **Fatalities** | Number of employees | A death that occurs while a person is at work or performing work related tasks. | All employees and third-party temporary workers across all Haleon operations. | Data reported and recorded in EHS One system. An investigation is undertaken following the Haleon EHS and Engineering standard on Investigation and Reporting. The process allows for 30 days to undertake the investigation. Potentially, if a case occurs at the end of December the final investigation could conclude at the end of January. |
| **Fatalities** | Number of contractors | A death that occurs while a person is at work or performing work related tasks. | All contractors working at a Haleon site or facility. | Data reported and recorded in the EHS One system. An investigation is undertaken following the EHS and Engineering standard on Investigation and Reporting. The process allows for 30 days to undertake the investigation. Potentially, if a case occurs at the end of December the final investigation could conclude at the end of January. |
| **Reportable injury and illness rate** | Rate per 100,000 hours worked | A reportable injury or illness requiring medical treatment beyond first aid. | All employees and third-party temporary workers across all Haleon operations. | All reportable injury and illness cases are reported and recorded in the EHS One system. An investigation is undertaken following the EHS and Engineering standard on Investigation and Reporting. To attain the hours worked, the monthly headcount is multiplied by a standardised 150 hours. The commercial operations in Russia and Germany do not have access to EHS One, but incidents are reported to the central team and are included in the KPI. The process allows for 30 days to undertake the investigation. Potentially, if a case occurs at the end of December the final investigation could conclude at the end of January. |
| **Lost time reportable injury and illness rate** | Rate per 100,000 hours worked | A reportable injury or illness that has resulted in lost time (restricted days / job transfer / days away from work). | All employees and third-party temporary workers across all Haleon operations. | All lost time reportable injury and illness cases are reported and recorded in the EHS One system. To attain the hours worked, the monthly headcount is multiplied by a standardised 150 hours. An investigation is undertaken following the EHS and Engineering standard on Investigation and Reporting. The process allows for 30 days to undertake the investigation. |

| Description | Unit of reporting | Definition | Scope | Methodology |
|---|---|---|---|---|
| | | | | Potentially, if a case occurs at the end of December the final investigation could conclude at the end of January. |
| **Potential Serious Incident or Fatality (pSIF)** | Number of Events | Haleon uses a 1 to 5 rating for classification of its EHS incidents. A potential severity score of 4 or 5, are events which on another occasion had the potential to result in a more serious outcome resulting in a life changing outcome / permanent impairment (score 4) or fatality (score 5). | All employees and third-party temporary workers across all Haleon operations and contractors working at a Haleon site or facility. | All potential serious incidents or fatalities are reported and recorded in the EHS One system. A manual SIF/pSIF excel tracker is used supported with a global weekly call to review all incidents and track SIF/pSIFs. Incidents with a score of 4 or 5 are reported as actual SIFs. The process allows for 30 days to undertake the investigation. Potentially, if a case occurs at the end of December the final investigation could conclude at the end of January. |

## Social KPIs

**Diversity, equity and inclusion**

Reporting period: Measured at 31 December 2023

Reporting scope:

-Permanent employees only (active and on leave) across all locations

-Fixed-term contract (temporary) employees, other non-employee types or external workers/contractors are excluded from the calculation

-Compensation grades 0 to 5 only

-Employees who did not self-identify their gender (blank) or answered: "Prefer Not To Say" are excluded from the calculation

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| **Gender Diversity Ratio in Leadership Roles** | **Percentage** (%) | Ratio of employees in leadership roles who self-identify as female.<br><br>Leadership roles are employees within our compensation grades 0 to 5. These roles include members of the Executive Team, their direct reports (excluding administration support), heads of department and other upper management. | Employees can self-certify their gender during the application process, or at any point once they join the company, on Haleon's Human Resource Information System (HRIS, Workday).<br><br>The gender diversity ratio in leadership roles is calculated as follows:<br><br>• Count the number[1] of employees where gender = "female" within compensation grades 0 to 5 (information available in the HRIS).<br><br>• Count the total number[1] of regular employees within compensation grades 0-5 (excluding employees who did not self-identify their gender or answered "Prefer Not To Say") (information available in the HRIS)<br><br>• Calculate the percentage of female employees in leadership roles (this is done in the Power BI Dashboard) using the below formula:<br><br>**(Number of compensation grade 0-5 employees where gender = "female") / (total # of regular employees within compensation grades 0-5) * 100**<br><br>[1] *Number refers to the actual employee count and not FTE* |

## Health Inclusivity

2023 Reporting period: 1 December 2022 to 30 November 2023

Scope: All markets in which Haleon brand or expert initiatives to improve self-care are active and data is available

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| We aim to empower millions of people a year to be more included in opportunities for better everyday health, empowering 50 million people a year by 2025. | **Number of people empowered**<br><br>Number of people engaging with a Haleon brand or expert initiative to improve their self-care between 1st December and 30th November each year. | **Empowered**: For a person to be empowered they require **agency** (capability to act or to choose what action to take - e.g. skills, knowledge, understanding) and/or **resources** (the means to act - e.g. tools, products) to be more included in opportunities for better everyday health.<br><br>**Opportunities for better everyday health:** The circumstances for people to take proactive steps to maintain and improve their health and quality of life through the products they use as well as the behaviours, habits, and lifestyle they maintain to treat and manage self-limiting conditions, as well as to prevent ill health with or without the support of a healthcare provider.<br><br>**People:** The unit of measure, and our performance is reported | <u>General Reporting Principles</u><br><br>We make all efforts to prepare a complete, accurate and consistent dataset, which reflects true performance and is meaningful to the user of the information. Where any assumptions or estimations have been required, or specific exclusions are made, we have outlined these within this document.<br><br><u>Overview</u><br><br>We measure and report annually against this goal based on the number of people engaging with a Haleon brand or initiative and/or through our network of health professionals, with a view to improving their self-care.<br><br>Initiatives are included in scope following a full assessment of the data available to enable them to be reported in line with the criteria and requirements as set out in this Reporting Methodology. For each initiative in-scope we endeavour to ensure that we report on them as completely as possible, including all markets where data is available to do so.<br><br>To count towards the performance measure, an initiative must meet the following criteria:<br><br>• Be consistent with the aim of improving self-care<br>• Be of appropriate duration – running for at least one quarter of the calendar year<br>• Be supported by a material financial commitment – Haleon contributing at least one quarter of the annual initiative budget if a co-funded initiative or, if a smaller contribution, then only the number commensurate to the proportion of funding Haleon contributes to the initiative will be counted.<br><br>Each initiative is assessed by the Haleon Social Goal Governance Group, a steering group of internal social impact subject matter experts and |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | against the number of whom we engage.<br><br>**Engaging with Brand initiatives:** An activity or set of related activities delivered by a brand with the aim to improve self-care.<br><br>**Engaging with Expert initiatives:** An activity or set of related activities delivered by experts (Health Professionals) with the aim to improve self-care.<br><br>**Self-care:** The ability of individuals, families, and communities to promote health, prevent disease, maintain health, and cope with illness and disability with or without the support of a health worker. | external independent advisors, to validate that they meet each of the criteria above and thus are in scope to be reported.<br><br>Data collection and preparation<br><br>Measurable engagement of people with in-scope initiatives is recorded by the initiative owner, who is the assigned member of Haleon responsible for reporting the initiative.<br><br>Each Haleon initiative owner submits supporting data into the Haleon Social Goal Reporting Platform to clearly evidence the result reported.<br><br>This is then reviewed by the Social Impact Reporting Manager and approved by the Social Impact Director.<br><br>Where any assumptions or estimations have been made, or specific exclusions are made, these are recorded.<br><br>Assumptions<br><br>Assumptions and extrapolations are required across a number of in-scope initiatives.<br><br>Where it has been necessary to apply assumptions and extrapolations during calculation, information or data used for the assumptions has been sourced in a clear order of priority: e.g., internal business systems, commissioned market research, reputable publicly available data sources.<br><br>Data de-duplication<br><br>The risk of double counting exists where:<br><br>• People engage with the same initiative more than once in one year, or<br>• People engage with more than one initiative because the initiatives are run in the same location or are targeted at the same group of people.<br><br>An internal review is conducted to assess this risk by checking:<br><br>• For any instances where different initiatives have been run in the same locations, and<br>• If any repeated initiatives have been run in the same location within the reporting period.<br><br>The risks of double counting people engaging more than once in an initiative is addressed as set out in our Basis of Preparation. In a small number of cases, the same person could theoretically be engaged by multiple initiatives as their self-care needs vary, for example visiting a dentist and a doctor in the same year. Our Social Impact KPI records the |

| Description | Unit of reporting | Definition | Methodology |
|---|---|---|---|
| | | | total number of people engaged by each of the individual in-scope initiatives.<br><br>Data consolidation<br><br>The data is consolidated for each in-scope initiative for the total number of unique people engaging with them to improve their self-care between 1 December and 30 November each year.<br><br>Calculation<br><br>The total unique number of people who have engaged with an in-scope Haleon brand or expert initiative to improve their self-care for the reporting period is aggregated. |

## Appendix 1: Restatement of SECR Disclosure

In our 2023 SECR disclosure, data for 2021 and 2022 has been recalculated in accordance with methodology and data improvements, for example replacing estimates with actuals. The 2022 results have also been re-stated to align with the calendar year, rather than December 2021 – November 2022 as they were reported in the 2022 Annual Report and Form 20-F. As a result, some values differ slightly from the values disclosed in the 2022 Annual Report and Form 20-F.

The table below provides a comparison of these figures. The prior period reported figures are disclosed in brackets [prior year figures]. The figures not included in this table have not been restated. Where appropriate, the global results have additionally been split into UK (United Kingdom) and ROW (Rest of the World).

| **Final sustainability data table (2023)** | **2021** | | **2021 Total** | **2022** | | **2022 Total** |
|---|---|---|---|---|---|---|
| Carbon emissions from our operations | **UK** | **ROW** | **Global** | **UK** | **ROW** | **Global** |
| **Total scope 1 GHG emissions** (thousands of tonnes CO2e, including on-site fuel use, fleet mileage and refrigerant losses) | | | | | 53 [52] | 56 [55] |
| **Total scope 2 GHG emissions (location-based)** (thousands of tonnes CO2e) | | 145 [142] | 148 [145] | | 137 [134] | 140 [137] |
| **Total scope 2 GHG emissions (market-based)** (thousands of tonnes CO2e) | | | | | | |
| **Total scope 1 & 2 GHG emissions (location-based)** (thousands of tonnes CO2e) | | 203 [199] | 209 [205] | | 190 [186] | 196 [192] |
| **Total scope 1 & 2 GHG emissions (market-based)** (thousands of tonnes CO2e) | | | | | 61 [59] | 64 [62] |
| **Total GHG emissions offset** (thousands of tonnes CO2e) | | | | | | |
| **Total net scope 1 & 2 carbon emissions (market-based)** (thousands of tonnes CO2e) | | | | | 51 [50] | 54 [53] |
| **Total energy consumed** (GWh) | 32 [31] | 669 [667] | 701 [698] | | 652 [647] | 681 [646] |
| **Total renewable energy consumed** (GWh) | | 299 [309] | 315 [325] | | | |
| **Total renewable electricity consumed** (GWh) | | 279 [289] | 295 [305] | | 312 [314] | 328 [329] |
| Intensity Ratio | | | | | | |
| **Carbon emissions intensity (location-based)** (tonnes of CO2e per £m revenue) | [Change of units from per tonne of production to per £m revenue] | | | | | |