

Haleon's Sustainability Guidance for Suppliers



HALEON

Oct 2025

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Foreword



HALEON

Foreword

Operating sustainably is an integral part of our business strategy and purpose: **to deliver better everyday health with humanity.** We are committed to reducing our environmental impact, sourcing responsibly, and upholding ethical business practices across our entire value chain.

But we cannot achieve this alone. To meet our sustainability targets we need positive collaboration with all our suppliers globally to deliver the actions needed.

This document clearly summarises the expectations we have of our suppliers and suggests actions that can be taken to align with our sustainability commitments. We specifically need your support to:

- Reduce **carbon emissions**
- Protect and promote **human rights**
- Enable the **health and safety** of workers
- Take **nature positive** action
- Enhance **packaging** sustainability
- **Sustainably source** materials
- Lessen the impact of **waste** materials
- Achieve a sustainable and equitable management of **water**

These factors are increasingly being **integrated into our sourcing decisions** to ensure that we are working with suppliers who support our ambitions. This document is designed to provide guidance on the actions that you can take to align with our commitments, and where to find additional details.

Together, we can build a more resilient, sustainable value chain, and we thank you for your commitment to working sustainably with us.

Chris Low,

Head of Procurement Sustainability & Packaging



How to use this document



HALEON

How to use this document

The intention of this guidance is to provide our suppliers with clarity on the sustainability commitments that we've made, examples of the actions that we're taking, and the requests we have of suppliers across sustainability.

The guidance is relevant to **all our suppliers**, and we strongly encourage you to collaborate with us on actions that can support our sustainability ambitions.

It does not replace existing supplier requirements, such as our [Supplier Code of Conduct](#) or contractual agreements but should be used alongside these other documents to understand what actions can be taken. For further details on our [codes and standards](#) please see the supporting documents linked.

You will find guidance on:

1

Our asks of suppliers

2

Examples of actions we're taking

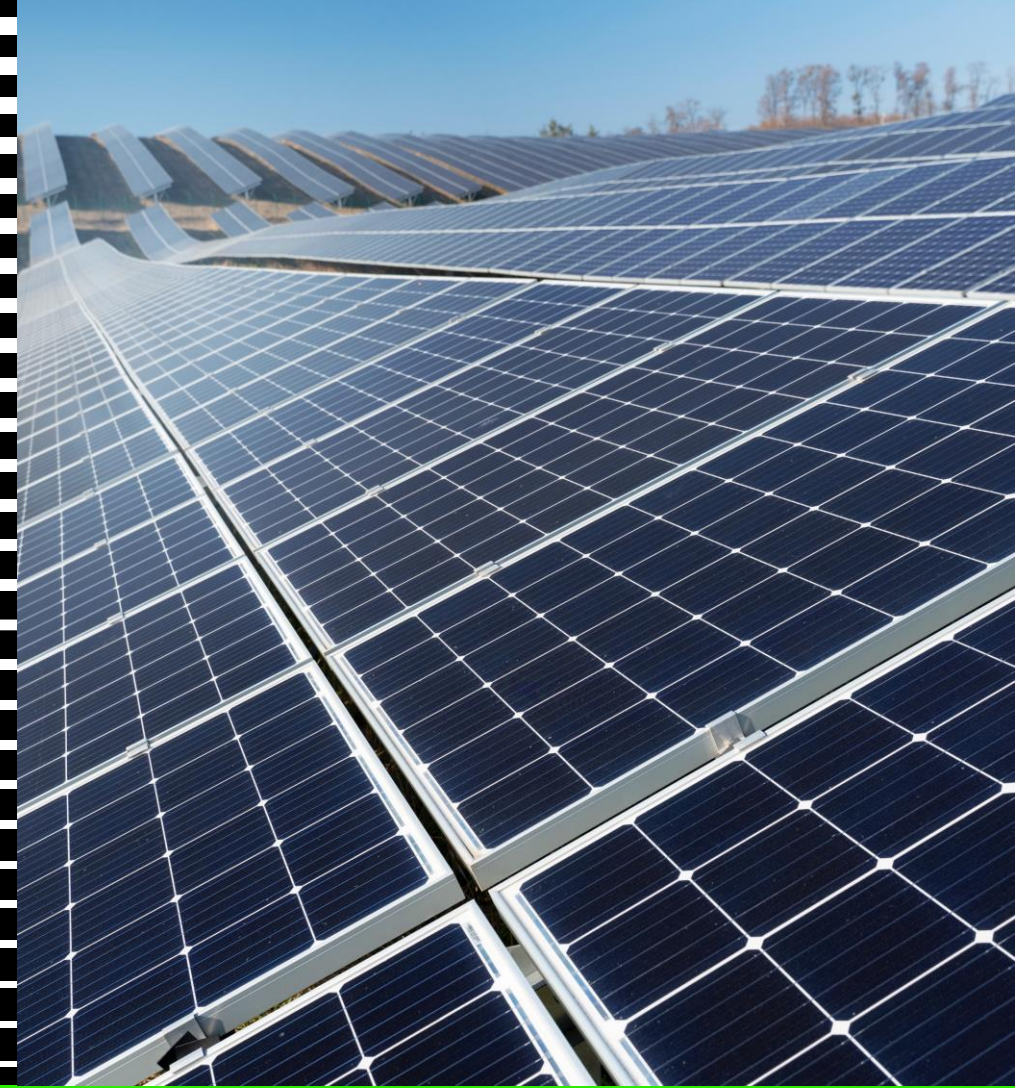
3

Tools and guidance to support your next steps

Key sustainability topics

	Greenhouse gas emissions
	Health and Safety
	Human Rights
	Nature
	Packaging
	Responsible Sourcing
	Waste
	Water

Carbon Emissions



HALEON

Carbon Emissions: Our asks of suppliers

Overview

By aligning with the Paris Agreement, which aims to reduce net greenhouse gas emissions ('emissions') to zero by mid-century, we're doing our bit to avoid the worst impacts of climate change.

We've set short- and long-term targets to govern our progress and we're implementing a range of initiatives to deliver our commitments.

To continue to make the progress we need, we require our suppliers to take progressive actions to decarbonise.

Supplier Requirements

Suppliers should take these steps which make up our Supplier Climate Pledge; a commitment to supporting our climate ambitions through action.



Baseline

Assess and disclose your product or service carbon footprint (PCF) using a recognised methodology by end of 2025.



SBTi-aligned target

Develop and submit a decarbonisation target to the Science Based Targets Initiative (SBTi) by end 2025.



Renewable electricity

Transition HALEON operations to renewable electricity from 2025 onwards, excluding countries with emissions intensity below 0.1 tCO₂e/MWh.



Net Zero roadmap

Develop a roadmap of the reductions that will need to be realised to deliver your net zero target.



Cascade

Drive decarbonisation of your supply chain with your own supplier sustainability programmes or engagement channels.

Carbon Emissions:

Actions and incentivisation

Suggested Actions

We've outlined three tangible actions that you could start taking to help meet our asks based on our own net zero actions.



1 Baselineing and communicating emissions

Suppliers should measure and report greenhouse gas emissions across scopes one, two and three, in line with guidance from the Greenhouse Gas Protocol and ensure compliance with all applicable climate related regulations.

2 Renewable electricity use

Suppliers should transition to 100% renewable electricity across their operations where feasible and demonstrate continuous progress in reducing reliance on fossil fuels.

This could include investing in on-site renewable energy generation, securing power purchase agreements (PPAs), or purchasing good quality renewable electricity certificates (RECs) in line with applicable environmental laws and commitments.

3 Low-carbon heat generation

Suppliers should actively reduce greenhouse gas emissions from heating processes by replacing fossil-fuel based systems with low-carbon alternatives, such as heat pumps, electrification or sustainable feedstocks.

Carbon Emissions:

Actions and incentivisation

Incentivising suppliers to act

Since January 2024 we've used carbon pricing when evaluating supplier tenders. This ensures there is a commercial incentive for suppliers to decarbonise by ensuring that a **product or service with lower emissions has a competitive advantage** against alternatives.

It works by applying a price per tonne of carbon dioxide (CO₂e) to the carbon footprint of a supplier's product or service. Where suppliers don't provide a carbon footprint, a generic emissions factor for the relevant product or service is used, with a 50% uplift.

Example 1

If Supplier A can provide a product for £200/unit with a carbon footprint of 500kg, at a time when the ETS price is £70, they have an evaluation price of $(£200/\text{unit} + £70/\text{tCO}_2\text{e} \times 0.5\text{tCO}_2\text{e})$ £235/unit.

Supplier A has the competitive advantage due to the lower carbon intensity

Example 2

If Supplier B can provide the same product for £190/unit with a carbon footprint of 750kg CO₂e, they have an evaluation price of $(£190/\text{unit} + £70/\text{tCO}_2\text{e} \times 0.75\text{tCO}_2\text{e})$ £242.5/unit.

If a product carbon footprint cannot be shared with us, **we will use an industry average emission factor plus 50%.**

Carbon Emissions: Next steps for our suppliers

The table provides a non-exhaustive list of example actions which might be taken in support of our ambition.

It illustrates the importance of continuously reviewing what actions can be taken regardless of current level of progress.

We invite all our suppliers to collaborate with us to identify and deliver further decarbonisation opportunities.

Increasing Maturity	1 2 3		
	1	2	3
Baseline	Disclose product or service carbon footprints (PCF) for your supplies to Haleon	Begin to use supplier-specific activity data, rather than spend-based emission factors, to inform the scope 3 aspect of your carbon footprints	Calculate your carbon footprints using 100% activity-based data with no use of generic emission factors
SBTi-aligned target	Develop and submit decarbonisation targets to the SBTi for validation	Publicly disclose your SBTi-validated decarbonisation target and report progress annually	Use your SBTi aligned target (and its alignment with peers or customers) in stakeholder engagement to communicate the need for action
Renewable electricity	Source renewable electricity, usually from RECs, PPAs/vPPAs or on-site generation	Undertake energy audits to identify technical, process or behavioural changes that can reduce energy use and cost, and maximise the use of renewable sources	Use renewable electricity to 'electrify' heat generation (particularly for lower-temperature uses) through technologies such as heat pumps
Net Zero glidepath	Share a glidepath for delivering your Net Zero target to inform our supplier emissions projections	Integrate decarbonisation related metrics into decision making and performance review frameworks to incentivise action	Establish working groups to assess options for decarbonising priority and hard-to-abate emission sources (e.g. higher-temperature heat generation)
Cascade	Establish decarbonisation initiatives with your suppliers to support the delivery of your Net Zero target	Set minimum standards and expectations for suppliers including Net Zero glidepaths, contract clauses or carbon pricing	Work within industry and policy groups to advocate wider, faster action targeting priority commodities or impacts (e.g. Energize for pharmaceuticals)

Carbon Emissions: Initial checklist and resources

When engaging your stakeholders on the importance of decarbonisation to your organisation it can be useful to consider the following questions:

1

Baseline

- Has a HALEON recognised methodology (e.g. PACT) been used to prepare our product or service carbon footprint?
- When can activity-based data be used in our carbon footprints?
- Are we getting accurate, reliable data from our suppliers to inform our carbon footprints?
- Direct Material suppliers and CMOs should work with M2030's PCF tool

Resources:

[GHG Protocol scopes 1-2 and scope 3](#); [PACT carbon footprinting](#)

2

SBTi-aligned targets

- Have our existing Net Zero targets been validated by the SBTi?
- Are we transparently reporting progress against our SBTi targets?
- Are our targets aligned with HALEON's ambitions?

Resources:

[Science Based Targets initiative \(SBTi\)](#); [SBTi Net Zero Tool](#) by SBTi

3

Renewable Electricity

- Do we have PPAs or RECs certificates for all our operations?
- Do we track energy use, have an energy reduction plan, and measure our energy carbon intensity?
- Have we conducted energy audits to understand how we could reduce electricity demand and maximise the use of renewables?

Resources:

[Rescale](#) by WBCSD; [Energize](#) (for pharmaceuticals)

4

Net Zero glidepath

- Have we established a glidepath for delivering our Net Zero targets?
- Who is responsible for delivering and updating the Net Zero glidepath?
- Are carbon metrics integrated into decision making or performance frameworks?
- Have we engaged the right partners to support our progress? (e.g. HALEON collaborates with Johnson Controls)

Resources:

[HALEON's Climate Action Transition Plan](#); [Johnson Controls: 8 steps to decarbonisation](#)

5

Cascade

- Do we have a supplier engagement strategy for carbon emissions?
- How many of our suppliers have an existing Net Zero target aligned with our own?
- What is preventing our suppliers from decarbonising faster?
- Do our suppliers have the capability and support to deliver?

Resources:

[Incentivising decarbonisation by WBCSD](#); [Pharmaceutical Supply Chain Initiative \(PSCI\)](#)

Health and Safety



HALON

Health and Safety: Our asks of suppliers

Overview

Our purpose is to deliver better everyday health with humanity, and nothing is more human than keeping one another safe, healthy, and well. While we have various requirements for our suppliers, one aspect is non-negotiable: health and safety. This section of our guidance is compulsory. Our requirements are aimed at ensuring that all our suppliers are taking the necessary actions to prevent injury or illness.

This means integrating health and safety considerations into everyday decisions, ensuring compliance with appropriate standards and law, mitigating risks, fostering a zero-harm culture through leadership and training, and pursuing a cycle of continuous improvement. Suppliers should refer to their contract to understand our right to audit health and safety measures.

Supplier Requirements

At a minimum, all suppliers must follow [Haleon's Supplier Code of Conduct](#)



Working environment

Suppliers must provide a safe, clean, healthy, and sanitary working environment and comply with all relevant health and safety laws.



Health and hygiene

Suppliers must ensure health and hygiene of workers is provided for as relevant at its sites including toilet facilities, access to drinking water and food safety.



Safeguards

Suppliers must implement general and relevant industry-specific procedures and safeguards to prevent workplace hazards and work-related accidents and injuries.



Accommodation and transport

Where suppliers provide accommodation, transportation and/or food for workers, it must be sanitary and safe.



Training and PPE

Suppliers must provide relevant workers with appropriate health and safety training, ensure hazardous materials and chemicals are properly stored, and workers are provided with appropriate personal protective equipment (PPE).

Health and Safety: Initial checklist and resources

To ensure you are compliant with our health and safety requirements you must ensure that you are able to respond to the below checklist. This is not an exhaustive list and intended only to provoke relevant considerations. See our [Supplier Code of Conduct](#) for further details.

1

Working environment

- Our workplace is safe, clean, and compliant with relevant health and safety laws.
- All workspaces are designed to minimise risks (e.g., proper lighting, ventilation, noise control).
- Process to report and investigate workplace accidents, injuries, and near-misses.
- Workers are not exposed to hazardous conditions without protective measures.

2

Health and hygiene

- Workers have access to clean and sanitary facilities, including toilets, drinking water, and food storage.
- Reasonable breaks (toilet, rest, lactation, prayer) are provided without restrictions.
- Measures are in place to prevent the spread of illness and maintain a safe workplace.

3

Safeguards

- Risk assessments are conducted before work begins to identify and control hazards.
- Workplace hazards and non-compliance issues are reported and addressed promptly.
- Store, handle, and dispose of hazardous materials and chemicals safely.
- Comply with HALEON's environment, health, safety and wellbeing policies and applicable legal requirements.

4

Accommodation and transport

- Any worker accommodation meets safety, hygiene, and space requirements.
- Transportation (if provided) is safe, reliable, and legally compliant.
- Food and living facilities (if provided) meet legal health and safety standards.

5

Training and PPE

- All workers receive regular health and safety training, including hazard identification and risk assessment.
- Personal Protective Equipment (PPE) is provided, properly used, and replaced when necessary.
- Workers handling hazardous materials are trained and equipped to do so safely.

Human Rights



HALEON

Human rights: Our asks of suppliers

Overview

Haleon has committed to protecting and promoting human rights across our value chain and we expect the same from our supply chain.

Support from our suppliers is therefore critical. We draw on a global network of suppliers to develop the everyday healthcare our customers need, meaning we must be able to trust our suppliers' chains to be equally committed to protecting human rights as we are.

Supplier Requirements

Suppliers must follow our [Human Rights Policy](#) and [Supplier Code of Conduct](#). The below topics are included in the minimum requirements of suppliers but do not represent an exhaustive list*.

Topic specific asks and requirements



We expect suppliers to respect human rights and follow the minimum standards set out by our Human Rights policy and Supplier Code which include a non-exhaustive focus on:

- Child labour
- Modern Slavery, human trafficking and forced labour
- Freedom of Association
- Fair treatment and no discrimination
- Working Hours
- Wages and remuneration

Overall management system



To meet the minimum standards, suppliers are encouraged to maintain an effective due diligence approach which includes:

- Governance and commitment
- Identification and prioritisation
- Policies and procedures
- Communication and training
- Monitoring and reporting

Human rights:

Minimum supplier requirements and implementation considerations

Modern Slavery, Human Trafficking and forced labour

An effective approach will actively prevent and combat all forms of exploitation by prohibiting forced labour, human trafficking, and slavery within an organisation's operations and supply chains.



Questions to consider for implementation/in practice:

- Policy and Commitment: Do we fully understand and adhere to all relevant anti-slavery and human trafficking laws?
- Risk Assessment: Have we reviewed our own operations and supply chain to identify risks related to modern slavery and forced labour?
- Communication: Are workers fully aware of their rights, including their ability to leave employment freely?
- Communication: Do we ensure contracts are written in a language that workers understand and include clear terms of employment?
- Monitoring and training: Do we train employees to recognise signs of forced labour and human trafficking?
- Remediation: If a case of forced labour is identified, do we have a plan to support affected workers and ensure they receive proper compensation?
- Remediation: Have we taken steps to prevent reoccurrence, such as engaging with suppliers to implement corrective action plans?



See more guidance at [ILO Convention No. 29, ILO Convention No. 105 on the Abolition of Forced Labour](#), and the [UNGPs - Pillar II: The Corporate Responsibility to Respect Human Rights Principle 12](#)



Human rights:

Minimum supplier requirements and implementation considerations

Child labour



Child labour must not be used. Haleon prohibits the use of child labour in its supply chain. Young workers should not perform tasks that harm their wellbeing or disrupt their education. Suppliers must adhere to the International Labour Organization's core labour standards and follow local laws if they require a higher age for employment or mandatory education.



See more guidance at [ILO Conventions 138 \(Minimum Age\)](#) and [182 \(Worst Forms of Child Labour\)](#), [UNCRC 1989 \(Article 32\)](#), and [Children's Rights and Business Principles | UNICEF](#)



Questions to consider for implementation/in practice:

- Policy and Commitment: Do we have a policy or written commitment against child labour, shared with employees and suppliers?
- Age Verification: Do we check and record proof of age (e.g., birth certificate, national ID) for all workers before hiring?
- Communication: Do we communicate our stance on child labour to any subcontractors or suppliers through verbal agreements or contracts?
- Monitoring: Do we conduct audits or basic checks (e.g., site visits, worker interviews) to ensure child labour is not used in our business or supply chain?
- Training: Do we provide training to employees and suppliers on recognising, preventing, and responding to child labour?
- Remediation: If child labour is found, do we have a clear plan in place to safely remove the child, provide support, and prevent recurrence?

Human rights:

Minimum supplier requirements and implementation considerations

Freedom of Association



The organisation must respect employees' rights to freely associate, join trade unions, and engage in collective bargaining without fear of discrimination or retaliation, in compliance with applicable laws.



See more guidance in [ILO Conventions 87 and 98](#)



Questions to consider for implementation/in practice:

- Policy and commitment: Do we allow workers to freely associate with trade unions or other worker organisations where it is legal to do so, without fear of retaliation?
- Communication: Do we have a process in place for constructive dialogue with unions and worker representatives?
- Monitoring and training: Do we conduct periodic reviews to ensure compliance with freedom of association laws (where applicable)?
- Remediation: Are we compliant with local laws and international standards regarding freedom of association and collective bargaining?

Human rights:

Minimum supplier requirements and implementation considerations

Fair treatment and no discrimination



The organisation should be committed to providing an inclusive, respectful, and equitable workplace, prohibiting all forms of discrimination, harassment, and unfair treatment based on personal characteristics.



See more guidance in [ILO Equal Remuneration Convention 100](#) and [ILO Discrimination \(employment and occupation\) Convention 111](#)



Questions to consider for implementation/in practice:

- Policy and commitment: Do we have clear policies to prevent discrimination?
- Policy and commitment: Do we have a zero-tolerance policy for workplace harassment, bullying, or abuse?
- Training: Are managers and supervisors trained to respect and engage constructively with worker representatives?
- Training: Do we provide training for employees and suppliers on fair treatment and anti-discrimination practices?
- Remediation: Do we take corrective action against any instances of discrimination or retaliation?

Human rights:

Minimum supplier requirements and implementation considerations

Working hours



The organisation ensures that working hours comply with legal limits and industry standards, promoting work-life balance, fair rest periods, and preventing excessive overtime.



See more guidance in [ILO Hours of Work Conventions 001 & 030](#) and [ILO Weekly Rest Conventions 106 & 014](#)



Questions to consider for implementation/in practice:

- Policy and Commitment: Do we have policies ensuring that standard working hours and overtime limits follow legal requirements?
- Policy and Commitment: Do we ensure that working hours allow for sufficient rest, breaks, and a safe work environment?
- Communication: Is overtime clearly communicated in advance and compensated fairly, according to legal and contractual requirements?
- Communication: Do we provide workers with clear information about their working hours?

Human rights:

Minimum supplier requirements and implementation considerations

Wages and remuneration

The organisation ensures fair and timely payment of wages that meet or exceed legal and industry standards, promoting financial security and equitable compensation for all employees.



Questions to consider for implementation/in practice:

- Policy and Commitment: Are all workers paid at least the legally required minimum wage, including overtime?
- Policy and Commitment: Do we provide all legally required protections and benefits for pregnancy and maternity?
- Communication: Do we provide workers with clear, itemised payslips showing wages, overtime, and any deductions?
- Monitoring and Training: Do we track compliance with legal wage requirements and ensure no unlawful deductions?
- Monitoring and Training: Do we provide training on fair wage practices and workers' rights to fair compensation?



See more guidance in [ILO Minimum Wage Fixing Convention 131](#), [ILO Protection of Wages Convention 95](#), and [Hours of Work Conventions 001 & 030](#)

Human rights:

Example actions we are taking

We follow a management system approach to human rights which is aligned to industry practices including the OECD* guidelines, which includes having a grievance mechanism in place available to all.

Case Study: Haleon's "[Speak Up](#)" Grievance Mechanism

We are committed to ethical business practices and compliance with international standards. In alignment with the **OECD Due Diligence Guidance for Responsible Business Conduct**, we've implemented an operational-level grievance mechanism to ensure transparency, accountability, and responsible business conduct across our operations and supply chains.



The "Speak Up" Grievance Mechanism

"Speak Up" is a comprehensive grievance mechanism designed to allow anyone - whether internal or external to the business - to report concerns in a secure and accessible manner. Key features of the "Speak Up" mechanism include:

1. Multiple reporting channels
2. A Transparent and fair investigation process
3. A cross-functional investigation team
4. Resolution and feedback



The benefits of our grievance mechanism

- Enhanced corporate integrity and trust among employees, suppliers, and external stakeholders.
- Reduced risks of ethical or legal non-compliance, helping to safeguard the organisation from reputational and financial risks.
- Empowered supply chain workers by ensuring they have access to mechanisms for reporting workplace concerns.

Step up and **Speak Up.**



Human rights: Due diligence to meet minimum requirements

Suppliers must align with our minimum requirements but are strongly encouraged to take further steps to embed the protection of human rights into their strategy and operations.

These approaches are influenced by the OECD approach to human rights due diligence. For more detailed information on the Human Rights that must be respected by HALEON suppliers, please refer to [HALEON's Human Rights Policy](#).

Increasing Maturity	1	2	3
Governance and commitment	High level commitments to respect human rights	Clearly articulated commitment to respect human rights with a focus on most pressing issues, including senior leadership sponsorship & oversight	Forward focused strategy to further embed respect for human rights with clear and measurable objectives
Identification and prioritisation	Initial steps to understand adverse human rights impacts in our own operations	A system for identifying the most pressing human rights issues and/or high-risk locations focusing on the most severe potential negative impacts	Potentially adverse impacts are evaluated across the value chain, and input from potentially affected stakeholders is incorporated into the assessment process
Policies and procedures	Code of conduct or written document outlining fundamental human rights expectations for employees and suppliers	Policies focusing on the most pressing human rights issues with an emphasis on preventing adverse impacts	Transition from prevention to actively enhancing human rights, including financial and non-financial support to suppliers, and industry collaboration
Communication and training	General communication and/or basic training on human rights principles	Tailored human rights training for specific roles and responsibilities	Comprehensive dialogues with both internal and external stakeholders to deepen understanding of human rights issues, creating a continuous feedback and learning loop
Monitoring and reporting	Process for internal stakeholders to report human rights concerns	Complaints mechanism available to all potentially affected stakeholders and ad hoc in-depth human rights assessments; internal and external	Systematic process for regularly evaluating the effectiveness of human rights initiatives and activities

Nature



HALEON

Nature: Our asks of suppliers

Overview

Significant parts of our global economy depend on natural resources; in their supply chain, as ecosystem services, or as natural protections. Yet we know that much of our natural world is suffering deterioration.

We take our responsibility to protect the natural world seriously and are developing a strategic approach to tackling the nature crisis. This will improve our identification and management of risks and opportunities throughout our value chain, and we require the support of our global suppliers to further develop our understanding.

Supplier Requirements

Suppliers are encouraged to take the following actions, with guidance due to follow in the second half of 2025. Establishing traceability, supply chain transparency, and supply chain collaboration should form part of your nature strategy.

 Develop a nature strategy aligned to the ACT-D framework	Suppliers are encouraged to develop a nature strategy which aligns with the Act, Commit, Transform and Disclosure (ACT-D) framework. It is highly recommended that the content for this strategy is drawn from conducting a LEAP assessment (details on the following page) as this is a framework recommended by TNFD and the CSRD.
 Establish greater traceability and supply chain transparency	Suppliers should work to ensure detailed traceability information, including the origin of materials and geolocation can be provided. Adherence to relevant sustainable sourcing certifications like FSC and RSPO is required. Suppliers are expected to invest in their supply chains including support for smallholders, vulnerable and marginalised communities, and sustainable practices as part of Haleon's broader sustainability goals.
 Collaborate across the value chain and beyond	Suppliers are encouraged to align with our standards and practices by participating in third-party engagement programmes and engaging with industry-specific forums and philosophies. Suppliers should be aware of, and working to achieve, nature positive production and contribute to Haleon's environmental goals.

Nature: Using the LEAP assessment to build your nature strategy

Case Study: Developing our nature strategy using the LEAP assessment approach recommended by TNFD

We're inviting our suppliers to work with us to better understand the nature-related risks and opportunities in our supply chain. We recommend that for those that haven't begun to do so, you begin with the Taskforce for Nature Related Financial Disclosure's (TNFD) LEAP methodology as detailed below:

You will find guidance on:

1

Locate The interface with nature

Identify where you and your value chain interfaces with nature to identify priority locations

2

Evaluate Dependencies and impacts

Identify potentially material impacts and dependencies at sites and within supply chains

3

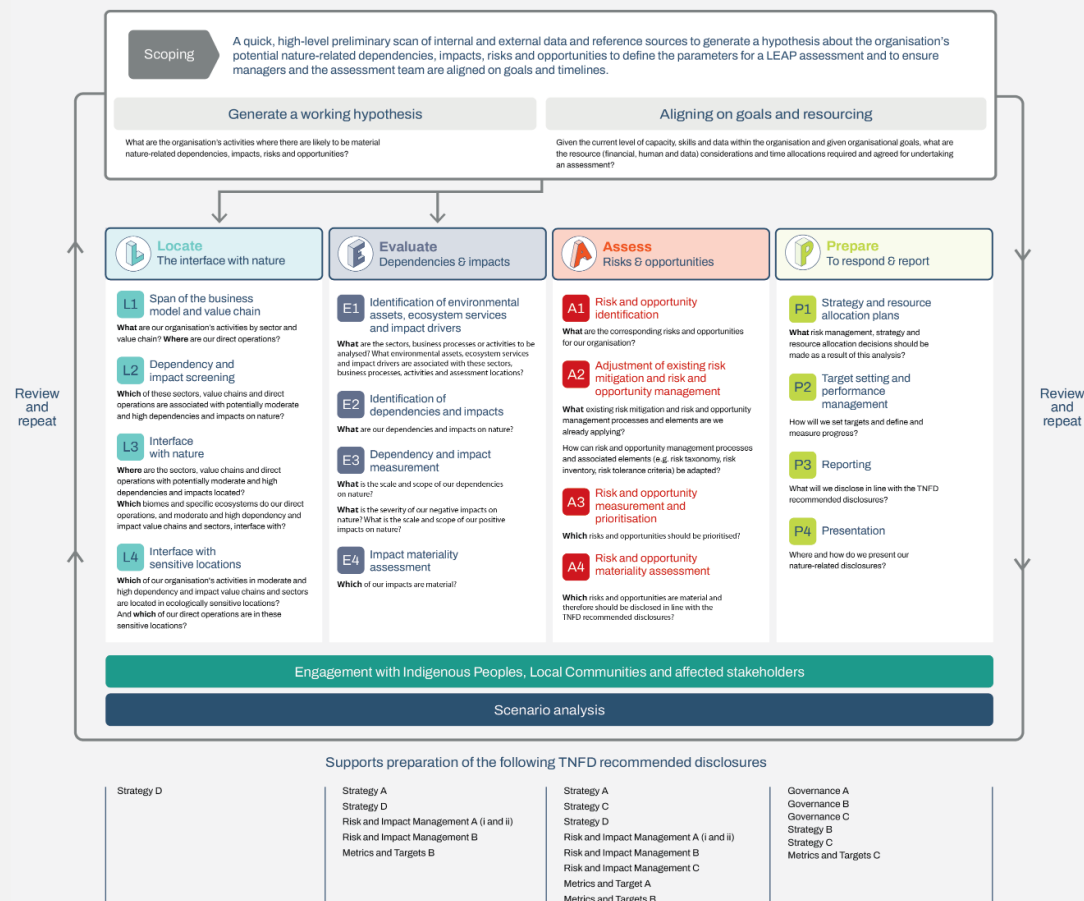
Assess Risks and opportunities

Assess the risks and opportunities created by these impacts and dependencies and how they're being managed

4

Prepare To respond and report

Review existing and planned mitigation actions and communicate with transparency targets that relate to the identified DIROs



Source: [TNFD \(2023\) Guidance on the identification and assessment of nature-related issues: the LEAP approach](#)

Nature: Next steps for our suppliers

This table provides a non-exhaustive list of example actions which might be taken to develop a nature strategy for your organisation.

Developing and then acting on this strategy, using the information developed from undertaking a LEAP assessment, can be expected to provide you with greater supply chain traceability, transparency, and nature-related engagement.

Increasing Maturity	1	2	3
Assess	Assess what would be required to conduct a LEAP assessment of your nature-related dependencies, risks and opportunities	Share the results of your LEAP assessment with HALEON to develop mutual understanding of where further action is required	Undertake scenario-analysis based on your nature-related risks and opportunities to better understand shared risks and opportunities
Commit	Begin plans for developing a strategy and commitments and work with HALEON to align these	Commit to nature-related targets for your most material products and services	Commit to independently validated science-aligned targets through organisations such as the Science Based Targets Network (SBTN)
Transform	Collaborate with your stakeholders to develop nature-positive initiatives that address key impacts and risks	Integrate nature into business operations (e.g. Procurement) to facilitate action through everyday business activity	Implement traceability solutions to provide increased visibility on how the nature-related impacts and risks in your value chain are evolving
Disclose	Ensure compliance with local or regional environmental reporting requirements; including CSRD where relevant	Prepare enhanced disclosures that provide visibility on key nature-related impacts and risks	Prepare disclosures aligned with the TNFD's guidance

Nature: Initial checklist and resources

When engaging your stakeholders on the importance of nature to your organisation it can be useful to consider the following questions:

1

Assess

- What natural resources do we, and our suppliers, rely on? Is there a continuous supply of these resources?
- What would the financial impact be if we couldn't access these resources?
- What would the damage to our reputation be if we were identified as harming natural ecosystems?
- Do we know what extracting key resources does to the environment and the cost of remediation?

2

Commit

- Can a competitive advantage be earned by committing to the use of sustainable materials?
- What changes are needed to ensure we avoid disruption from natural resource unavailability?
- How does our impact on the environment need to change to prevent reputational damage?
- Can commitments be used to engage our stakeholders on actions needed?

3

Transform

- Do we have confidence in the sustainability of our materials? How can we maintain that confidence?
- Could better tracability provide greater resilience and customer trust in our products or services?
- Does our strategy, operations, procurement and supply chain teams have the information they need to make nature-positive decisions?

4

Disclose

- Are we ready for nature-related reporting requirements (e.g. CSRD, TNFD, GRI, CDP)? What would the financial impact be if we couldn't access these resources?
- Do we know what opportunities nature reporting requirements could create for us (e.g. attracting new investors through disclosing aligned with TNDF)?
- What would making nature related disclosures say about our brand or our peers?

Packaging



HALEON

Packaging: Our asks of suppliers

Overview

The integrity and quality of our packaging is important to ensure that our customers receive safe, easy to administer products.

We are also working to ensure that our packaging minimises its impact on the environment. This is why we've made commitments towards reducing the volume of packaging materials we require, and to develop recyclable solutions.

Supplier Requirements

Suppliers should align with the targets and requests below and engage with HALEON to develop their ideas and innovations.



Carbon reduction

Suppliers support our ambition to reduce packaging emissions by establishing their own decarbonisation journey from baseline establishment, developing product carbon footprints, and delivering on the decarbonisation of products supplied to HALEON.



Virgin petroleum based plastic reduction

All suppliers of plastic packaging must support HALEON's ambition by proposing ideas to optimise existing design, innovation and substitution with alternative materials to achieve our goals.



Recyclability

Suppliers are to support HALEON's goal to ensure all packaging is considered recyclable by 2030 through innovation and capacity building across the collection and recycling chain.



Sustainable paper sourcing

Suppliers should set goals and report annually on whether all paper-based cartons, corrugates and leaflet packaging are FSC, PEFC, CFCC or SFI Chain of Custody certified by end of 2025, or have a recycled content of over 97%.

Packaging: Example actions we're taking

Case Study: Haleon's sustainable advancements in toothpaste manufacturing and packaging

We've taken significant steps to reduce the environmental impact of our toothpaste products by improving the recyclability of the packaging tubes we use by using sustainable materials and optimising production processes.

Reducing the use of virgin plastic

Across Europe we're replacing 700 million toothpaste caps, otherwise made with virgin plastic, with bio-resin alternatives.¹

Through this substitution we're removing 2,000 tonnes of virgin plastic from the supply chain, through collaboration with suppliers such as Neste, Sabic, LyondellBasell, Sibio, and Albéa. This concept is now being rolled out to all regions.

Exploring materials with superior recycling capability

We've replaced the aluminium barrier laminates with plastic barrier laminates (PBL) for toothpaste tubes.

Our work involves testing laminate structures and coatings (for example, metallised aluminium or silicon dioxide) to assess what may be feasible for our sachets and stick packs.

We are extending this principle to all other tubes and flexible packaging formats where safety, quality and regulations permit.

Collaborative efforts for industry-wide change

We've worked across our industry to develop solutions such as mono-material tubes. These tubes replace multi-material designs that couldn't be recycled or processed.

Together we have worked with the recycling industry to enhance recognition and understanding so these tubes can be sorted and recycled in practice and at scale.

Results and Impact



Increased recycling rates

Over 2 billion recyclable tubes produced to date, with global initiatives to enhance recycling infrastructure.



Plastic waste reduction

Removing more than 3,000 tonnes of virgin plastic from the supply chain through bio-resin toothpaste caps.

Packaging: Next steps for our suppliers

The table provides a non-exhaustive list of example actions which might be taken in support of our ambition.

Suppliers should align with the foundations for each pillar and continuously aim to take progressive steps that further enhance our joint ability to realise our packaging objectives.

Increasing Maturity	1	2	3
Reducing carbon footprint	Establish product carbon footprints for products supplied to Haleon and implement 100% renewable electricity at converters	Develop plans to reduce carbon intensity of packaging materials and products	Implement plans to decarbonise packaging products and track the impact on goods supplied (e.g. low carbon substrates)
Virgin petroleum based plastic reduction	Make proposals to Haleon as to the most cost-effective ways to achieve these goals by 2025	Identify opportunities to reduce plastic packaging weight and size, and to replace plastic responsibly with better solutions	Incorporate recycled materials where safe to do so (e.g. rPET) and evaluate the cost/benefit of bio-plastics
Recyclability	Assess and classify all packaging supplied in line and identify key barriers to meeting recyclability thresholds	Explore innovations to replace materials that currently do not have a clear path to sustainability - e.g. PVC blisters	Partner with collection and recycling programmes to enable 'difficult formats' to meet the threshold for 'recyclable' e.g. ReLoop
Sustainable paper sourcing	Set goals and report annually on whether all paper-based packaging will be FSC, PEFC, CFCC or SFI Chain of Custody certified by end of 2025, or over 97% recycled content	Demonstrate due diligence capability and readiness to conform with EUDR (for European suppliers); and to provide traceability to geolocation	Use traceability mechanisms to actively support efforts to reduce deforestation and/or nature impacts

Packaging: Initial checklist and resources

When engaging your stakeholders on the importance of packaging to your organisation it can be useful to consider the following questions:

1

Reducing carbon footprint

- Have we considered where it may be possible to reduce the usage of packaging material?
- Are we using 100% renewable electricity?
- Have we set clear targets for reducing emissions?

Resources:

[Haleon's Climate Action Transition Plan](#), [Haleon's Environmental Sustainability Policy](#), [Energize Program registration](#)

2

Virgin petroleum based plastic reduction

- Do you have ideas how to lightweight your products?
- Are there non-virgin petroleum- based plastics that are suitable for the application?
- Have you made a proposal to Haleon?

Resources:

[Haleon's Sustainable Packaging Position](#)

3

Recyclability

- Have we set recycle-ready targets?
- Do we understand if the products we supply currently meet the "recyclability threshold" and if not why not?
- Is there a defined strategy for developing current packaging into reusable materials?

Resources:

[WRAP case study](#); [Haleon Packaging Supplier Requirements](#)

4

Sustainable paper sourcing

- Have we set clear internal policies requiring all paper-based packaging to be FSC, PEFC, CFCC, or SFI certified by 2025?
- Are there opportunities to go beyond certification, such as investing in sustainable forestry initiatives?

Resources:

[Haleon's Sustainable and Deforestation-Free Sourcing of Material Policy Position](#)

Sustainable Sourcing



HALON

Sustainable Sourcing: Our asks of suppliers

Overview

Trust in the ingredients we use is vital to our purpose, which is why we work to maintain that trust.

We strive to only conduct business with third parties that maintain high ethical standards and operate responsibly.

We aim for all our key agricultural, forest and marine derived materials that are used in our ingredients and packaging to be sustainably sourced and deforestation free by 2030.

Supplier Requirements

Suppliers should agree to follow our [Supplier Code of Conduct](#) document. Suppliers are encouraged to align with the below asks.



Due diligence

Identify where materials derive from and conduct a materiality assessment to understand which supply chains are most material to your organisation.



Traceability

Suppliers should provide detailed traceability information, including the origin of materials, geolocation, and adherence to relevant sustainable sourcing certifications like FSC and RSPO.



Standards

Obtain recognised certifications/standards and follow Haleon's [Supplier Code of Conduct](#) and refer to a platform such as [Sedex](#) for due diligence.



Verification

Share/report verification of standards as part of delivered goods.

Sustainable Sourcing: Example actions we're taking

Case Study: Sustainable and Deforestation-Free Palm Oil Sourcing

Palm oil is a high-yielding crop that requires less land to produce higher volumes compared to other oil crops. However, its expansion has significantly contributed to deforestation, habitat loss, and peatland degradation. To address these wider challenges, we have committed to sourcing palm oil sustainably, ensuring it is deforestation-free and produced without peatland loss or exploitation. We have six guiding principles that drive our work with suppliers that can be referenced in our [Sustainable and deforestation free sourcing of material: Our Haleon position](#).

Roundtable on Sustainable Palm Oil (RSPO) Certification

- As of 2023, 91% of our globally managed palm oil-derived materials were certified under the Roundtable on Sustainable Palm Oil Mass-Balance (RSPO MB) system.
- Key RSPO certification standards include:
 - Prohibiting the clearing of High Conservation Value (HCV) or High Carbon Stock (HCS) forests
 - Safeguarding the rights of workers, communities, and indigenous populations

Action for Sustainable Derivatives (ASD)

- Since 2019 we have been an active member of the Action for Sustainable Derivatives (ASD), a collaborative initiative addressing palm oil derivative supply chain issues.
- Our participation in ASD has enabled us to achieve greater transparency of our globally managed materials in our supply chain:
 - **98% traceability** to the refineries supplying our factories
 - **97% traceability** to palm fruit processing mills
 - **76% traceability** to palm oil plantations

Key initiatives for impact:

Sustainable Palm Index (SPI):

We actively participate in ASD's Sustainable Palm Index (SPI), which provides third-party evaluations of our suppliers

Kaleka Mosaik Initiative:

Focuses on sustainable and inclusive production in the Central Kalimantan district, with efforts to restore ecological corridors and protect habitats.

HERrespect Program:

Run by the Sustainable Business Network and Consultancy (BSR), this initiative aims to improve working conditions for women in the palm oil sector.

Sustainable Sourcing: Next steps for our suppliers

The table below provides a non-exhaustive list of example actions which might be taken in support of our ambition.

The foundations row identifies typical first actions suppliers can take to contribute towards Haleon's responsible sourcing objectives. The mature stages of these actions indicate what suppliers can do to further support Haleon's ambitions.

Increasing Maturity	1	2	3
Due diligence	Identify where materials are derived from and conduct a materiality assessment to understand which supply chains are most material	Conduct regular supplier audits and assessments	Set Key Performance Indicators (KPIs) for sustainable sourcing (e.g., carbon footprint reduction, percentage of certified suppliers)
Traceability	Provide traceability information, including the origin of materials, geolocation, and adherence to relevant sustainable sourcing certifications such as FSC for palm and RSPO for palm oil derivatives.	Identify key suppliers and evaluate their sustainability performance Assess risks related to environmental impacts, human rights, and ethical sourcing	Identify all suppliers back to source, including location of each activity
Standards	Obtain recognised certifications and standards where possible, follow Haleon's Supplier code of Conduct and refer to a platform such as Sedex for due diligence	Define sustainability guidelines for suppliers based on industry best practices and certifications (e.g., FSC, Fair Trade, ISO 14001, SA8000)	Encourage your suppliers to adopt sustainable certifications and compliance measures
Verification	Share/report verification of standards as part of delivered goods	Publish sustainability reports or disclosures highlighting achievements and challenges	Engage in continuous improvement by refining strategies based on feedback and new innovations

Sustainable Sourcing: Initial checklist and resources

When engaging your stakeholders on the importance of sustainable sourcing to your organisation it can be useful to consider the following questions:

1

Due diligence

- Have we identified high-risk materials, regions, or suppliers in our supply chain?
- Are we aware of key legal and regulatory requirements?
- Are we engaging with suppliers to improve their compliance with our responsible sourcing policies?

2

Traceability

- Do we have visibility into our direct (Tier 1) suppliers?
- Are we collecting basic data on supplier locations and key sourcing regions?
- Do we disclose full supply chain traceability data to stakeholders (e.g., customers, investors, regulators)?

3

Standards

- Are we familiar with key responsible sourcing standards relevant to our industry (e.g., FSC, Fairtrade, RSPO, RMI, GOTS)?
- Are we integrating sustainability and ethical sourcing standards into procurement contracts?

4

Verification

- Are we conducting basic supplier self-assessments?
- Are we using third-party auditors for verification when necessary?

Waste



HAL=ON

Waste: Our asks of suppliers

Overview

Our global waste strategy is focused on embedding the principles of a circular economy into our operations.

Our goal is to lessen the impacts of the waste we produce by maximising our material and process efficiency, making circular choices where appropriate, and disposing of waste in a responsible way.

Underlying our approach is ongoing work to achieve [Total Resource Use and Efficiency Certification \(TRUE\)](#) at all our manufacturing sites by 2030.

But we want to do more than this by working with our suppliers to minimise the impact of waste across our value chain.

Supplier Requirements

Suppliers must follow the HALEON [Supplier Code of Conduct](#) as a minimum and are encouraged to share ideas with us on how closed loop solutions or circular economy principles can be implemented. The following aspects are areas we require supplier action.



Reduce waste generation

Reduce the volume and intensity of material waste (especially hazardous waste) and ensure the quality of products supplied to HALEON to avoid spoiled material.



Increase waste circularity

Develop a waste circularity strategy with goals to maximise the closed-loop reuse of waste generated, avoid landfill and incineration for non-hazardous material where permitted, and share ways to recycle or return products and their packaging supplied to HALEON.



Maximise the use of resources

Make use of recyclable or reusable materials to minimise the use of virgin materials where safe, legal and appropriate.

Waste: Example actions we're taking

Reduce waste generation

We're working towards reducing our volume and intensity of waste across our manufacturing sites.



Case Study

We're taking steps to avoid the creation of waste by reusing materials and redesigning processes across our operations. Examples include ensuring that our wooden pallets, cardboard boxes and plastic tubing are reused in either our sites or by our suppliers. Support from our suppliers is needed to extend these efforts by sharing ideas on how supplied materials can be reused and/or returned.

Waste: Example actions we're taking

Increase waste circularity

We've set targets aligned to TRUE certification for non-hazardous waste produced at our manufacturing sites, aiming to transition waste further up our waste hierarchy.



Case Study

As we continue our journey towards achieving [TRUE Certification](#) at all our manufacturing sites by 2030, we're collaborating with our waste service providers to divert waste from incineration. The success of our approach is demonstrated at our Kuala Lumpur site where over a 12-month period between 2023 and 2024 we achieved a 97% diversion rate from landfill and incineration for non-hazardous waste, and five of our sites achieved TRUE Certification.



Waste: Example actions we're taking

Maximise the use of resources

We're making use of resources (even those not readily reusable for their original purpose) to maximise the use of the resources we use and produce.



Case Study

A key principle of the circular economy is utilising waste as a resource. Aluminium-barrier laminated (ABL) tubes have great protective properties against light, air, and moisture; but as they are composite materials they cannot be recycled. Working with a circular solutions provider, our manufacturing site in Nyon, Switzerland has repurposed waste from rejected ABL tubes and trimmings to create waste bins that are used on-site to promote waste segregation.

Waste: Next steps for our suppliers

Suppliers must align with Haleon's [Supplier Code of Conduct](#) and refer to [Haleon's Waste and Circularity Policy](#) for further details of the actions we're taking. Proactive action to identify opportunities to reduce the impact of waste, and where collaboration with Haleon may be required, is highly encouraged.

The table to the right provides a non-exhaustive list of example actions which might be taken in support of our ambition.

Increasing Maturity		1	2	3
Due diligence		Establish transparent reporting practices across your operations to identify and manage your waste volume and intensity Ensure a rigorous quality framework to minimise spoiled materials being supplied to Haleon	Establish a cycle of continuous improvement based on Lean principles to analyse waste streams for minimisation opportunities, and improve quality control for products supplied to Haleon	Obtain Total Resource Use and Efficiency (TRUE) certification for your operating sites to ensure minimal waste generation and circular economy principles implementation
Traceability		Develop a waste circularity strategy supported by targets for the volume of waste generated which is recycled, reused or composted in a circular way, and divergence from landfill or incineration	Develop a roadmap for improving the recyclability of your material waste (e.g. solvent separation)	Engage with and support collection and recycling programmes that aim to accelerate consumer recycling of products (e.g. Terracycle)
Standards		Set resource efficiency goals including the measurement and monitoring of recycled materials used in your operations. Establish proper waste segregation at your operations, to ensure waste streams are not contaminated and can be recycled, reused or composted	Implement traceability for key commodities to ensure appropriate sourcing of 'recycled' content within your supply chain	Collaborate with cross-sector peers on innovations which could enable you to source input materials from the waste of others (e.g. the use of sodium bicarbonate created by carbon capture processes)

Waste: Initial checklist and resources

When engaging your stakeholders on the importance of a sustainable waste strategy the following questions can be useful to consider.

1

Reduce the generation of waste

- Have we performed a waste audit recently to understand our current volumes?
- Do we have clear targets for reduction in waste volumes and waste intensity?
- Are our operations optimised to reduce excess materials/waste?
- What quality controls do we have to prevent product spoilage; and how will we manage the disposal of returned products that don't meet Haleon quality requirements?

Resources:

[European Commission's Waste Framework Directive](#)
[Recycle Coach – How to do a waste audit](#)

2

Increase waste circularity

- Could the recyclability of our waste be improved by using alternative materials?
- Could waste be easier to recycle if a process or behavioural change was made to enable better waste segregation?
- Have we collaborated with our waste management suppliers to reduce landfill and incineration where possible?

Resources:

[Ellen Macarthur Foundation resources to support circularity](#)

3

Maximise the use of resources

- Could any of our key commodities be sourced from recycled content?
- Do we track the cost benefits of implementing circular solutions in our supply chain?
- What steps are taken to extend the lifespan of materials such as wood, plastic and intermediate packaging?
- What controls are in place to ensure the veracity of recycled content?

Resources:

[Total Resource Use and Efficiency Certification \(TRUE\)](#)

Water



HAL=ON

Water: Our asks of suppliers

Overview

Our commitments to the responsible use of water includes focussing on the availability and sustainable management of water and sanitation, and the reduction of pharmaceuticals in the environment.

In August 2022 we proudly became a member of the [Alliance for Water Stewardship \(AWS\)](#) which allows us to actively contribute to the sustainability of local water resources by promoting a universal framework. This mission cannot be achieved alone, and we require commitment from our suppliers to achieve a sustainable and equitable management of water resources.

Supplier Requirements

Suppliers must ensure they have all required permits for the use and disposal of water and waste with the potential to adversely impact human or environmental health. These issues must be appropriately managed, controlled and treated prior to release into the environment. Suppliers are encouraged to take actions, as appropriate, on both:



Water stewardship

- Operate in accordance with the principles of good water stewardship
- Work with Haleon to help improve your performance to ensure impact at scale
- Provide access to clean water and sanitation facilities in the workplace and
- support water, sanitation and hygiene (WASH) initiatives



Micropollutants in the environment

- Adopt policies to minimise the volume of micropollutants, including active pharmaceutical ingredients + other micropollutants (API+), entering the environment
- Understand the risk of discharge of API+ in the wastewater of your sites, and take proactive steps to minimise their release into the environment

Water: Example actions we're taking



We aim to achieve Alliance for Water Stewardship (AWS) certification for all our manufacturing sites by 2025 and to achieve water neutrality at our manufacturing sites in water stressed basins by 2030.



We're working on effective solutions and pursuing wider collaborations to address the issue of micropollutants including pharmaceuticals in the environment (PiE).



Water: Example actions we're taking



Case Study: Expanding our focus and efforts in water stressed regions to protect water for people and nature in priority basins.

Our journey towards water neutrality in Cape Town

Our manufacturing site in Cape Town, South Africa, which produces pain relief products such as Grand-pa, is in a water-stressed basin and is central to our water efficiency efforts.

Taking action at our site

Over the past 13 years we have implemented water-saving initiatives at this site including recycling water used on site for use in cooling towers and toilets; capturing and treating rainwater for reuse; installing more energy-efficient water utilities; and raising awareness of water efficiency among the local community through behaviour change programmes. As a result, in 2021 we reduced municipal water use at the site by 53% compared to 2010.

Partnering for greater impact

We've partnered with WWF South Africa to support its water replenishment activities in the Western Cape. Water replenishment projects are vital to South Africa, where demand for water is projected to exceed supply by 17% in 2030¹.

The project is focused on removing non-native plants from the local water catchment area, as the presence of these plants can reduce the amount of freshwater available in affected areas. The project aims to restore 250 hectares in the local catchment area by the end of 2025. It will establish a community-run nursery growing native plant species that will be used as part of the river restoration activities, benefiting the local ecosystem and community.

Through our actions at our Cape Town site, as well as through our partnership with WWF South Africa, we are learning how to be better stewards of local water resources. This will support the delivery of our goal for all our Haleon manufacturing sites to achieve good water stewardship by the end of 2025, with sites in water-stressed basins becoming water neutral by 2030.

Water: Next steps for our suppliers

Haleon suppliers should align with Haleon's minimum requirements using the documents outlined, with further steps available for your organisation to be leading in their sustainability journey.

For more detailed information on Haleon's Water strategy, please refer to [Haleon's Policy Position on Water Stewardship](#).

Increasing Maturity

Water stewardship

1

Pursue action at your sites including, but not limited to:

- Basic water monitoring, leak detection and repair, ensuring regulatory compliance
- Setting of water efficiency goals and regular review of performance

2

Develop an understanding of water stress at site level and identify risks to water availability and quality

Implement fixtures, equipment and process changes to maximise water efficiency and increase water recycling

Track and manage water stress risk at facility or business-unit level

3

Adopt credible 3rd party standards on water e.g. the [Alliance for Water Stewardship Standard](#)

Conduct a water audit

Develop a water stewardship action plan based on the local risks and opportunities

Undertake multi-lateral projects in support of nature-based solutions, community water projects, and closed loop water systems

Participate in public policy formulation where appropriate

Innovate to develop products, services or processes that reduce the demand for water

Micropollutants in the environment

Create and embed policies to reduce the volume of micropollutants, including active pharmaceutical ingredients, entering our environment

Carry out a desktop assessment to assess the risk to the environment from API+ into the environment

Provide training to those involved in API+ manufacture of minimising loss of API+ to wastewater

Continue to monitor and manage the risk of micropollutants through continuous improvement cycles

Implement preventative controls or WWTP technology to treat API+ in wastewater

Collaborate with sector peers on the development and promotion of innovative ideas for wastewater treatment technology

Engage actively in cross-sector forums sharing best practice and advocating for positive changes

Water: Initial checklist and resources

When engaging your stakeholders on the importance of water in your organisation the following questions can be useful to consider:

1

Water stewardship

- Does our organisation have AWS certification at our sites?
- Have we carried out a water audit at our sites to identify efficiency opportunities?
- Have we recently reviewed our water sustainability efforts?
- Have we considered any water stressed areas we operate in?
- How are we responding to local water related risks and opportunities ?

Resources:

[Haleon Water Stewardship Policy Position](#),
[Aqueduct Water Risk Atlas](#),
[Water Resilience Coalition Unicef WASH](#),
[Alliance for Water Stewardship](#)

2

Micropollutants in the environment

- Do we know if there is a risk of elevated levels of API+ in our wastewater?
- What preventative measures can we take to reduce the level of API+ in wastewater?
- Have we considered upgrades which can be made to our water treatment plants?
- Are we developing new solutions for wastewater treatment technology?

Resources:

[Haleon Pharmaceuticals in the Environment Position](#),
[PSCI](#)

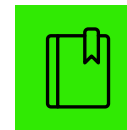


Glossary



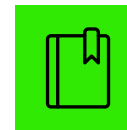
HALEON

Glossary



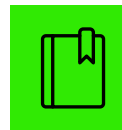
Alliance for Water Stewardship (AWS)	A global standard promoting responsible water use to benefit communities, businesses, and the environment.
ACT-D	A framework for developing a nature strategy comprising assess, commit, transform and disclose.
API+	Micropollutants such as active pharmaceutical ingredients (API) and other ingredients in personal care products that could have an effect on the environment.
Baseline Emissions	The starting measurement of greenhouse gas emissions before reduction efforts are implemented.
Biodiversity	The variety of plant, animal, and microorganism life in a given area, essential for ecosystem balance.
Bonded Labour	A form of forced labour where a person works to pay off a debt, often under unfair conditions.
Carbon Footprint	The total amount of greenhouse gases (CO ₂ and equivalents) of a product, services or activities released due to human activities.
China Forest Certification Council (CFCC)	China's national forest certification system, which is endorsed by PEFC. It ensures sustainable forestry practices in China.
Circular Economy	A sustainable economic model focused on reducing waste by reusing, recycling, and regenerating materials.
Collective Bargaining	Negotiation between employers and employees (or their unions) to determine fair wages and working conditions.
Compliance	Meeting legal, ethical, and sustainability-related standards set by companies, governments, or international organisations.
CO₂e	Carbon dioxide equivalent. A standard measure of the warming impact of a greenhouse gas.
Corporate Sustainability Reporting Directive (CSRD)	A European regulation that requires companies to report on their environmental and social impact.

Glossary



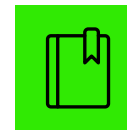
Decarbonisation	The process of reducing carbon emissions, particularly from energy sources like electricity, transport, and manufacturing.
Deforestation-Free	Ensuring that raw materials (e.g., palm oil, paper) are sourced without causing deforestation.
Due Diligence	A structured review process used by companies to assess risks, e.g. in their supply chain, including human rights and environmental impact.
Emissions Intensity	The amount of carbon emissions produced per unit of energy, product, or economic output.
Energy Efficiency	Using less energy to perform the same function, reducing environmental impact.
Ethical Sourcing	The practice of ensuring materials and products are obtained responsibly, with consideration for human rights and the environment.
European Union Emissions Trading Scheme (ETS)	This EU system is a cap-and-trade system designed to reduce greenhouse gas emissions. It works by setting a limit (cap) on total emissions and allowing companies to trade emission permits (allowances) among themselves. This creates a market for carbon, incentivizing companies to reduce their emissions to avoid buying extra allowances.
Fair Trade	A certification ensuring that products are made with fair wages, safe working conditions, and sustainable practices.
Forest Stewardship Council (FSC)	A certification ensuring that wood, paper, and other forest products are sourced sustainably.
Freedom of Association	The right of workers to join unions and engage in collective bargaining.
Glidepath	A step-by-step plan to gradually reduce carbon emissions over time.

Glossary



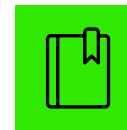
Greenhouse Gases (GHGs)	Gases in the atmosphere that raise the surface temperature of the Earth.
Greenwashing	Misleading claims by companies that exaggerate their environmental sustainability efforts.
Hazardous Waste	Waste materials that can be harmful to human health or the environment if not properly managed.
Human Rights Due Diligence	The process businesses follow to identify, prevent, and mitigate human rights abuses in their supply chains.
ISO 14067	An international standard for measuring the carbon footprint of products using Life Cycle Assessment (LCA) methodology.
Life Cycle Assessment (LCA)	A method for evaluating the environmental impact of a product from raw material extraction to disposal.
Living Wage	A wage sufficient to meet basic living costs, as opposed to the minimum wage, which may be lower.
Mass Balance (MB) Certification	A certification model (e.g., for palm oil) ensuring that sustainable materials are mixed with conventional materials but remain traceable.
Manufacture 2030 (M2030)	A company that offers a platform to measure, manage, and reduce scope 3 supplier emissions, including a tool to support suppliers create PCFs.
Modern Slavery	Exploitative labour practices, including forced labour, debt bondage, and human trafficking.
Nature Positive	A commitment to enhancing biodiversity and ecosystem health rather than merely reducing harm.
Net Zero	The balance between the amount of greenhouse gases emitted and the amount removed from the atmosphere being zero.
Non-virgin petroleum-based plastic	Plastic which has been either (i) recovered from plastic waste converted back into plastic (either through mechanical or advanced/chemical recycling), or (ii) made from a bio-sourced or other novel non-virgin petroleum feedstock(s).

Glossary



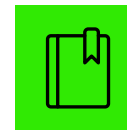
Partnership for Carbon Transparency (PACT)	An initiative powered by the World Business Council for Sustainable Development (WBCSD) that aims to enhance carbon transparency across value chains by providing standardized methodologies for calculating and exchanging product-level carbon footprint data.
Pharmaceuticals in the Environment (PiE)	The presence of pharmaceutical substances in water, soil, or air due to production, consumption, or disposal.
Power Purchase Agreement (PPA)	A long-term contract in which a company buys renewable electricity directly from an energy provider.
Procurement	The process of sourcing and acquiring goods or services for a business. (The department that carries out these activities)
Product Carbon Footprint (PCF)	The total greenhouse gas emissions associated with a specific product throughout its lifecycle.
Programme for the Endorsement of Forest Certification (PEFC)	A leading global forest certification system that promotes sustainable forest management through independent.
Recyclability	The ability of a material or product to be processed and reused at the end of its lifecycle.
Renewable Energy Certificates (RECs)	Certificates that prove electricity was generated from renewable sources, such as wind or solar.
Responsible Sourcing	Ensuring that raw materials and products are obtained in an ethical and sustainable way.
Roundtable on Sustainable Palm Oil (RSPO)	A certification ensuring sustainable palm oil production with minimal environmental and social harm.

Glossary



Science-Based Targets Initiative (SBTi)	A global framework that helps companies set carbon reduction goals in line with climate science.
Scope 1 Emissions	GHG emissions from sources that are owned or controlled by the reporting entity, for example, emissions from combustion in owned or controlled boilers for heating.
Scope 2 Emissions	GHG emissions from the generation of electricity purchased and consumed by the reporting entity.
Scope 3 Emissions	GHG emissions resulting from activities or assets not owned or controlled by the reporting entity, but that the entity indirectly affects by virtue of its value chain.
Supplier Climate Pledge	A commitment made by suppliers to cut their carbon emissions and adopt greener practices.
Supply Chain Resilience	The ability of a supply chain to adapt to disruptions while maintaining operations.
SFI (Sustainable Forestry Initiative) Chain of Custody	A North American certification programme that verifies whether wood-based products are sourced from responsibly managed forests, recycled materials or certified supply chains.
Sustainable Packaging	Packaging designed to minimise environmental impact by using recyclable or biodegradable materials.
Taskforce on Nature-Related Financial Disclosures (TNFD)	A framework helping companies assess and report their impact on nature and biodiversity.
Tonnes CO2e per MWh	Tonnes of CO2 per megawatt-hour. A way to measure how much carbon pollution is released for every unit of energy used.
Traceability	The ability to track the origin, movement, and environmental impact of raw materials through the supply chain.

Glossary



TRUE Certification	A certification recognising businesses that implement zero waste strategies.
Virgin petroleum-based plastic	Plastic that is made from petrochemical feedstock such as natural gas or crude oil that has come from a fossilised source and/or embedded in geological formations and has never been used or processed before.
Virtual Power Purchase Agreement (vPPA)	A financial contract—not a physical energy transaction—where the buyer agrees to purchase Renewable Energy Certificates (RECs) and lock in a fixed electricity price, supporting a renewable energy project and hedging market price volatility.
Waste Circularity	A system in which waste is repurposed or recycled instead of being discarded.
Water neutral	Status of a site when the amount of water replenished in its catchment area exceeds its water withdrawal.
Water Stewardship	Responsible management of water resources to ensure long-term availability and sustainability.
WASH (Water, Sanitation, and Hygiene)	Programmes ensuring access to clean water, proper sanitation, and hygiene practices.

Thank You

