



# **Upholding our standards**

Management approaches – 2022



---

## **Endeavouring to always do the right thing**

### **Respecting human rights**

Our [human rights policy](#) sets out what we expect on human rights from Haleon employees and any third party we engage with. Our Human Rights Steering Committee has executive sponsorship and oversight of our Human Rights programme and a cross-functional Human Rights Working Group ensure the delivery of our strategy and action plan.

We have policies and procedures in place that seek to uphold the core principles of the UN Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises. We also recognise the importance of undertaking human rights due diligence including identifying, preventing, mitigating and remediating potential and actual impacts.

---

### **Protecting the health and safety of our people**

Haleon has a global health and safety policy that is approved by our Executive leadership team and reviewed every two years. The policy describes our commitment, requirements and responsibilities for the health and safety of our people. All Haleon employees, contractors, contracted third parties acting on our behalf, contingent workers<sup>1</sup>, and visitors to our sites are expected to comply with the policy.

Health and safety risks are managed through a governance structure covering all aspects of our business to ensure the appropriate level of risk oversight and performance management.

We have a dedicated team of health and safety experts that help ensure capability, standards, and governance systems are in place to enable us to prevent, identify and mitigate risks. We have also established a management control framework that enables managers to evaluate, investigate and eliminate safety risks.

We seek to embed a strong safety culture throughout the business. We have a comprehensive set of global standards, technical support documents, guidance and tools which set out our health and safety practices and processes for manufacturing sites, corporate offices, and business travel.

We audit and measure performance against these standards across our sites at set frequencies. We track corrective and preventative improvement actions to ensure they are completed. Our global Audit and Assurance team perform thematic health and safety audits across the organisation.

We run risk-based health and safety training for our employees, which covers how to identify and take measures to reduce safety risks in the workplace.

---

### **Prioritising product quality and safety**

Quality and safety management is incorporated into Haleon's [Code of Conduct](#).

You can find more information on product quality and safety at Haleon [here](#).

---

<sup>1</sup> Contingent workers (CW) are temporary workers and it is an umbrella term which includes three global categories; 1. Agency Workers (AW), 2. Statement of Work (SOW) workers, 3. Outsourced (OS) workers'

---

## **Ingredient safety**

Before an ingredient is introduced into a product, our safety, medical and quality professionals evaluate all relevant data and scientific evidence to ensure that we fully understand any potential risks that the ingredient may present. If the ingredient is approved for use in a product, our colleagues continue to collect and evaluate relevant data to ensure that our understanding of its safety profile remains current for as long as the product remains available. This may include vigilance data from our adverse event reporting database, any new studies from peer-reviewed literature, or announcements by relevant Boards of Health.

Further information can be found in [Our HALEON Position on Trusted Ingredients, Sustainably Sourced](#) and in our [material safety data sheets](#).

---

## **Supporting our people's health and wellbeing**

Our aim is to have clear policies and initiatives that enable health inclusivity for all our employees. We have established a governance framework to connect our different health and wellbeing workstream initiatives and to enable a healthy working environment.

### **Trade Unions and collective bargaining agreements**

HALEON recognises an employee's right to join a trade union and, to maintain freedom in doing so, we do not keep a record of trade union membership.

Collective bargaining agreements apply in a number of countries. HALEON has an established European Works Council and many countries have dedicated Information and Consultation bodies, in line with local legislation and practices.

---

## **Championing diversity, equity and inclusion**

We have a number of policies and positions, including our Position on Diversity, Equity & Inclusion (DEI) and a Global Parental Leave Policy to promote a diverse and inclusive workplace. We have diversity representation goals in place including a gender parity goal where our aspiration is to achieve gender parity in our leadership community globally by 2030.

Our people policies and initiatives are reviewed regularly, including by our Board where relevant. They are designed to ensure equal opportunities and to create an inclusive culture, in line with our values and in support of our long-term success.

To set the direction and governance of HALEON's DEI strategy, we've established a Global DEI Council. Sponsored by the Chief Human Resources Officer, the Council has set priorities and drives accountability to initiate and oversee the implementation of our global DEI activity.

Our responsible business scorecard enables us to track progress and support delivery of our goals.

---

---

## **Working with responsible suppliers**

Our [Working with responsible third parties position](#) outlines the standards we expect our suppliers to meet. We are in the process of introducing further guidance on responsible sourcing to provide clarity on social and environmental issues.

### **Screening and assessing supplier risks**

Our third-party risk management (TPRM) is the process Haleon uses to identify and assess the risks of engaging with third-parties. This includes screening new suppliers and assessing existing suppliers based on environmental, social, governance and ethical risks as well as others such as cyber security and human safety. The assessment also considers country-specific, sector-specific, and commodity-specific risks associated with the supplier and the goods and services they provide to Haleon.

Where TPRM highlights a potentially high risk supplier regarding ESG related topics, we use a combination of EcoVadis assessments and Pharmaceutical Supply Chain Initiative (PSCI) audits to assess them. PSCI audits are conducted by independent third-party auditors. During 2023 we are rolling out Sedex assessments across our own manufacturing sites and global supply chain.

We use EcoVadis assessments, Sedex assessments and audits, and PSCI audits to verify information and provide suppliers with corrective action plans to help support continuous improvement.

Each year we complete an assessment of our business-wide risks to identify heightened risks relating to environment, health & safety, human rights and ethical business practices. The results of this annual assessment informs our risk assessment criteria and where to conduct in-depth due diligence for high-risk activity by our suppliers. We risk assess suppliers based on their inherent risk, for ESG topics, which includes assessing these risks in relation to the country the supplier is based in and the type of business activity they undertake for Haleon.

We have a sustainable sourcing strategy, commitment and programme in place to manage the risks in our raw material supply chain. Following a materiality assessment of the agricultural, forestry and marine derived materials we purchase, we have prioritised a number of key raw material supply chains. These include palm oil derivatives, paper, mint, carrageenan, soy derivatives, fish oils, and corn/wheat derivatives. Prioritised key materials are being mapped to source of origin. We aim to conduct appropriate due diligence, leverage globally recognised certifications, or set clear standards where certifications are not available.

Where our annual risk assessment, regular risk management or grievance mechanisms have identified potential risks which may require further investigation, Haleon undertakes targeted in-depth due diligence and may look to suppliers for supporting in these research activities.