

Corporate Governance



Centrum

Centrum is a leading global multivitamin brand, with a range of specially crafted formulations backed by over 40 years of nutritional science. In 2023, the brand launched an award-winning campaign for Centrum Silver, leveraging the results of a study completed with COSMOS that showed the tablets can improve cognitive function and episodic memory for those aged 65+.

The image shown above is taken from the Centrum ‘You Did It’ campaign.

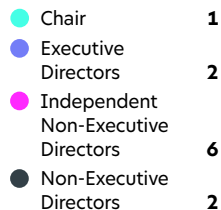
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Our Board of Directors

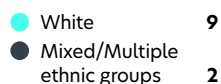
Board composition



Gender



Ethnicity



Board and Committee membership key:

- Committee Chair
- A Audit & Risk
- E Environmental & Social Sustainability
- N Nominations & Governance
- R Remuneration

The detailed breakdown of gender and ethnic representation as required by the Listing Rules is shown on page 79.

Chair and Executive Directors



Sir Dave Lewis
Chair

N

Appointed: 23 May 2022

Skills and experience: Dave was Group Chief Executive of Tesco plc from 2014 until September 2020. Prior to joining Tesco, he spent 28 years at Unilever plc, holding a variety of leadership roles in Europe, Asia and the Americas, including President Americas and Global President for Personal Care.

Other significant appointments:

- PepsiCo Inc. (Non-Executive Director)
- World Wildlife Fund UK (Chair)



Brian McNamara
Chief Executive Officer

Appointed: 23 May 2022

Skills and experience: Brian joined GSK's Consumer Healthcare business as Head of Europe and the Americas in 2015. He was previously at Novartis AG where he held senior leadership roles, including serving as OTC Division Head and as a member of the Novartis Executive Committee. He began his career at Procter & Gamble, where he gained extensive experience in product supply, brand marketing, and customer leadership.

Other significant appointments:

- The Consumer Goods Forum (Board Member)
- Mondelēz International, Inc. (Non-Executive Director)



Tobias Hestler
Chief Financial Officer

Appointed: 23 May 2022

Skills and experience: Tobias joined GSK's Consumer Health Joint Ventures as CFO in 2017. He has previously held a number of local and global finance leadership roles at Novartis in the US and Europe, culminating in the position of CFO at Sandoz, the generics division of Novartis AG.

Other significant appointments:

- No external appointments

Independent Non-Executive Directors



Manvinder Singh (Vindi) Banga
Senior Independent Non-Executive Director (SID)

A N R

Appointed: 18 July 2022

Skills and experience: Vindi spent 33 years at Unilever plc, culminating in becoming President of the Global Foods, Home and Personal Care businesses and executive board member. He has subsequently held a range of non-executive directorships, including at GSK plc (as Senior Independent Director), Marks & Spencer plc (as Senior Independent Director), the Confederation of British Industry (CBI) and Thomson Reuters Corp.

Other significant appointments:

- Clayton Dubilier & Rice LLC (Operating Partner)
- UK Government Investments Limited (Chairman)
- Marie Curie Trust (Chairman)



Tracy Clarke
Independent Non-Executive Director

A E N R

Appointed: 18 July 2022

Skills and experience: Tracy held a range of senior executive positions during her 30-year tenure at Standard Chartered Bank, where her last role was Private Bank CEO and Regional CEO, Europe & Americas. Tracy's prior non-executive roles include Chair of the Remuneration Committees of Sky plc and Eaga plc and Remuneration Committee member of Inmarsat plc.

Other significant appointments:

- TP ICAP Group plc (Non-Executive Director and Remuneration Committee Chair)
- Starling Bank Limited (Senior Independent Director and Remuneration Committee Chair)



Deirdre Mahlan
Independent Non-Executive Director

A N R

Appointed: 18 July 2022

Skills and experience: Deirdre is a qualified accountant and held a number of senior finance and general management roles during her 27-year career at Diageo, including President, Diageo North America and Chief Financial Officer of Diageo plc. Prior to Diageo, she held senior finance roles in Joseph Seagram and Sons, Inc. and PwC. Deirdre was a Non-Executive Director of Experian plc from 2012 to 2022.

Other significant appointments:

- Duckhorn Portfolio, Inc. (Interim President, Chief Executive Officer and Chair)
- Kimberly-Clark Corporation (Non-Executive Director)

Independent Non-Executive Directors



Marie-Anne Aymerich
Independent Non-Executive Director

E

Appointed: 18 July 2022

Skills and experience: Marie-Anne previously led the worldwide Oral Care category at Unilever plc where she developed a portfolio of new premium brands. Prior to that, Marie-Anne was Brand General Manager of LVMH Group's Dior perfume and beauty business. Before joining LVMH, Marie-Anne was Managing Director for Unilever's Home Care and Personal Care business in France.

Other significant appointments:

- Pierre Fabre Group (Non-Executive Director)
- Academy of St Martin in the Fields (Trustee, member of Nomination Committee)



Dame Vivienne Cox
Independent Non-Executive Director

A E R

Appointed: 18 July 2022

Skills and experience: Vivienne worked for BP plc for 28 years, holding senior leadership roles including Executive Vice President and Chief Executive of BP's gas, power and renewables business. Vivienne's previous non-executive directorships include GSK plc, where she was Workforce Engagement Director, BG Group plc, Rio Tinto plc, Pearson plc and the UK Government's Department for International Development.

Other significant appointments:

- Victrex plc (Chair)
- Venterra Group plc (Non-Executive Director)



Asmita Dubey
Independent Non-Executive Director

Appointed: 18 July 2022

Skills and experience: Asmita has over 25 years of experience working in consumer businesses and is currently Chief Digital & Marketing Officer of L'Oréal Group. She has extensive experience of working and building joint business partnerships in China and served on GSK's Consumer Healthcare Digital Advisory Board for two years from March 2020 to March 2022.

Other significant appointments:

- L'Oréal (Chief Digital & Marketing Officer and member of Executive Committee)

Company Secretary



Amanda Mellor
Company Secretary

Appointed: 23 May 2022

Skills and experience: Amanda brings extensive experience in company secretarial, corporate governance, investor relations and investment banking.

Other appointments:

- Volusion Group plc (Senior Independent Director)
- GC100 (Executive Committee Member)

Non-Executive Directors (nominated by Pfizer Inc.)



David Denton
Non-Executive Director

Appointed: 1 March 2023

Skills and experience: Dave is Chief Financial Officer and Executive Vice President for Pfizer Inc. providing strategic global financial leadership. He has over 25 years of finance and operational expertise including more than 20 years in the healthcare sector. Prior to joining Pfizer in 2022, he was CFO and Executive Vice President of Lowe's Companies Inc. from 2018. Previously, he was executive vice president and CFO of CVS Health Corporation.

Other significant appointments:

- Pfizer Inc. (Chief Financial Officer and Executive Vice President)



Bryan Supran
Non-Executive Director

Appointed: 18 July 2022

Skills and experience: Bryan is Senior Vice President & Deputy General Counsel for Pfizer Inc. with responsibility for counselling Pfizer management and directors on strategic initiatives and business development transactions. During his tenure at Pfizer, he also has led Pfizer's intellectual property and international legal teams and provided legal support for Pfizer's R&D and manufacturing organisations. Previously, Bryan worked at Ropes & Gray LLP.

Other significant appointments:

- Pfizer Inc. (Senior Vice President and Deputy General Counsel)

Skills and experience (excluding Executive Directors)

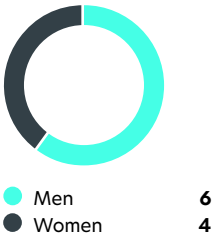
This table shows the number of Directors with each relevant skill/experience.

Consumer	7
Healthcare	5
International	9
Supply chain	3
Technology	1
Digital/innovation	2
Regulatory	3
Finance	3
M&A/transformation	7
Sustainability/responsible business	5
Employee engagement	2
Governance/investor	5

>> Further details can be found at www.haleon.com/who-we-are/leadership

Our Executive Team

Gender



Ethnicity



In addition to Brian McNamara and Tobias Hestler, the Executive Team comprises:



Keith Choy
President, Asia Pacific

Appointed: 16 December 2021
Skills and experience: Keith has almost 30 years' experience in the consumer-packaged goods and health industries and joined GSK's Consumer Healthcare business in 2019. He was previously President, International Markets for Pfizer Consumer Healthcare. Keith has also held roles at Wyeth Pharmaceutical and Gillette.



Filippo Lanzi
President, EMEA & LatAm

Appointed: 16 December 2021
Skills and experience: Filippo joined GSK in 2015 holding leadership roles in south and central eastern Europe prior to becoming APAC Regional Head. He then became Head of EMEA in 2019, prior to leading LatAm, too. Before this, he worked for Novartis OTC as General Manager in Italy and Greece. Filippo also held positions at Johnson & Johnson and Nestlé S.A.



Mairéad Nayager
Chief Human Resources Officer

Appointed: 1 March 2022
Skills and experience: Mairéad was Chief Human Resources Officer at Diageo plc for six and a half years until January 2022, having previously held a number of HR leadership roles across Diageo's businesses in Europe and Africa during her 16-year tenure. Prior to joining Diageo, Mairéad spent three years at the Irish Business and Employers Confederation (IBEC). Mairéad will be leaving Haleon in May 2024.



Lisa Paley
President, North America

Appointed: 16 December 2021
Skills and experience: Prior to joining GSK's Consumer Healthcare business in 2019, Lisa spent a decade at Pfizer Consumer Healthcare where she was most recently President, North America. She was previously Vice President of Sales at Johnson & Johnson and also held various roles at Pfizer Consumer Healthcare/Warner-Lambert.



Namrata Patel
Chief Supply Chain Officer

Appointed: 6 November 2023
Skills and experience: Namrata has extensive global experience in manufacturing and end-to-end supply chain management. She has held senior leadership positions at companies including The Coca-Cola Company, Gillette and Procter & Gamble and currently sits on the board of Oxford Biomedica plc as an Independent Non-Executive Director.

Bart Derde (Chief Supply Chain Officer), Amy Landucci (Chief Digital and Technology Officer), Jooyong Lee (Head of Strategy and Office of the CEO), and Teri Lyng (Head of Transformation and Sustainability) served as members of the Executive Team from 16 December 2021 to 31 December 2023.

The detailed breakdown of gender and ethnic representation as required by the Listing Rules is shown on page 79.



Ed Petter
Chief Corporate Affairs Officer

Appointed: 1 January 2024

Skills and experience: Ed has spent the last seven years at BT Group plc as Group Corporate Affairs Officer and a member of the Executive Committee. He has previously held leadership roles at Lloyds Banking Group and McDonald's after spending four years working in consultancy at McKinsey & Company and Blue Rubicon.



Franck Riot
Chief R&D Officer

Appointed: 16 December 2021

Skills and experience: Franck has over 20 years' experience leading R&D in consumer-led industries. Prior to joining GSK's Consumer Healthcare business in 2019, he was Vice President of Research and Innovation for the Essential Dairy and Plant-Based Division, Danone S.A. Before this, he was Group R&D Director at Nomad Foods and previously held a variety of R&D leadership roles at Danone.



Tamara Rogers
Chief Marketing Officer

Appointed: 16 December 2021

Skills and experience: Tamara has 30 years of experience in FMCG. Prior to joining GSK's Consumer Healthcare business in 2019, Tamara spent nearly 25 years at Unilever plc, most recently as Executive Vice President, Personal Care, North America and prior to that, SVP Global Deodorants. Tamara is a board member of the Global Self-Care Federation.



Bjarne Philip Tellmann
General Counsel

Appointed: 16 December 2021

Skills and experience: Prior to joining GSK's Consumer Healthcare business in 2020, Bjarne was General Counsel of Pearson plc, before which he held a range of legal leadership roles at The Coca-Cola Company in the US, Europe and Asia and at Kimberly-Clark Corporation. Bjarne began his career in private practice at Sullivan & Cromwell LLP and White and Case LLP.

Bjarne will be leaving Haleon in March 2024.



Bjorn Timelin
Head of Strategy

Appointed: 2 October 2023

Skills and experience: Bjorn was Senior Partner at McKinsey & Company specialising in strategic and commercial topics for consumer-facing companies, with clients across the retail, consumer packaged goods, media, and luxury goods sectors. Prior to this he spent four years at Procter & Gamble's beauty care division in the UK and Switzerland.

>> Further details can be found at www.haleon.com/who-we-are/leadership

Letter from the Chair



Sir Dave Lewis
Chair

As I shared in my Chair's statement on page 4, this has been a year of encouraging progress for Haleon in its first full year since listing in July 2022.

Following the significant work last year to enable Haleon to operate as a standalone Company, the Board's role in 2023 has been to guide and support the management team delivering on the Company's strategic and financial plans, and building Haleon's capabilities to drive sustainable profitable growth.

Haleon has great potential for growth. We have made positive progress in 2023 and I am pleased with the commitment and focus of the Board and all Haleon employees to drive the Company forward and continue to create sustainable value for our shareholders.

Board focus

The Board held several strategic discussions in 2023, including an offsite meeting with the Executive Team in October to review our long-term category and market ambitions, financial targets and investment plans. Deep dives provided insights across key strategic areas including the consumer healthcare landscape, our China and US businesses, supply chain, innovation, and cyber-security risks. These enhanced the Board's understanding of Haleon's key deliverables, risks and opportunities.

During the year, the Board visited our Oral Health facility in Weybridge, UK and Pain Relief center in Richmond, Virginia, US. I also had the opportunity to visit Haleon operations in Brazil, India, and Mexico.

Seeing our regional operations first-hand provided insight into major markets and R&D initiatives. It also gave Directors a chance to meet employees across different locations. Employee engagement has continued to develop during the year and feedback on the Company's activities is regularly discussed by the Board. Further detail on our workforce engagement and the Workforce Engagement Director's statement is set out on page 70.

Monitoring our culture, people and sustainability ambitions are key areas of oversight for the Board. Our discussions centred on the cultural transformation programme to create a purpose led, consumer centric, and performance focused culture, which is supported by focus on performance, simplification and productivity.

Directors also considered and fulfilled duties in relation to Haleon's governance, risk and controls during the year. They received training on directors' duties and, in line with all employees, completed training on the Code of Conduct, including anti-bribery and corruption. Details on the Board's activities for 2023 are provided on page 68.

Embedding the Environmental & Social Sustainability Committee

Running a responsible business is one of our four strategic pillars, and underpins the way we operate. The Environmental & Social Sustainability Committee was established in March 2023 to provide oversight of this important area. The Committee had a thorough induction process covering Haleon's responsible business strategy and the ESG regulatory landscape. The Committee then focused on progress against our key environmental and health inclusivity goals and sustainability strategy. Further information is provided on page 77.

Board succession planning

The Board welcomed Dave Denton as a Non-Executive Director in March 2023. He replaced John Young as a representative director of Pfizer. Dave received a full induction following his appointment.

Talent, capabilities and succession planning remains a key area of focus for the Board, Executive Team and senior management, and our commitment to having a diverse and inclusive pipeline of talent underpins our efforts to cultivate top talent capable of leading the Company for the future. Detail on the work of the Nominations & Governance Committee on this are provided on page 78.

Board annual performance review

The Board conducted an internal review of its effectiveness for 2023. After completing Haleon's first full year as a standalone company, the opportunity to review our progress and identify any needed changes in approach, was particularly important. I was pleased with the Board's engagement with this review and that the Directors were positive about what had been achieved to date, and objective as to the areas of focus going forward. You can read further details on page 71.

Annual General Meeting (AGM)

Haleon held its first AGM in April 2023. We were pleased with the level of international participation, and that the digital format enabled greater accessibility from across our global shareholder base.

We will be continuing the digital focus for our 2024 AGM on 8 May 2024, which will be broadcast from our offices in London. Details on how to join the meeting will be provided in our Notice of Meeting.

Governance structure

The Board

The Board's main role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

It sets the Company's purpose, values, strategy and long-term objectives. The Board is also responsible for the Group's system of corporate governance, activities, risk management and financial performance.

Audit & Risk Committee

>> See page 72

The role of the Committee is to oversee the integrity of the financial reporting and audit process, and to oversee the maintenance of sound internal controls and risk management systems. The Committee monitors the effectiveness of internal and external audit and reviews concerns about financial fraud and whistleblowing.

Environmental & Social Sustainability Committee

>> See page 77

The role of the Committee is to provide oversight and effective governance over progress with the environmental and social sustainability agenda and the external governance and regulatory requirements relevant to these areas.

Nominations & Governance Committee

>> See page 78

The role of the Committee is to lead the process for appointments to the Board and make recommendations to ensure plans are in place for orderly succession to both the Board and senior management positions, and oversee a diverse succession pipeline. The Committee also has a role to ensure that the Company is managed to high standards of corporate governance.

Remuneration Committee

>> See page 80

The role of the Committee is to set the broad structure for the Company's Remuneration Policy and to determine the remuneration of the Chair, the Executive Team and the Company Secretary. The Committee is also responsible for reviewing workforce remuneration and the alignment of incentives and rewards with the Company's culture.

The Chief Executive Officer (CEO) is responsible for:

- Developing Haleon's strategic direction for consideration by the Board.
- Implementing the strategy and reporting on progress.
- Day-to-day management of the Company, communicating expectations in relation to Company culture and ensuring responsible business conduct across the business.
- Providing effective leadership, co-ordination and performance management of the Executive Team.

The Executive Team is responsible for:

- Supporting the CEO on the delivery of Haleon's strategy.
- Providing input into strategic and operational decisions aligned to business priorities, and supporting on the delivery of actions.
- Supporting the CEO in implementing decisions made by the Board.

>> Matters reserved for the Board, Committees' terms of reference, along with the Chair, CEO and SID's role descriptions are available at www.haleon.com/who-we-are/Governance/board-and-board-committees

Board and Committee meetings and attendance during 2023

Board papers are circulated to all Directors in advance of the meeting allowing sufficient time for their consideration. If any Director is unable to attend a meeting, they can communicate their opinions and comments on the matters to be considered via the Chair of the Board or the relevant Committee Chair.

Following the conclusion of each scheduled Board meeting, without the Executive Directors present, the Chair holds a session with the Non-Executive Directors.

Director	Board	Audit & Risk Committee	Nominations & Governance Committee	Remuneration Committee	Environmental & Social Sustainability Committee
Chair and Executive Directors					
Sir Dave Lewis	6/6		3/3		
Brian McNamara	6/6				
Tobias Hestler	6/6				
Independent Non-Executive Directors					
Vindi Banga	6/6	7/7	3/3	5/5	
Marie-Anne Aymerich	6/6				2/2
Tracy Clarke	6/6	7/7	3/3	5/5	2/2
Dame Vivienne Cox	6/6	7/7		5/5	2/2
Asmita Dubey ¹	5/6				
Deirdre Mahlan	6/6	7/7	3/3	5/5	
Non-Executive Directors					
Bryan Supran	6/6				
John Young ²	1/1				
David Denton ³	5/5				

¹ Apologies in advance of the meeting.

² Stepped down from the Board on 28 February 2023.

³ Appointed to the Board on 1 March 2023.

Board activities

The Board reviewed and discussed a wide range of Company activities during the year. The table below gives insight into the matters reviewed by the Board, the nature of Board discussion, and the relevant factors considered within the context of Section 172(1)(a) to (f) of the Companies Act 2006 ('Section 172').

Key areas of Board discussion

Item	Activity
Group strategy A B C	<ul style="list-style-type: none"> – Reviewed the strategic and operational performance of the business by brand, market categories and regions. – Discussed the global economy, geopolitics, and impact on growth and performance. – Considered the global consumer and competitive landscape and opportunities for innovation. – Received a deep dive into the supply chain and discussed the quality supply chain (QSC) five-year strategy. – Reviewed investment and divestment opportunities, and approved the divestments of Lamisil and ChapStick.
Financials and performance A F	<ul style="list-style-type: none"> – Reviewed and approved the 2024-26 corporate plan and 2024 financial plan. – Monitored Haleon's financial performance and growth against the 2023 financial plan and external commitments. – Discussed financial performance against the 2023-2025 plan, future outlook and analyst consensus. – Considered the approach to capital allocation and returns, including allocating £500m of capital for share buybacks in 2024. – Reviewed and approved the dividend policy, reviewed the approach to the 2022 dividend and approved the 2022 final dividend, the 2023 interim dividend and the proposed 2023 final dividend. – Approved the quarterly, half-yearly and full-year results, the 2022 Annual Report and Accounts and Notice of 2023 AGM.
Risk management E	<ul style="list-style-type: none"> – Discussed the Company's system of risk management and internal controls (alongside regular updates from the Audit & Risk Committee). – Assessed the effectiveness of the Company's risk and control processes. – Reviewed the Company's principal risks and mitigation plans.
People, culture and values A B	<ul style="list-style-type: none"> – Discussed the results from the employee engagement survey and 2024 focus areas including business process design and optimisation. – Discussed Haleon's productivity programme, and considered updates on progress and culture. – Discussed and approved the 2023 Gender Pay Gap Report for publication. – Reviewed proposals for the Weybridge Research & Development Innovation facility, and approved the building of an Innovation facility to support the Oral Health Category. – Reviewed proposals for new office space in London and the benefit to UK-based employees. – Considered Haleon's cultural ambition to be purpose led, consumer centric and performance focused and ongoing progress.
Governance A E	<ul style="list-style-type: none"> – Considered reports from the Chairs of each Board Committee on key areas of Committee discussion and focus. – Discussed progress made against the action plans from the 2022 Board effectiveness review. – Approved changes to various governance policies to simplify and better align with Haleon's operating model. – Received and discussed regular updates on key governance and disclosure matters, including recent consultations on the UK Corporate Governance Code.
Shareholder and engagement A E F	<ul style="list-style-type: none"> – Discussed the external environment including global indicators and inflation trends. – Considered updates from Investor Relations, including share price and valuation analysis, market engagement and ownership analysis, and the views of institutional investors. – Received and discussed updates on employee engagement by the Workforce Engagement Director. – Reviewed the preparations for the 2023 AGM and the enhanced digital focus.
Sustainability C D E	<ul style="list-style-type: none"> – Approved the Modern Slavery Statement. – Approved the establishment of the Environmental & Social Sustainability Committee. – Considered Haleon's sustainability agenda and progress plan against each of our strategic market categories.

>> See also our key stakeholders and culture and people sections on pages 10 and 18.

Relevant Section 172 factors

A Long term	D Community and environment
B Employees	E Business conduct
C Business relationships	F Members of the Company

Section 172 statement

The Board considers that, during 2023, it has acted to promote the long-term success of the Company for the benefit of its members while having due regard to the factors set out in Section 172.

Understanding the needs and expectations of the Company's stakeholders is fundamental to Haleon's purpose: to deliver better everyday health with humanity.

Examples of how Section 172 duties and key stakeholders were considered by the Board when making key decisions during 2023 are set out below.

Divestment of Lamisil and ChapStick

The Board considered the following Section 172 factors: the long-term success of the Company, its relationship with suppliers, the need to act fairly between members, and maintaining high standards of business conduct.

How the Board had regard to these factors:

- Towards the end of 2022, the Board conducted a strategic portfolio review to identify potential divestment and investment opportunities that would support Haleon's growth ambitions.
- The Board considered the brand portfolio segmentation and the optimum timing and priority of divestments to enhance organic growth and returns over the longer term.
- The Board received updates on the brand portfolio, competitive landscape and customer perspectives throughout 2023.
- In assessing divestment options, the Board considered the financial impact, marketability, separation issues, speed of execution, and simplification of the supply chain.
- To enable strategic focus on the Power Brands and Local Growth brands, the Board agreed to divest the Lamisil and ChapStick brands.
- The Board reviewed the offers received for the sale of Lamisil and ChapStick. In accepting each final offer, the Board considered the level of return, the financial impact of the divestment on Haleon, impact on employees, the business risks, and the timescale for delivery. The Board considered that these divestments would enable Haleon to focus on the key strategic areas for longer-term, sustainable growth.

Cultural transformation

The Board considered the following Section 172 factors: employees, business relationships, maintaining high standards of business conduct, and the long-term success of the Company.

How the Board had regard to these factors:

- The Company has been on a journey of cultural transformation to evolve Haleon's culture as an independent consumer health business.
- Employees have been engaged on initiatives to support Haleon in shaping its enterprise culture and to ultimately influence its performance and growth and drive behaviours.
- The Board had a dedicated session on culture to review the feedback from the 2023 employee engagement survey and the progress being made towards Haleon's ambition to be purpose led, consumer centric and performance focused and the key areas of focus for management in 2024.
- The Board discussed and considered the impact of the Haleon productivity programme as part of Haleon's cultural evolution.
- The Board regularly discussed feedback from workforce engagement activities during the year and considered the plan for workforce engagement for 2024.
- The Board encouraged management to keep customers at the heart of any cultural change. This led to an expansion of the cultural descriptors to include 'consumer centric', recognising the need for a clear link between purpose, culture and brand in a consumer health business.

Communication with shareholders

During the year, Directors engaged with shareholders and investors through face-to-face and virtual meetings to discuss progress and performance against Haleon's strategy.

- The CEO and CFO conducted fireside chats with analysts and investors, as well as in-person meetings at a number of investor roadshows.
- The Chair met with certain major institutional shareholders of the Group.

- The Chair of the Remuneration Committee corresponded with major institutional shareholders in relation to 2024 annual and long-term incentives.
- Delivered Haleon's first AGM, with participation from retail shareholders.
- Shareholders' views were regularly discussed by the Board through reports from the CEO, CFO and updates from the Investor Relations team.

Board conduct and standards

The Board places a high value in setting the right standards of conduct for the Company, and creating a culture which enables and encourages employees to do the right thing. Training on the Code of Conduct was completed by all Board members, which included anti-bribery and corruption.

Board activities continued

Workforce engagement



Dame Vivienne Cox
Workforce Engagement Director

During the year, I have enjoyed the opportunity to engage with employees across different parts of the Company, which I have found insightful and valuable.

The sessions have highlighted: the positive actions taking place to deliver health inclusivity and the opportunities to further educate and work closely with communities; the collaborative team mindset which is an enabler to innovation; the need to simplify processes and further invest in the business to accelerate competitive intelligence; and the clear support for Haleon's purpose, strategy and culture.

Looking ahead to 2024, I will be seeking to engage on a number of topics including brand and customers, remuneration, innovation and consumer focus, purpose and health inclusivity, and work processes as an enabler of engagement.

Workforce engagement

In line with Provision 5 of the UK Corporate Governance Code, the Board regularly assesses the appropriateness of the mechanism for workforce engagement. The Board believes that the mechanism of a designated Non-Executive Director remains the most effective method for Haleon to enable the employee voice to be heard, and for key insights to be brought into the Boardroom.

Employee insight

The Board values the opportunity to engage with employees. It is vital to understand the issues that are important to our employees across Haleon's markets and regions, learn about their experience of working at Haleon and be aware of any challenges that need to be addressed. Alongside providing an insight into the Company's culture, maintaining a pulse on employee engagement enables understanding of current and future drivers of attraction and retention at Haleon.

Engagement plan

In preparing the workforce engagement plan for 2023, the key drivers of engagement originated from the 2022 employee engagement survey, which identified the need to better manage workload, streamline processes, improve communication channels and provide opportunities for career growth.

During 2023, I met with employees on five occasions. It was important to ensure these sessions included a cross-business group of culturally diverse employees from across our key markets and functions. Amongst other matters, the sessions explored:

- Health inclusivity, which was a session with members of various ERGs.
- Innovation enablement, which was a session that took place during the Board's visit to the US, and was joined by members of the US R&D team.
- Culture, performance and purpose, which was joined by Quality Supply Chain employees.
- Work processes, which was conducted over two sessions, joined by APAC senior managers, and the second session joined by EMEA & LatAm senior managers.

These sessions offered valuable insight into drivers of employee engagement at Haleon. The discussions highlighted the progress made towards developing a caring culture grounded in safety and quality, and employee connections to Haleon's purpose and vision. Key points raised included further promoting employee wellbeing, streamlining systems and processes for greater agility, continuing to foster local empowerment, and unifying culture through change.

Continued engagement

In addition to my activities, direct engagement with employees remains extremely valuable, and the Board had the opportunity to meet with employees during its visits to the Oral Health facility in Weybridge, UK and the R&D site in Virginia, US. In addition, the Board receives regular verbal updates from management, which will continue to form a regular part of the Board's agenda for 2024, alongside updates on employee survey results, and detailed summaries at the end of each financial year.

>> See also the consideration of workforce pay and approach to engagement on page 92.



Board development, effectiveness and performance

Training, development and induction

A central piece of Haleon's culture is a commitment to support the continuing development of all employees. Directors are very supportive of this and are committed to their own ongoing professional development. The training programmes available to the Board are under continual review and are updated in line with the most pressing developments in both Haleon's governance structure and the broader commercial environment.

During 2023, the Directors participated in internal training sessions including directors' duties and disclosure obligations, the Code of Conduct and anti-bribery and corruption. The Board also received briefings on a range of strategically important matters to ensure they were informed of developments in these areas, and were provided with regular governance updates on topical issues including, changes to the UK Corporate Governance Code and other potential changes in governance and sustainability reporting.

A structured induction programme was prepared for David Denton who joined the Board on 1 March 2023. This covered, amongst other matters, strategy, Group structure, directors' duties, governance, key operations, finance, risk and internal audit, legal, ESG and HR.

Board effectiveness and evaluation

The Board undertakes an annual evaluation process to assess how it, its Committees and individual Directors are performing, and to highlight areas for improvement or evolution. The Board reviewed progress against each action from the 2022 Board

and Committee action plans, and determined that progress had been made against all actions.

For 2023, the Board adopted a question and discussion-based evaluation process conducted by the Company Secretary. Other regular meeting attendees were also requested to provide feedback. Findings on the Committees were shared with each respective Committee Chair, whilst those on the Board as a whole were shared with the Nominations & Governance Committee, before discussion with the wider Board. Action plans for the Board and each Committee were agreed for 2024, and are detailed in the table below.

Directors' performance

Evaluation of each Director's individual performance was carried out by the Chair. The reviews will be used as the basis for recommending the re-election of Directors by shareholders at the next AGM. The Chair had one-to-one discussions with each Director to discuss, amongst other things:

- Their performance and individual effectiveness.
- Their time commitment to Haleon, including the potential impact of outside interests.
- Their ongoing personal development.
- The Board's composition, including Non-Executive Director succession plans.
- Current and future Committee membership and structure.
- The effective functioning of the Board.

The Chair review process was led by the Senior Independent Non-Executive Director who sought feedback from the Non-Executive Directors separately,

without the Chair present, and also took into account the views of the Executive Directors. The feedback was collated and shared with the Chair.

Key findings and conclusion

Overall, Directors felt positive about the Board and how it functioned, noting the step-up in effectiveness during 2023 with the completion of the first full annual cycle of Board activities and disclosures since Haleon's listing in 2022. The culture of the Board was considered to be positive with open, direct discussions, good engagement and interactions with the Executive Team. The Board was felt to have a strong mix of experience and relevant expertise to support the business. Directors noted that Board and Committee operations and governance worked well, with discussions supported by good quality papers and comprehensive agendas. Progress had been made in relation to strategy and this would continue to be an area of focus for 2024. Progress had also been made in relation to risk, with all key risks appropriately prioritised during the year. All Board Committees were felt to be well established and supported by experienced Chairs. The Environmental & Social Sustainability Committee had made a good start with its remit, developing its understanding of the sustainability agenda, data and commitments.

Each of the Directors is considered to be an effective member of the Board and all Directors as at the date of this Report will seek re-election at the AGM.

An externally facilitated Board evaluation will be undertaken in 2024.

Action plan

Board	<ul style="list-style-type: none"> – Focus on delivery of strategic objectives, driving performance and shareholder returns. – Continue focus on cultural evolution and interactions with our talent and key business areas. – Enhance oversight of risk management and internal controls to reflect changes to the UK Corporate Governance Code.
Audit & Risk Committee	<ul style="list-style-type: none"> – Continue oversight and focus on key areas of the Committee's remit. – Continue focus on risk management with further deep dives on key areas, including IT and cyber-security. – Review compliance with the UK Corporate Governance Code on internal controls and continue focus on SOX.
Environmental & Social Sustainability Committee	<ul style="list-style-type: none"> – Review delivery of Haleon's first Responsible Business Report. – Continue focus on Haleon's preparedness for current and future external sustainability disclosures, including the Corporate Sustainability Reporting Directive. – Continue oversight of the delivery of sustainability KPIs and targets.
Nominations & Governance Committee	<ul style="list-style-type: none"> – Continue focus on succession planning for the Board and the Executive Team. – Enhance oversight of subsidiary governance. – Support development, talent management and succession planning of senior management.
Remuneration Committee	<ul style="list-style-type: none"> – Continue oversight and focus on key areas of the Committee's remit. – Review executive remuneration structures and targets to ensure balance with Company-wide offering and wider workforce decisions. – Focus on effectiveness and transparency of disclosures and reporting.

Audit & Risk Committee Report



Deirdre Mahlan
Chair

Letter from the Chair

During the year, the Committee has focused on its core objectives in overseeing the integrity of the Group's financial reporting process, the effectiveness of the external audit and the robustness of the Company's control environment to manage risks.

The Committee has closely monitored the Group's successful first year of compliance with Section 404 of the US Sarbanes-Oxley Act (SOX), as well as the effectiveness of the audit process as we transitioned to our new external auditor, KPMG LLP. The Committee has also had a series of deep dives into the Group's cyber-security controls and technology infrastructure, product user safety and trusted ingredients. Further information on this and our other activities are set out later in this report.

Changes in regulatory reporting, including the recent updates to the UK Corporate Governance Code and the impact to the Group, will be an additional area of focus for the Committee in 2024.

Key duties and responsibilities

The Committee's responsibilities include monitoring and reviewing:

- The integrity of financial reporting of the Company's Financial Statements including reviewing significant judgements and the adequacy of related disclosures.
- The external and internal audit process and performance of the Internal Audit function and the external auditor.
- The effectiveness of the Company's system of internal control.
- The process for the management of related-party transactions.
- The Group's risk management system, and the identification and management of risks.
- The Company's process for monitoring compliance with legal and regulatory requirements and ethical codes of practice.

Membership and meetings

The Committee comprises solely Independent Non-Executive Directors.

Details are set out on pages 62 and 63, together with details of their attendance for the year on page 67.

The Chair, CEO, CFO, General Counsel, Group Financial Controller, Head of Audit, Risk and Assurance, and the lead audit partner from KPMG LLP regularly attend meetings, with other attendees invited as appropriate. The Committee also met without management present and met privately with the audit partner and with the Head of Audit, Risk and Assurance.

The Board has confirmed that it is satisfied:

- That the Committee members collectively possess an appropriate breadth of recent and relevant financial expertise including competence in accounting and/or audit and experience in the consumer healthcare industry.
- That Deirdre Mahlan possesses the relevant attributes to be the designated Audit Committee Financial Expert in accordance with US federal securities laws and regulations.

Looking ahead

The Committee will continue to focus on its key areas of responsibility, including the Group's financial reporting and disclosures, internal control over financial reporting, the effectiveness of KPMG LLP as external auditor and the approach to the 2024 external audit.

In addition, the Committee will consider the impact of the recent changes to the UK Corporate Governance Code which take effect in 2025 and the further development of the Group's enterprise risk management framework and compliance programmes. Controls surrounding the IT environment will remain a particular area of focus for the Committee as the Group continues to embed changes in the IT landscape post separation and make improvements in IT controls. The Committee will continue to review key IT initiatives and related risks and progress in the maturity of the control environment at each Committee meeting.

Committee activities

External reporting

- Discussed and recommended to the Board for approval, the quarterly trading statements, interim and full-year financial statements, and the 2023 Annual Report.
- Reviewed the Group's policy on the use of non-IFRS measures and adjusting items including disclosure and presentation, as well as the introduction of organic operating profit growth as a new non-IFRS measure.
- Reviewed and challenged the going concern assumptions for 2023 and the principles underpinning the longer-term viability statement.
- Reviewed and challenged the treatment of key accounting matters and judgements including the estimation of the recoverable amount of indefinite life brands.
- Considered tax and treasury matters, and compliance with statutory reporting obligations.
- Assessed whether the Annual Report, as a whole, was fair, balanced, and understandable.

Internal and external audit

- Approved the statutory audit engagement letter for KPMG LLP in respect of Haleon plc and its subsidiaries for the period ended 31 December 2023.
- Held periodic meetings with the external auditor, without management present.
- Reviewed and agreed policies and processes designed to safeguard independence of the external auditor, including the approval of the 2024 Non-Audit Services Policy.
- Assessed the effectiveness of the external auditor.
- Approved the 2024 Internal Audit plan.
- Received and discussed regular updates on the 2023 Internal Audit Plan from the Head of Audit Risk and Assurance, and met him regularly without management present.

Internal controls

- Received and discussed regular updates on internal controls, including the results of testing, and discussed instances where the effectiveness of internal controls was considered to be insufficient or required remediation.
- Considered the assessment to determine the Company's status as an FPI.
- Reviewed the Group's first SOX evaluation and certification of internal controls over financial reporting for the year ended 31 December 2023.

Related-party transactions

- Reviewed related parties for IFRS purposes as part of the year-end process.

Risk management

- On behalf of the Board, reviewed the processes by which the Group's principal risks are identified and managed and received periodic reports of the status of principal risks; reported any issues arising from these reports to the Board.
- Undertook detailed reviews of key risk areas and processes including digital and technical infrastructure, and cyber-security.
- Reviewed tax and treasury policies and considered consistency with the risk appetite of the Company.
- Considered the Group's insurance policy and insurance programmes.
- Reviewed the effectiveness of the risk management and internal control systems.

Compliance

- Received and discussed regular updates from the General Counsel on legal issues.
- Monitored fraud reporting, the confidential hotline and whistleblowing arrangements, and discussed trends with management.
- Reviewed and discussed reports from the Compliance function, including updates on Haleon's Speak Up, concerns management and internal investigations framework.
- Considered the new ethics and compliance model.

Audit & Risk Committee Report continued

Significant reporting matters in relation to the Financial Statements considered by the Committee during 2023

Accounting area	Committee's conclusion and response
Recoverable amount of indefinite life brands	<p>As at 31 December 2023, the Group had approximately £18,073m of intangible assets that are indefinite life brands. The Group tests at least annually whether indefinite life brands have suffered any impairment. Impairment testing is inherently judgemental and requires management to make multiple estimates, including those related to the future revenue growth of each brand, terminal growth rates, profit margins, and discount rates. The Committee reviewed information on the impairment tests performed, focusing on the critical assumptions as well as any changes from the prior year.</p> <p>In 2023, the Group recognised non-cash net impairment charges totalling £184 million, principally related to the ChapStick brand, as it was determined the carrying value was less than the estimated recoverable amount. The Committee noted the decrease in the recoverable amount of the ChapStick brand was mainly driven by the Group's strategic decision to sell the brand below its carrying value. For those brands with limited levels of headroom, the Committee also reviewed and challenged sensitivity analyses provided by management to understand the impact of changes in key assumptions. The Committee was satisfied with the assumptions utilised by management and also considered and reviewed the Group's relevant impairment disclosures. Refer to Note 14 of the Consolidated Financial Statements on page 136 for further detail.</p>

Financial and narrative reporting

During the year, the Committee reviewed and recommended approval of the interim and full-year financial statements, and associated releases. In conducting its review, the Committee assessed key judgement areas, going concern and viability statements, and impairment reviews.

The Committee evaluated whether the Annual Report, taken as a whole, was fair, balanced and understandable and contained the necessary information for shareholders to assess the Group's performance, business model and strategy. To support this assessment, management established processes to ensure consistency of disclosures, address financial reporting risks and co-ordinate Company-wide input. In fulfilling its role, the Committee recommended to the Board for approval, a near-final version of the Annual Report at its February 2024 meeting following the Committee's assessment that it was fair, balanced, and understandable.

Throughout the year, the Committee reviewed key disclosures and reporting requirements to ensure clear communication of material information to shareholders. This included assessing assumptions underlying impairment testing, calculating gain/loss on disposal of intangible brand assets, the going concern and viability assessments and climate-related financial reporting.

The Committee received updates on the control environment, financial reporting integrity, the Annual Report verification process, including management's checklist confirming compliance with the relevant regulatory requirements, and external audit outcomes. The key audit matters reviewed by the external auditor and the related outcomes are set out in the external auditor's report on pages 99-115.

The Committee monitors engagements with external stakeholders relevant to its areas of oversight, including the UK's Financial Reporting Council (FRC) and the US Securities and Exchange Commission.

The FRC carried out a review of Haleon's Annual Report for the year ended 31 December 2022. No significant questions or queries were raised, and the Group took into consideration their recommendations when preparing this Annual Report. The Committee notes that the FRC's review does not provide assurance that the Annual Report is correct in all material respects as the FRC's role is not to verify information provided, but to consider compliance with reporting requirements.

During the year the Committee also reviewed correspondence from the FRC's Audit Quality Review (AQR) team, who reviewed Deloitte's audit of the Group's 2022 Financial Statements as part of its annual inspection of audit firms. The Committee received and reviewed the final report from the AQR team which identified no key findings or other findings, and noted several areas of good practice.

Internal audit

The Internal Audit function provides independent, objective assurance to the Board, the Committee and senior management on the adequacy and effectiveness of Haleon's risk management, governance, and internal control processes. The appointment of the Head of Audit, Risk and Assurance is a matter reserved to the Committee. The Head of Audit, Risk and Assurance holds regular discussions with the Committee Chair and provides

regular reports to the Committee on the function's activities. The effectiveness of the Internal Audit function, including its quality, experience and expertise relative to the size of the business, was continually monitored through reports received by the Committee during the period. These reports provided key internal audit observations and described proposed improvement measures and related time frames given to management.

The Committee approved the annual work plan which includes risk-based reviews of financial, operational, strategic and governance risks, reviews of emerging risks and business change activity, together with assurance over risk management activities. The 2024 Internal Audit plan will be regularly reviewed and updated as required to reflect evolving assurance requirements and priorities.

Internal control and risk management

The Board is responsible for establishing procedures to manage risk and oversee the Group's internal control framework including setting risk appetite in line with the Group's strategic objectives, and ensuring appropriate oversight through various mechanisms, including strategy meetings, management reports and reviews of selected risk areas.

On behalf of the Board, the Committee is responsible for reviewing and assessing the effectiveness of the Group's risk management and internal control systems.

A fundamental part of the work carried out included the review of the Group's principal risks and its financial and operational controls and procedures. The Committee discussed information on risk mitigation plans, internal control maturity and areas for improvement.

The Group's approach to risk management and internal controls has further evolved and will continue to be refined throughout 2024. The risk management framework is designed to actively manage, rather than eliminate, the significant risks and uncertainties the Group may face. Consequently, the Group's internal control system can only provide reasonable, but not absolute, assurance over its principal risks.

In 2023, a top-down enterprise risk assessment was conducted to review and prioritise the Group's principal risks, assess the magnitude of risk exposure, and highlight any emerging risks. In parallel, a bottom-up risk identification was performed across business units, markets, sites and functions. The Committee reviewed the findings, agreed on the principal risks and concluded that management's approach to risk and risk appetite was satisfactory.

➤ See also our approach to risk section from page 53.

The Committee reviewed and endorsed a range of policies and programmes, including:

- The Company's Code of Conduct (Code) and its core value of seeking to always do the right thing, applicable to the Board, Executive Team, employees and third-party temporary workers. The Code supports and encourages good judgement while maintaining a culture of risk accountability.
- The mandatory anti-bribery and corruption (ABAC) training.
- The annual confirmation process from business unit and function general managers attesting their governance responsibility and the effectiveness of the internal control framework, including issue response through corrective and preventative actions.

- Internal controls, discussing opportunities to further simplify and evolve the framework in line with our strategy and operating model.
- The crisis and business continuity management procedures.
- Haleon's concerns management and data analysis measuring traction and progress.
- Risk deep dives over principal risks, including trusted ingredients, cybersecurity (and IT infrastructure), and other enterprise risk areas such as treasury, tax and trade compliance.

Based on the Committee's activities performed throughout the year, and its annual effectiveness review, the Committee considered the Group's system of internal control and risk management under the provisions of the UK Corporate Governance Code for the year ended 31 December 2023 and up to the date of approval of the Annual Report are effective.

US Sarbanes-Oxley Act of 2002 (SOX)

The Group is required to comply with the provisions of SOX, specifically Sections 302 and 404, as it relates to an FPI listed on a US exchange. During 2023, the Group completed a successful first year of compliance with Section 404 of SOX.

The Group's internal control over financial reporting was deemed to be designed and operating effectively as at 31 December 2023. This is a significant achievement for the Group and the Committee was satisfied with the progress in implementing the requirements under Section 404 of SOX with respect to internal controls over financial reporting.

The Committee will continue to monitor the progress of the Group's internal control optimisation efforts, remediation of internal control deficiencies, and internal controls related to technology systems and associated infrastructure.

➤ See also our management's report on internal control over financial reporting on page 192.

Audit & Risk Committee Report continued

Cyber-security and technology infrastructure

Following the Committee's review of Haleon's enterprise systems and technology infrastructure environment in December 2022, certain risk areas were identified. During the year, the Committee received progress updates on the mitigation and remediation plans for these risks and was pleased that the remediation commitments due for completion in 2023 were successfully achieved.

The Committee also received deep dives into a number of cyber-security risks during the year. The Haleon Information Security team commissioned an external partner, PwC, to conduct an assessment of Haleon as a standalone company in the first quarter of 2023 leveraging the industry standard framework, National Institute of Standards and Technology (NIST) Cybersecurity Framework. This assessment provided an objective baseline across all assets.

The findings were discussed with the Committee along with a prioritised plan which continues to grow cyber-security maturity for the Company. The Committee received and discussed a deep dive into some of the risk areas and will continue to monitor the progress in this area.

External audit

Following an audit tender carried out in 2022, KPMG LLP was appointed as auditor of the Group and engaged in respect of the statutory audit of Haleon plc and its subsidiaries for the 2023 financial year. Nicholas Frost was appointed the lead audit partner for the period ended 31 December 2023.

During the period, the Committee reviewed and discussed the plans for the external audit, the proposed audit fees, and terms of engagement. It reviewed the external audit process and quality and experience of the audit partner engaged in the audit and also considered the extent and nature of the challenge demonstrated by the external auditor in their work and interactions with management.

The Committee regularly receives reports from the external auditor on the progress of its audit activities. The Committee reviews the contents of these reports, the level of professional judgement and challenge of management assumptions demonstrated by the external auditor and, where appropriate, requests that management respond to that challenge and tracks management response to ensure a satisfactory outcome to the challenges raised.

In considering the independence of KPMG LLP, the Committee received a statement of independence from the external auditor, a report describing the arrangements to identify, report and manage any conflicts of interest, and reviewed the extent of non-audit services provided to the Group. The Committee confirmed its satisfaction with the effectiveness and independence of KPMG LLP with respect to their engagements in their respective jurisdictions.

The Committee assessed the effectiveness of the external audit process including the quality of the audit team and involvement by the lead audit partner, the adequacy of audit planning, the timely and robust execution of the audit, the quality of communications to the Committee, and auditor independence and objectivity. The Committee concluded that the 2023 external audit was effective, and that the external auditor continued to perform effectively. Following the Committee's recommendation, the Board recommends to shareholders the reappointment of KPMG LLP as the external auditor for 2024.

The total fees paid to KPMG LLP for the year ended 31 December 2023 were £17.1m, of which £1.2m related to non-audit work. Details of the fees paid to the external auditor are in Note 6 to the Consolidated Financial Statements on page 127.

Non-audit services

The Committee has adopted a policy designed to safeguard the independence and objectivity of the external auditor. This policy, which complies with the FRC's 2019 Revised Ethical Standard and SOX, sets out a framework for determining whether it is appropriate to retain the external auditor to provide non-audit services and outlines the process for pre-approving non-audit fees.

The policy includes a list of permitted non-audit services in line with the relevant regulations. Any service not on this list is prohibited.

The Committee has pre-approved the use of the external auditor for non-audit services where:

- They are included in the policy's list of permitted non-audit services; and
- They are approved by the Group Financial Controller, or their designate in certain defined circumstances, when not exceeding £100,000; or
- They are approved by the CFO and the Chair of the Audit & Risk Committee when they exceed £100,000.

The total fee for non-audit services provided by the external auditor is reported to the Audit & Risk Committee on a quarterly basis. Management's approval based on monetary limits is not a delegation of authority for approval by the Audit & Risk Committee, but rather a confirmation of adherence to the policy for permissible non-audit services. The Committee reviews the nature and level of non-audit services undertaken by the external auditor during the year to satisfy itself that there is no impact on its independence.

During the period ended 31 December 2023, the external auditor undertook non-audit work in relation to other assurance services, corporate finance and other services and was paid a total of £1.2m.

The Committee considers for the year ended 31 December 2023, that the Company has complied with the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 and the FRC's Audit Committees and the External Audit: Minimum Standard.

Environmental & Social Sustainability Committee Report



Marie-Anne Aymerich
Chair

Letter from the Chair
The Committee was established in March 2023 and has since started to lay down some good foundations. We held an extensive education session covering Haleon's responsible business strategy, its goals and the external ESG landscape. In addition, the Committee held two formal meetings during the rest of the year.

During those meetings we spent significant time considering Haleon's sustainability disclosures, the vast regulatory and reporting requirements in this area, and received comprehensive deep dives on areas within the Committee's remit including packaging and health inclusivity.

The Committee has covered much ground since March, but there is more to do in 2024 to support the delivery of Haleon's sustainability ambitions and disclosure obligations.

Key duties and responsibilities
The Committee's responsibilities for environmental and social sustainability (ESS) include monitoring and reviewing:

- Haleon's progress against its ESS agenda and associated external governance and regulatory requirements.
- Emerging ESS issues that could impact the Group's operations, ESS initiatives, or reputation.
- Haleon's ESS engagement with relevant external stakeholders, NGOs and other interested parties.
- The ESS disclosures within the Annual Report and external ESS reporting, including the Climate Action Transition Plan.

Membership and meetings
The Committee comprises solely Independent Non-Executive Directors.

Details are set out on pages 62 and 63, together with details of attendance for the year on page 67. The Chair, CEO, Head of Transformation and Sustainability, VP Sustainability, and the Sustainability Programme Director regularly attended meetings in 2023. Other attendees were invited to meetings as appropriate.

Committee induction
Following the establishment of the Committee, an induction session was held with input from external experts. The session covered Haleon's responsible business strategy, environmental and social sustainability, the external

environment and mandatory reporting, regulations and disclosures relevant to the Committee's remit. This helped to shape the Committee's agenda for the rest of 2023, with particular focus on Haleon's health inclusivity strategy, sustainable packaging, and external reporting.

Key metrics and future reporting
As part of the deep dive sessions, the Committee reviewed the scope and ambition of the Company's health inclusivity and packaging targets. The Committee reviewed the threshold level of impact required for the Company to measure achievement against Haleon's social impact goal, and considered how to balance the breadth of reach of the initiatives versus the depth of impact. The Committee also approved an update to Haleon's baseline year for our Scope 3 carbon emissions and virgin petroleum-based plastic reduction targets.

In addition to Haleon's current ESS ambitions, the Committee considered Haleon's future external ESG disclosure requirements, including how to most effectively and efficiently balance reporting requirements from different jurisdictions as a global business.

Looking ahead
The Committee will continue to focus on oversight in relation to packaging, carbon net zero, health inclusivity and progress against the Company's sustainability ambitions.

Committee activities

Responsible business strategy	– Reviewed Haleon's half-year performance against the responsible business scorecard measures.
Key metrics	– Received and discussed a deep dive on the progress of Haleon's health inclusivity strategy and social impact goals as well as sustainable packaging. – Reviewed and approved the updates to Haleon's baseline year from 2020 to 2022 for our Scope 3 carbon emissions and virgin petroleum-based plastic reduction targets.
External reporting	– Considered external reporting in relation to TCFD and CSRD reporting, Haleon's Responsible Business Report and human rights.
Stakeholder engagement	– Discussed regular updates on stakeholder engagement.

>> See also our approach to sustainability from page 22.

Nominations & Governance Committee Report



Sir Dave Lewis
Chair

Letter from the Chair

This year the Committee focused on succession planning for the Executive Team, given there has been a number of changes. The Committee also had sessions on talent and succession within the wider organisation and received insight into the broader talent agenda for senior management.

Discussions during the year also focused on progress against the Board's Diversity & Inclusion Policy, diversity at the top two management levels of the Group and progress against our responsible business ambitions.

In addition, we continued to regularly consider the composition of the Board and discussed Non-Executive Director succession.

The Committee will continue to focus on its key areas of responsibility with a particular emphasis on developing a strong and diverse talent pipeline at the Board and senior management level.

Key duties and responsibilities

The Committee's responsibilities include:

- Leading the process for appointments to the Board.
- Ensuring plans are in place for orderly succession to both the Board and senior leadership positions.
- Overseeing the development of a diverse pipeline for succession at Board and senior management level.
- Reviewing and recommending the Board Diversity & Inclusion Policy.
- Monitoring and, where appropriate, recommending changes to the Company's corporate governance framework.

Membership and meetings

Excluding the Chair, who was considered independent on appointment, the Committee comprises solely Independent Non-Executive Directors.

Details are set out on pages 62 and 63, together with details of attendance for the year on page 67. The CEO and the Chief Human Resources Officer regularly attended meetings, with other attendees invited as appropriate.

Succession planning

The Committee continued to build on its existing processes to strengthen its focus on succession planning. During 2023, it assessed the composition of the Board in terms of the balance of Executive and Non-Executive roles, and its skills, experience, diversity, capacity and tenure.

The Committee also discussed the Company's leadership requirements including assessing the Executive Team's capabilities and development plans against the current and future succession needs. In addition, it reviewed the people strategy and talent agenda more broadly to help in developing a pipeline of potential future leaders.

With the exception of David Denton who was appointed on 1 March 2023, the Directors were all newly appointed in July 2022 and the Committee considers that the Board's membership and composition remains appropriate.

Composition, time commitment and independence

Further to the disclosure on page 71, the Committee assessed the composition and effectiveness of the Board and its Committees. This included reviewing the

Committee activities

Succession planning

- Considered Non-Executive Director's tenure and succession planning arrangements for the Board including the CEO and CFO.
- Reviewed the composition of the Executive Team and discussed key experiences, strengths, development areas, performance and succession coverage.
- Reviewed and discussed the Board skills and experience matrix for Non-Executive Directors.

Board composition and diversity

- Reviewed the composition of the Board and its Committees, including diversity metrics.
- Discussed progress against objectives and approved the updated Board Diversity & Inclusion Policy.

Evaluation and annual assessment of performance

- Assessed the independence of the Non-Executive Directors.
- Recommended to the Board each Director stand for re-election by shareholders at the Company's 2023 AGM.
- Reviewed and made recommendations to the Board in respect of each Director's actual, potential or perceived conflicts of interest.
- Reviewed the independence and time commitments of the Non-Executive Directors.

Governance

- Considered the creation of a Conduct and Standards Group and reviewed its Terms of Reference.
- Discussed the feedback from the 2023 Board and Committee effectiveness review and the action plans.
- Recommended the membership of the Environmental & Social Sustainability Committee.
- Considered the Director induction plan for David Denton.

balance of skills, experience, and diversity represented. It also assessed each Non-Executive Director's time commitment and reported the outcomes of this activity to the Board. The assessment considered internal responsibilities and the number and nature of the Directors' external commitments. All Non-Executive Directors demonstrated they have sufficient time to devote to their present role.

The Senior Independent Director (SID) reviewed the time commitment of the Chair as part of his annual review of the Chair's performance. In line with Provision 11 of the UK Corporate Governance Code, over half of our Board members are Independent Non-Executive Directors. Bryan Supran and David Denton are not considered independent as they are nominees of Pfizer.

Board diversity, equity and inclusion

The Board and its Committees have a diverse mix of gender, socio-economic and ethnic backgrounds, knowledge, personal attributes, skills and experience. While all Director appointments are based on merit, each candidate is assessed against objective criteria, with the prime objective to maintain and enhance the Board's overall effectiveness.

The Committee monitors progress against the Board and its Committees' diversity objectives which are set out in the Board Diversity & Inclusion Policy (the Policy), as part of its Board and Committee succession planning and, in addition to the skills and experience matrix, has regular regard to external guidance on improving diversity. As a result of this, the Board updated the Policy during 2023, to reflect evolving best practice and regulation.

A copy of the Policy can be found on our website, as outlined below.

As at 15 March 2024, the Company met the recommendations of the FTSE Women Leaders Review on gender diversity, and the Parker Review objective on board ethnic minority representation. The Board met and exceeded the FCA Listing Rules requirements in respect of female representation and ethnic diversity, as set out in the table below. While no women currently serve as Chair, SID, CEO or CFO as required by the Listing Rules, three out of the four Board Committee Chairs, as well as the Workforce Engagement Director, are appointments currently held by women. As part of our succession planning and as appointments to the Board are considered, we will be mindful of the Listing Rules requirements.

Gender representation as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, SID, CEO and CFO)	Number in executive management ¹	Percentage of executive management
Men	6	55%	4	8	53%
Women	5	45%	0	7	47%
Not specified/prefer not to say	—	—	—	—	—

Ethnicity representation as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, SID, CEO and CFO)	Number in executive management ¹	Percentage of executive management
White British or other White (including minority-white groups)	9	82%	3	12	80%
Mixed/Multiple Ethnic Groups	—	—	—	—	—
Asian/Asian British	2	18%	1	2	17%
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	—	—	—	—	—
Not specified/prefer not to say	—	—	—	1 ²	3%

➤ Information on the gender balance of the Executive Team and their direct reports is available on page 20.

➤ See our Board Diversity & Inclusion Policy at www.haleon.com/who-we-are/Governance/board-and-board-committees

¹ Executive management is defined as members of the Haleon Executive Team (including the CEO and CFO).

² Representing one individual based in a country in which it is illegal to collect diversity data.

Directors' Remuneration Report



Tracy Clarke
Chair

Letter from the Chair

I am delighted to present the Directors' Remuneration Report for Haleon plc for the year ended 31 December 2023.

Our first Directors' Remuneration Policy received strong shareholder support and was approved by 98.2% of shareholders at the 2023 AGM. The first Directors' Remuneration Report received 98.7% support from our shareholders. Both the Remuneration Policy and its implementation in 2023 were designed to reward performance that delivers, at a minimum, Haleon's investment case and drive growth, and it was therefore pleasing that shareholders have endorsed this approach. The Committee remains confident that the remuneration structure in place supports a management team that is committed to delivering consistently strong performance, while creating a sustainable, values and purpose-led Company. I would like to thank the shareholders that engaged with me and provided helpful feedback as the Committee designed, refined and finalised the remuneration structure.

Tracy Clarke
Chair of the Remuneration Committee
15 March 2024

Rewarding 2023 performance

2023 was a year of strong financial performance against a set of stretching targets. Organic revenue growth was achieved at 8.0% and adjusted operating profit growth was achieved at 10.4%. However, as these targets were set in a high inflation environment, when reviewing these outcomes the Committee carefully considered the impact of inflation experienced in several markets in the context of wider business performance in 2023. On this basis, the Committee considered it appropriate to apply discretion to the 2023 annual incentive plan (AIP) outcome which resulted in a reduction of c.10 ppts compared to the formulaic result. The overall outcome under the 2023 AIP was therefore 75.2% of the maximum opportunity for the CEO and 77.7% of maximum opportunity for the CFO. The Haleon PSP Refill awards granted in March 2023 vested in March 2024, by reference to the performance period ended on 31 December 2023. These awards vested at 81% of maximum, based on performance against the Cumulative free cash flow and net debt/adjusted EBITDA targets. The full details of the 2023 remuneration paid to Directors and the basis for its determination are set out on pages 84-88.

2024 remuneration structure

There have been no changes to the Directors' Remuneration Policy approved by shareholders at the 2023 AGM.

For 2024, the AIP performance measures remain (subject to aligning names and definitions of measures to the Company's financial KPIs) Organic revenue growth (60% weighting), Organic operating profit growth (20% weighting) and individual business objectives (IBOs) (20% weighting). Following review and due consideration, the Committee concluded that the balance of measures remains in line with the investment case for Haleon, in particular the weighting towards organic revenue growth, and so no changes were made to the AIP structure for 2024.

The 2023 PSP performance measures included cumulative free cash flow (50%), net debt/adjusted EBITDA (50%) and ESG qualifier thresholds on carbon reduction, recycle-ready packaging and gender

diversity in leadership roles. As the business is getting closer to reaching its initial deleveraging target (below 3.0x net debt/adjusted EBITDA), to ensure that the performance measures continue to support the most critical strategic objectives, for the 2024-2026 performance cycle the net debt/adjusted EBITDA measure (50% weighting) will be replaced with a combination of two alternative measures, adjusted diluted earnings per share growth (EPS) (30% weighting) and organic operating margin improvement (operating margin) (20% weighting).

EPS will drive a focus on bottom-line performance, whilst operating margin will enhance the focus on profitable growth, both of which are critical to driving long-term shareholder value. The addition of EPS and operating margin improvement will rebalance the incentive structure towards a focus on profitability, highlighting the importance of achieving margin improvement alongside top-line growth. Despite this change in the 2024-2026 metrics, our strategy remains consistent.

The 50% weighting on cumulative free cash flow will remain for 2024 as it continues to be a strategic priority to drive financial discipline. The generation of stable cash flow is a critical part of how value is created for our shareholders, including our ability to deliver returns.

In addition, as the external commitment on recycle-ready packaging runs to 2025, this threshold will be replaced by a metric assessing the reduction in virgin petroleum-based packaging as part of the ESG qualifier for the 2024-2026 cycle. This metric is aligned with Haleon's external commitment to reduce use of virgin petroleum-based plastic, with the threshold taking into account the change in the baseline from 2020 to 2022, as set out on page 22.

In combination across the 2024 AIP and PSP, the financial measures have been chosen to align our Executive Directors' remuneration with our strategy to deliver sustainable above-market growth and attractive returns, while running a responsible business, which is integral to all that we do.

➤➤ Further information about the measures and targets linked to incentive awards is provided on pages 85-89.

Having considered all relevant factors, including workforce remuneration arrangements, inflation rates and market practice, the Committee approved a 4.5% salary increase for the Executive Directors and a 4.5% fee increase for the Chair, the first pay increase awarded to the Executive Directors and the Chair since the demerger

in July 2022. This is in line with the average 4.5% increase awarded to UK employees. The base fees for Non-Executive Directors will also increase by 4.5%.

Shareholder engagement

In December 2023, I wrote to our largest shareholders regarding the changes we are making to the 2024 PSP performance measures and other aspects of the implementation of our Directors' Remuneration Policy in 2024.

I am very grateful for the support and valuable comments that we have received. The Committee will continue to ensure that the performance measures support our strategy, including the delivery of attractive returns.

I remain available for any shareholders who wish to discuss our policy, or any of the content set out in this report, ahead of the 2024 AGM.

Key duties and responsibilities

The Remuneration Committee's principal responsibilities are:

- Making recommendations to the Board on remuneration principles and policy as applied to Executive Directors.
- Setting, reviewing and approving individual remuneration arrangements for the Chair of the Board, Executive Directors, senior leadership and the Company Secretary, and such other executives as required.
- Designing remuneration policies and practices that support the Company's strategy and promote its long-term sustainable success.
- Ensuring that performance conditions are transparent, stretching and rigorously applied.

- Enabling the use of discretion over outcomes and recovery and withholding of awards where the Committee deems this to be appropriate.
- Making recommendations to the Board concerning the introduction of new share incentive plans which require Board or shareholder approval.
- Reviewing employee remuneration and key related policies, and the alignment of incentives and rewards, with the Company's culture and taking these into account when determining the policy for executive remuneration.

Membership and meetings

The Committee comprises solely Independent Non-Executive Directors.

Details are set out on page 62 and 63, together with details of attendance for the year on page 67. The Chair, CEO, Chief Human Resources Officer, Global Head of Reward and a representative from the independent remuneration adviser (PwC) attend meetings on a regular basis. Other attendees are invited to meetings as appropriate. The Committee also meets without management present. No Directors or executives are present when their own remuneration is discussed and they are not involved in determining their own remuneration.

Committee activities

Executive remuneration and incentive plans

- Approving the 2023 AIP and PSP targets and the 2022 AIP outcome.
- Considering updates on the 2023 AIP.
- Approving the 2024 AIP and PSP measures and targets.
- Approving 2023 and 2024 remuneration arrangements for the members of the Haleon Executive Team, including the Executive Directors, and the Company Secretary.
- Noting regular market updates on executive remuneration, investors' views and governance.

Stakeholder engagement

- Considering shareholder feedback on the 2022 Directors' Remuneration Report and the outcomes of the 2023 AGM.
- Considering and approving the 2023 shareholder engagement timeline and materials.
- Discussing the workforce remuneration arrangements.

Governance

- Approving the final 2022 and 2023 Directors' Remuneration Reports.
- Noting updates on the operation of share plans.
- Approving amendments to the malus and clawback policy.
- Approving the 2023 schedule of business and noting risk management procedures for the Committee.
- Approving appointment of the independent Committee advisers.
- Considering and approving relevant documents, policies and delegated authorities to allow the Committee to effectively discharge its responsibilities.

➤➤ Details of the Committee effectiveness review are set out on page 71.




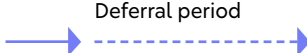


Directors' Remuneration Report continued

Remuneration at a glance

The current Directors' Remuneration Policy (Policy) was approved at the 2023 AGM and is expected to apply until the 2026 AGM. The Committee is comfortable that the current Policy operated as intended during 2023 and that the overall 2023 remuneration paid to Directors as set out below and within the Annual Report on Remuneration, was appropriate.

>> The complete Policy is available on the Company's website: www.haleon.com/who-we-are/Governance/codes-policies-and-standards

Summary of the application of the Directors' Remuneration Policy in 2023 and 2024

Element	2023	2024	2025	2026	2027	2028	Application for 2023	Application for 2024
Base Salary							2023 base salaries: – CEO: £1,250,000 – CFO: £700,000	2024 base salaries: – CEO: £1,306,250 (+4.5%) – CFO: £731,500 (+4.5%)
Benefits							Benefits operate in line with the Policy	Benefits will operate in line with the Policy
Pension arrangements							Employer contributions: – CEO: 7% of salary – CFO: 7% of salary	No change
Annual Incentive Plan (AIP)							Maximum AIP opportunities: – CEO: 200% of salary – CFO: 200% of salary 2023 performance measures: – 60% Organic revenue growth ¹ – 20% Adjusted operating profit – 20% IBOs 50% of any AIP earned is deferred for three years	No change to AIP opportunities 2024 performance measures (no change): – 60% Organic revenue growth – 20% Organic operating profit growth – 20% IBOs 50% of any AIP earned is deferred for three years
Performance Share Plan (PSP)							2023 PSP award levels: – CEO: 450% of salary – CFO: 350% of salary 2023 performance measures: – 50% Cumulative free cash flow – 50% Net debt/adjusted EBITDA – ESG qualifier	No change to PSP award levels 2024 performance measures: – 50% Cumulative free cash flow – 30% Adjusted diluted EPS growth – 20% Organic operating margin improvement – ESG qualifier
Share ownership requirements							Share ownership requirements: – CEO: 450% of salary – CFO: 350% of salary	No change

¹ Organic revenue growth was referred to as 'organic sales growth' in the 2022 Directors' Remuneration Report. This measure has not changed, however, the name has been aligned with the strategic KPI for ease of reference.

Malus and clawback

The Committee may apply malus and clawback at any time prior to the second anniversary of the date the cash element of an annual bonus is paid, or a share award vests. The Committee may only invoke these malus and clawback provisions in accordance with the Haleon malus and clawback policy from time to time, in circumstances such as a material misstatement of results; a failure of risk management resulting in material financial loss; an error or material misstatement which results in an overpayment (such as in the assessment of performance); a corporate failure of the Company; employee misconduct; or material reputational damage to the Company.

In addition, on 1 December 2023, the Company adopted a mandatory clawback policy that complies with the SEC requirements introduced during the year.

What performance means for Executive Directors' pay in 2023

At Haleon, remuneration packages are designed to ensure strong alignment between pay and performance. 2023 saw the Company perform strongly against its financial and strategic objectives which has been appropriately reflected in the incentive outcomes, as set out in the Annual Report on Remuneration from page 84.

2023 AIP outcome

Following a year of strong performance, the formulaic AIP outcomes were 85.1% of maximum (CEO) and 87.6% of maximum (CFO). However, in line with the Committee's discretion, the outcome was reduced by c.10 ppts to reflect higher than expected inflation experienced in several markets.



2023 PSP Refill awards

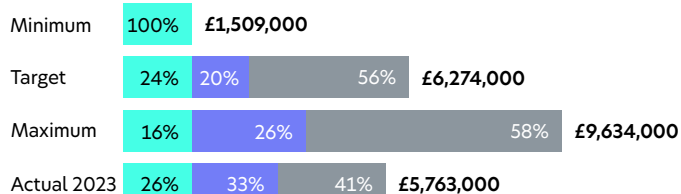
The PSP Refill awards vested at 81% of maximum, in line with performance against the cumulative free cash flow and net debt/adjusted EBITDA targets, combined with considerable progress on responsible business objectives.



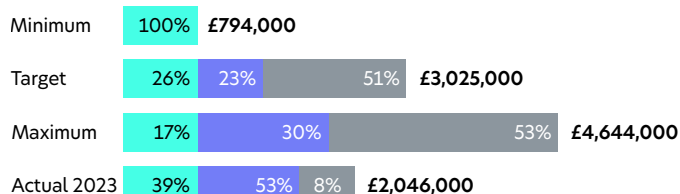
2023 remuneration scenarios and actual remuneration received

The charts below show the potential levels of remuneration which could be received by the Executive Directors under different performance scenarios based on the levels of regular AIP and PSP awards granted in the year, as well as actual remuneration received in respect of 2023 including vesting of the PSP Refill awards.

CEO



CFO



● Fixed pay ● AIP ● PSP

Link between incentive measures and strategy

There is a strong link between Haleon's performance measures and the Company's strategy. A combination of financial and non-financial measures has been chosen to ensure that executive remuneration is aligned with the key performance indicators (KPIs) used by the business to monitor performance against our strategic priorities. The table below sets out the incentive measures and weightings used in 2023:

Strategic KPI (as shown on pages 32-33 of this report)	AIP measures	PSP measures
Organic revenue growth	Organic revenue growth (60% weighting)	
Adjusted operating profit	Adjusted operating profit (20% weighting)	
Net debt to adjusted EBITDA		Net debt/adjusted EBITDA (50% weighting)
Free cash flow		Cumulative free cash flow (50% weighting)
Carbon reduction		Carbon reduction (ESG qualifier)
Recycle-ready packaging		Recycle-ready packaging (ESG qualifier)
Gender diversity		Gender diversity (ESG qualifier)

Further details of the performance measures for the 2023 AIP and PSP awards, and how they are aligned with Company strategy and the creation of shareholder value, are set out on pages 85-88 of this Directors' Remuneration Report. 2024 AIP and PSP performance measures aligned with the 2024 strategic KPIs are set out on pages 87 and 89 of this Directors' Remuneration Report.

Directors' Remuneration Report continued

Annual Report on Remuneration

Planned implementation for 2024

Content within a box indicates that all the information in the panel is planned for implementation in 2024.

'Single figure' of remuneration - Executive Directors (audited)

The following table shows a single total figure of remuneration for each Executive Director in respect of qualifying services for the 2023 and 2022 financial years.

£000	Brian McNamara 2023	Brian McNamara 2022 ^{3,4}	Tobias Hestler 2023	Tobias Hestler 2022 ³
Salary	1,250	719	700	410
Benefits	171	474 ⁵	45	35
Pension	88	87	49	36
Total fixed remuneration	1,509	1,280	794	481
AIP ¹	1,880	1,014	1,088	518
PSP ²	2,374	—	164	—
Total variable remuneration	4,254	1,014	1,252	518
Total remuneration⁶	5,763	2,294	2,046	999

¹ The value of the 2023 AIP includes both the cash (50% of the AIP) and deferred portion (50% of the AIP). The deferred part of the bonus is subject to malus and clawback in accordance with the malus and clawback policies, but no further performance conditions.

² 2023 PSP vesting shows the PSP Refill awards which vested in March 2024. The value of awards has been calculated based on the average share and ADS price over the last three months of 2023 (£3.2887/\$8.2421) and includes the accumulated dividends delivered in the form of shares. The actual value of vesting PSP Refill awards, based on the share price on the vesting date could not be calculated prior to the publication of this Report and therefore will be shown in the 2024 Report. Due to the share price appreciation over the vesting period, the estimated value per share of the 2023 PSP Refill awards is higher than the value per share at grant by \$50,156 (£40,448) for Brian McNamara and by £2,900 for Tobias Hestler. The value of the 2023 PSP Refill award for Brian McNamara has been converted to GBP using the average 2023 exchange rate of 1.24. There were no Haleon PSP awards vesting in 2022.

³ 2022 remuneration is shown for the period between Directors' appointment (23 May 2022) and the end of the financial year (31 December 2022).

⁴ Pre-demerger remuneration for Brian McNamara was set in US Dollars and has been converted to GBP in the table above, using the average 2022 exchange rate of 1.24.

⁵ The value of 2022 benefits for Brian McNamara has been restated to show the actual cost of tax equalisation arrangements provided in line with the GSK plc policy, as set out in the 2022 Directors' Remuneration Report. The total reduction in this value was £55,780.

⁶ Each remuneration element is rounded to the nearest £1,000, and totals reflect the sum of these rounded values.

Salary (audited)

Executive Directors received no salary increases in 2023.

Executive Director	Annual base salary as of 1 January 2023	Annual base salary as of 1 April 2023
Brian McNamara	£1,250,000	£1,250,000
Tobias Hestler	£700,000	£700,000

2024 salaries

The Committee carefully considered whether any increases should be awarded to Executive Directors' salaries in 2024. Factors that have been taken into account when considering Directors' pay included investors' expectations, external environment, Company performance, planned salary increases for the wider employee population, personal performance of the executives and competitive market positioning of the total remuneration packages against the main peer groups. In 2023 these peer groups included constituents of the FTSE 30 (excluding financial services) and a bespoke group of large international FMCG companies¹. The Committee noted that Executive Directors' salaries had not been reviewed since the demerger. Based on the considerations set out above, the Committee approved a 2024 salary increase of 4.5% for the Executive Directors, in line with the average increase which will be awarded to the wider UK workforce.

Executive Director	Annual base salary from 1 April 2024	% increase
Brian McNamara	£1,306,250	4.5
Tobias Hestler	£731,500	4.5

¹ In 2023 this group included Diageo, AstraZeneca, GSK, British American Tobacco, Vodafone Group, Imperial Brands, Danone S.A., Heineken N.V., Burberry Group, Associated British Foods, L'Oréal S.A., Pernod Ricard SA, Sanofi and Siemens Healthineers AG.

Benefits (audited)

2023 benefits for Executive Directors included private healthcare (including spouse or partner and eligible dependent children), life assurance/death in service benefit, membership of a Group Income Protection plan (including self-insured, where appropriate, in line with standard policy), personal tax and financial planning, car travel, reimbursement of expenses properly incurred in the ordinary course of business, which are deemed to be taxable benefits, and (for the CEO only) home security services. Executive Directors are eligible to participate in the HM Revenue and Customs (HMRC) approved Haleon Share Save Plan and Share Reward Plan. Details of Executive Directors' rights under the Share Save Plan are set out in the 'Outstanding share options' table on page 95.

2024 benefits

Benefits for 2024 remain in line with the Policy.

Pension

Both Executive Directors receive pension contributions at the rate of 7% of annual base salary which includes contributions to the pension plan as well as cash allowances. Executive Directors do not participate in defined benefit pension plans.

Executive Director	Pension plan contributions	Pension allowance	Total 2023 pension contributions
Brian McNamara	£0	£87,500	£87,500
Tobias Hestler	£5,333	£43,667	£49,000

2024 Pension

Pension for 2024 remains in line with the Policy. Approach to pension arrangements for Executive Directors is in line with the broader workforce.

2023 Annual Incentive Plan (AIP) awards (audited)

The 2023 AIP awards were based on performance for the year ended 31 December 2023. 80% of the bonus opportunity is determined by financial performance and 20% is based upon the achievement of IBOs.

The figures below represent the total 2023 AIP awards to be paid, including the portion payable in cash in 2024, and the portion deferred into shares for a further three years to be released in 2027, subject to continued employment and malus and clawback provisions. In line with the Policy, deferral provisions apply to 50% of the 2023 AIP value.

Performance measures	Weighting	2023 AIP targets			2023 AIP outcome		AIP outcome (% of max per element)	
		Threshold (25% of max)	Target (50% of max)	Maximum (100% of max)	Actual	Outcome (% of max)	Brian McNamara	Tobias Hestler
Organic revenue growth	60%	3.3%	5.3%	7.3%	6.8%	88.5%	53.1%	53.1%
Adjusted operating profit	20%	3.4%	7.4%	11.4%	9.2%	73.0%	14.6%	14.6%
IBOs - Brian McNamara	20%	Details of performance are set out on page 86.					7.5%	—
IBOs - Tobias Hestler							—	10.0%
AIP award (% of maximum)							75.2%	77.7%
AIP award (value)							£1,880,000	£1,087,800

The colour bars represent the actual outcome.

2023 was a year of strong financial performance. The 2023 AIP was subject to a set of ambitious targets which were defined at the beginning of the year, in line with our stretching business plan. The outcomes were at the upper end of the improved guidance provided by the Company at Half Year. Organic revenue growth was achieved at 8.0%, and adjusted operating profit growth was achieved at 10.4% (this compares to the reported organic operating profit growth of 10.8% for 2023; from 2024, the AIP measure will be aligned with the organic operating profit growth).

Given that targets were set in a high inflation environment, the Committee considered whether the incentive outcome fairly reflects the underlying business performance. This analysis included determining the level of impact of higher-than-expected inflation experienced in several markets on the outcome of the 2023 AIP.

Having discussed this impact, the Committee considered it appropriate to apply discretion to the 2023 AIP outcome which resulted in a reduction to the organic sales growth outcome from 8.0% to 6.8% and the adjusted operating profit from 10.4% to 9.2% to reflect the high inflationary impact. This has reduced the outcome of the 2023 AIP for the Executive Directors by c. 10 percentage points, from 85.1% of maximum for the CEO and 87.6% of maximum for the CFO to 75.2% of maximum for the CEO and 77.7% of maximum for the CFO respectively.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Achievement of 2023 Individual Business Objectives (IBOs) (audited)

20% of the Executive Directors' 2023 AIP is linked to the achievement of IBOs which were focused on key strategic objectives. In addition to the objectives outlined in the bonus, there is an expectation that the Executive Directors will each demonstrate the required high leadership standards and behaviours of the Company.

At the end of the year, the Committee considered the performance of each Executive Director against pre-set objectives. At its meeting in February 2024, it concluded that 2023 had seen progress in the achievement of our strategic objectives, as described in the Strategic Report. This has been reflected in the assessment of the Executive Directors' 2023 IBOs, showing their contribution to the execution of Group strategy during 2023. IBOs are calibrated with a high degree of stretch in them such that outcomes above target are only achieved for exceptional performance over the performance period.

The table below summarises performance against the key 2023 IBOs for the current Executive Directors:

Brian McNamara

Objective	Description of performance
Portfolio Review Carry out a category portfolio review and commence implementation	<ul style="list-style-type: none">- Review of category brand portfolio to align with Haleon's strategic priorities.- Divested Lamisil successfully with agreement to divest Chapstick.- Evaluation of other M&A opportunities.
Culture Develop the blueprint for Haleon cultural development and deliver the streamlined organisation objective	<ul style="list-style-type: none">- Culture plans devised and implementation started with further stages to be completed in 2024.- Changes implemented amongst others, include cascade of leadership standards through the organisation, update of talent review processes, installation of employee health and wellbeing working groups, review of the compensation and benefits policies.
Growth strategy Define growth strategy for key markets to deliver accelerated growth	<ul style="list-style-type: none">- Long term strategy further developed for key markets to accelerate our growth momentum.- A number of strategic initiatives have been deployed, with further implementation steps to be completed in 2024.

Recognising Mr McNamara's performance against his IBOs during 2023, the Committee judged that 7.5% of a maximum of 20% attributable to IBOs was appropriate to reflect the progress made against the stretching objectives set.

Tobias Hestler

Objective	Description of performance
Productivity Build a 3-year productivity plan	<ul style="list-style-type: none">- Productivity programme successfully set-up and in execution, in line with the Board-approved 3-year plan.- Savings goal fully embedded into operational plans across all business units.- 2023 project milestones and targets have been delivered in line with expectations.
Review of strategy in key markets	<ul style="list-style-type: none">- Review completed and aligned with the Board.- Kicked-off execution delivering a detailed project plan, and engagement strategy.
Portfolio Review Carry out a category portfolio review and commence implementation	<ul style="list-style-type: none">- Review of category brand portfolio to align with Haleon's strategic priorities.- Divested Lamisil successfully with binding agreement to divest Chapstick through a combination of cash and passive minority structure allowing Haleon to participate in further value creation of the brand.- Evaluation of other M&A opportunities.

Recognising Mr Hestler's performance against his IBOs during 2023, the Committee judged that 10% of a maximum of 20% attributable to IBOs was appropriate to reflect the progress made against the stretching objectives set.

Deferral policy for the 2023 AIP

In line with the Policy, 50% of the 2023 AIP awards (to be paid in March 2024) have been deferred for three years into conditional awards over Haleon shares, subject to continued employment and malus and clawback provisions.

Deferred Annual Bonus Plan (DABP) awards in respect of the 2022 AIP made in 2023 (audited)

The following table sets out details of mandatory deferral into the DABP of the 2022 AIP awards made on 23 March 2023:

Executive Director	Type of award	Nature of award	Number of shares subject to award	Grant price ¹	Face value at grant
Brian McNamara	DABP	Conditional shares	127,512	£3.23	£411,865
Tobias Hestler	DABP	Conditional shares	70,995	£3.23	£229,314

¹ Grant price is calculated as the average closing share price over the three business days immediately preceding the grant date.

2024 AIP awards

In line with the Policy, for 2024 the target and maximum AIP opportunities for our Executive Directors will be:

Executive Director	Target opportunity (% of salary)	Maximum opportunity (% of salary)
Brian McNamara	100%	200%
Tobias Hestler	100%	200%

Performance will be based on Group financial performance targets aligned to the Group's KPIs, as well as IBOs. The measures and percentage weightings will remain unchanged from 2023, with names and definitions updated to align with the strategic KPIs:

- Organic revenue growth (60%);
- Organic operating profit growth (20%); and
- Individual Business Objectives (20%).

2024 AIP targets are considered commercially sensitive and will be disclosed in the 2024 Annual Report.

In line with the Policy, 50% of all 2024 AIP awards will be deferred for three years into conditional awards over Haleon shares, subject to continued employment, malus and clawback provisions.

Performance Share Plan Refill awards vesting (audited)

As set out in our 2022 Report, 'Refill' share awards were granted to the Executive Directors (as well as other former GSK employees) in respect of the lapsed portion of GSK share awards that were time pro-rated at demerger. PSP Refill awards were granted on 23 March 2023 and vested on 1 March 2024. The performance measures for the PSP Refill awards were aligned with the measures for the annual 2022 PSP awards, being cumulative free cash flow (50%) and net debt/adjusted EBITDA (50%). The targets were aligned with those used for the 2022 award and were calibrated to reflect the shorter performance period.

Performance measures	Weighting	Target ranges		Outcome	
		Minimum (25% vesting) ¹	Maximum (100% vesting) ¹	Actual outcome	Level of vesting
Cumulative free cash flow (Measured on a cumulative basis over the performance period FY 22-23)	50%	£2,905m	£3,543m	3,443m	88%
Net debt/adjusted EBITDA (Measured as a ratio at year end 2023)	50%	3.4x	2.8x	3.0x	74%
Overall vesting level (% of maximum)					81%

 The colour bars represent the actual outcome.

¹ Straight-line interpolation is applied for performance between minimum and maximum.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

The Committee also considered progress made during 2023 on carbon reduction, recycle-ready packaging and gender diversity when determining the vesting outcome. Based on the considerable progress on responsible business objectives shown in 2023, no reduction was applied to the level of vesting shown below.

Executive Director	Number of shares awarded	Type of award	Percentage of the PSP Refill award vesting	Number of shares vesting	Value of shares vesting ²
Brian McNamara	434,906	ADS ¹	81%	357,197	£2,374,237
Tobias Hestler	60,878	Ordinary shares	81%	50,011	£164,471

¹ Each ADS represents two ordinary shares.

² The value of the 2023 PSP Refill award at vesting for Brian McNamara has been converted to GBP using the average 2023 exchange rate of 1.24.

Due to the share price appreciation over the vesting period, the estimated value per share of the 2023 PSP Refill awards is higher than the value per share at grant by \$50,156 (£40,448) for Brian McNamara and by £2,900 for Tobias Hestler.

Performance Share Plan awards made in 2023 (audited)

Brian McNamara and Tobias Hestler were granted awards with a face value of 450% of salary and 350% of salary respectively.

The following table sets out details of awards made on 23 March 2023:

Executive Director	End of the performance period	Type of award	Nature of award	Number of shares subject to award	Grant price ¹	Face value at grant
Brian McNamara	31 December 2025	PSP	Conditional shares	1,741,487	£3.23	£5,625,000
Tobias Hestler	31 December 2025	PSP	Conditional shares	758,514	£3.23	£2,450,000

¹ Grant price is calculated as the average closing share price over the three business days immediately preceding the grant date.

Performance measures for the PSP awards granted in 2023

Measure	Target ranges		
	Weighting	Minimum (25% vesting) ¹	Maximum (100% vesting) ¹
Cumulative free cash flow (Measured on a cumulative basis over the performance period FY 23-25)	50%	£4.520bn	£5.520bn
Net debt/adjusted EBITDA (Measured as a ratio at year end 2025)	50%	2.7x	2.3x

¹ Straight-line interpolation is applied for performance between minimum and maximum.

An ESG qualifier is also included within the 2023 PSP design, to reflect commitments that the Company has made on carbon reduction, recycle-ready packaging and gender diversity.

In designing the ESG qualifier, the Committee has set thresholds for each of the three measures and, at the end of the performance period, if any of the thresholds are missed, a reduction in the level of vesting of 10% could be applied for each missed threshold. In addition, if the metrics are static or go backwards compared to the 2022 baseline, a 25% reduction in the level of vesting could be applied for each measure (i.e., a potential overall reduction of up to 75%).

The ESG qualifier thresholds for the 2023 PSP are as follows:

Measure	Threshold
Carbon reduction (Measured for 12 months to November 2025)	At least 48% reduction in Scope 1 and 2 carbon emissions from the 2020 level.
Recycle-ready packaging (Measured for 12 months to June 2025)	At least 80% of packaging should be recycle-ready.
Diversity (Quarterly average in 2025)	At least 45% of leadership roles should be held by women.

In determining the vesting levels and any adjustment which should apply, the Committee will also consider wider factors, including whether broader plans to meet Haleon's responsible business commitments are on track.

Performance Share Plan awards to be made in 2024

Brian McNamara and Tobias Hestler will be granted awards with a face value of 450% of salary and 350% of salary respectively.

Performance measures for the 2024 PSP awards

The 2023 PSP performance measures included cumulative free cash flow (50%), net debt/adjusted EBITDA (50%) and the ESG qualifier threshold on carbon reduction, recycle-ready packaging and gender diversity in leadership roles. As the business is getting closer to reaching its initial deleveraging target (below 3.0x net debt/adjusted EBITDA), to ensure that the performance measures continue to support the most critical strategic objectives, for the 2024-2026 performance cycle the net debt/adjusted EBITDA measure (50% weighting) will be replaced with a combination of two alternative measures, adjusted diluted earnings per share growth (EPS) (30% weighting) and organic operating margin improvement (operating margin) (20% weighting). This change in financial metrics does not signal a change in strategy, which remains consistent.

EPS will be aligned with the headline adjusted diluted EPS metric disclosed in the Annual Report and will be measured as compound growth over the performance period at constant currency (i.e., cumulative growth calculated each year on an organic basis, at constant currency and removing the impact of acquisitions and divestments). It is expected that one-off events, such as M&A, which were not anticipated at the time of target setting, will be excluded from the calculation in the year when the event occurred. In addition, the impact of any share buybacks will be considered by the Remuneration Committee on a case-by-case basis.

Operating margin targets will be expressed as a cumulative basis points (bps) improvement and measured at constant currency. This measure is derived from organic revenue growth and organic profit growth and as such, excludes the impact of acquisitions, divestments, closures of brands, and the impact of translational currency exchange movements. It will be based on margin improvement over the performance period (i.e., cumulative improvement calculated each year on an organic basis).

The 50% weighting on cumulative free cash flow will remain for 2024 as it continues as a strategic priority to drive financial discipline. The generation of stable cash flow is a critical part of how value is created for our shareholders, including our ability to deliver returns.

Measure	Weighting	Target ranges	
		Minimum (25% vesting) ¹	Maximum (100% vesting) ¹
Cumulative free cash flow (Measured on a cumulative basis over the performance period FY 24-26)	50%	£5.310bn	£6.490bn
Adjusted diluted EPS growth (Measured as % growth on a cumulative basis over three years)	30%	6% p.a.	10% p.a.
Organic operating margin improvement (Measured as bps improvement on a cumulative basis over three years)	20%	+100 bps	+270 bps

¹ Straight-line interpolation is applied for performance between minimum and maximum.

The Committee reviews the mix of measures in incentives on an annual basis and will continue to consider whether the performance measures remain aligned with our strategic priorities.

An ESG qualifier is also included within the 2024 PSP design, to reflect commitments that the Company has made on carbon reduction, the use of plastic and gender diversity. The operation of the qualifier is unchanged from 2023, such that at the end of the performance period, if any of the thresholds are missed, a reduction in the level of vesting of 10% could be applied for each missed threshold. In addition, if the metrics are static or go backwards compared to the 2023 baseline, a 25% reduction in the level of vesting could be applied for each measure (i.e., a potential overall reduction of up to 75%).

The carbon reduction and gender diversity ESG thresholds were retained in the 2024-2026 measures. The external commitment on recycle-ready packaging runs to 2025, and therefore this metric will be replaced by a metric assessing the reduction in virgin petroleum-based packaging as part of the ESG qualifier for the 2024-2026 cycle, in line with Haleon's commitment to reduce the use of virgin petroleum-based plastic. The threshold was set taking into account the change in the baseline year from 2020 to 2022, as the 2022 data used to calculate our packaging footprint has greater availability and accuracy. More detail can be found on page 22.

The ESG qualifier thresholds for the 2024 PSP are as follows:

Measure	Threshold
Carbon reduction (Measured for 12 months to November 2026)	At least 55% reduction in Scope 1 and 2 carbon emissions from the 2020 level.
Reduction in virgin petroleum-based packaging (Measured for 12 months to June 2026)	At least 12% reduction from the 2022 level.
Diversity (Quarterly average in 2026)	At least 46% of leadership roles should be held by women.

In determining the vesting levels and any adjustment which should apply, the Committee will also consider wider factors, including whether broader plans to meet Haleon's responsible business commitments are on track.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Principles addressed when determining the remuneration outcomes for Executive Directors

When determining the remuneration outcomes, the Committee had regard to a number of key principles: clarity and simplicity of the incentive structure (remuneration aligned with market practice, consisting of a single short-term incentive and long-term incentive), avoiding payment for failure (a range of design features take into account risk, including malus and clawback provisions), proportionality (rewarding performance against stretching targets), and acting in line with our purpose and culture when setting remuneration. The full description of how our Policy aligns with these principles is set out on page 86 of the 2022 Annual Report, available on the website at www.haleon.com.

In addition, when determining incentive outcomes, the Committee may use its discretion to ensure that a fair and balanced outcome is achieved, taking into account the overall performance of the Company, including all relevant external factors and the experience of shareholders. Any use of discretion would be explained in the Directors' Remuneration Report and may, as appropriate, be the subject of consultation with the Company's major shareholders.

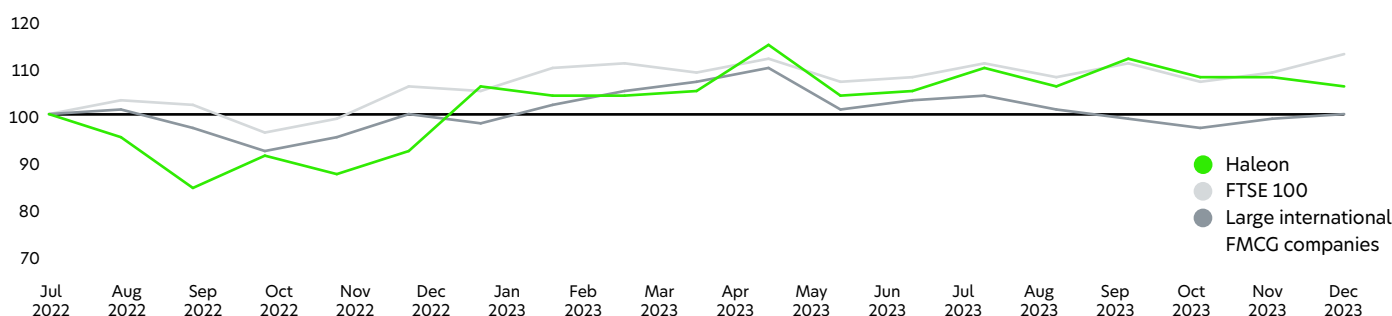
Payments for loss of office and to past Directors (audited)

There were no payments to Directors for loss of office and no payments to past Directors during 2023.

Total shareholder return (TSR)

The chart shows the monthly value, from the time of demerger to 31 December 2023, of a notional sum of £100 invested in Haleon shares on 18 July 2022, compared to £100 invested in the FTSE 100 on the same date. The FTSE 100 Index was chosen as the comparator because the Company is a constituent of this index. To provide shareholders with additional context, the chart also shows a bespoke group of large international FMCG companies used for remuneration benchmarking: Diageo, AstraZeneca, GSK, British American Tobacco, Vodafone Group, Imperial Brands, Danone S.A., Heineken N.V., Burberry Group, Associated British Foods, L'Oréal S.A., Pernod Ricard SA, Sanofi and Siemens Healthineers AG.

Total shareholder return



Chief Executive Officer - historical remuneration information

The table below shows the remuneration of the Chief Executive Officer in place at the time over the same period.

Year	2022	2023
Chief Executive Officer	Brian McNamara	Brian McNamara
Single figure of total remuneration (£'000) ¹	2,294	5,763
AIP outcome (% of maximum) ²	72%	75%
PSP vesting (% of maximum) ³	n/a	81%

¹ Pre-demerger remuneration for Brian McNamara was set in US Dollars and has been converted to GBP in the table above, using the average 2022 exchange rate of 1.24.

² 2022 AIP value has been pro-rated for the period between Director's appointment (23 May 2022) and the end of the financial year (31 December 2022).

³ There were no PSP awards vesting in 2022.

Relative importance of spend on pay

The table below sets out the amounts payable in respect of 2022 and 2023 on all-employee pay and dividends:

Year	2022	2023
Total staff costs ¹	£1,835m	£2,149m
Dividends ²	£11,930m	£388m

¹ Total staff costs are presented in line with Note 7 to the Financial Statements.

² Dividends are presented in line with Note 10 to the Financial Statements.

Chief Executive Officer's pay compared with employee pay

The table below compares the CEO's 'single figure' of total remuneration to that received by three representative UK employees in 2023 and 2022. The total remuneration for each quartile employee, and the salary component within this, is also outlined below.

Year	Method ⁴	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023 ¹	Option B	93:1	50:1	38:1
2022 ^{2,3}	Option B	64:1	32:1	24:1

¹ 2023 CEO single figure includes the value of the PSP Refill award which was made to compensate the value foregone on early vesting of the GSK award. This award vested in March 2024.

² 2022 CEO single figure does not include any long-term incentive component as the first Haleon PSP award was made to the CEO in 2022. The 2022 CEO pay ratio has been recalculated based on the restated value of the 2022 benefits for the CEO, as shown in the single figure table in this report.

³ The total 2022 remuneration for employees is based on earnings between 23 May 2022 and 31 December 2022 and the 2022 bonus pro-rated for that period.

⁴ See Methodology below.

Year	25th percentile £000	Median £000	75th percentile £000
2023 salary	49	67	91
2023 total remuneration	62	114	152

Methodology

In line with the approach taken in 2022, we have chosen to use Option B as our preferred methodology to calculate the CEO pay ratio. Given the complexity of the pay arrangements for different categories of UK employees at Haleon, this approach allows us to leverage the existing gender pay gap calculations and thus presents a practical and efficient approach, using robust and meaningful data that is representative of the remuneration levels for UK employees.

The Company used data from the 2023 gender pay gap calculation to determine employees positioned at each pay quartile and excluded those employees who left the Company before 31 December 2023. Remuneration was calculated in line with the methodology used to determine the single total figure of remuneration for the CEO, as presented in this Report. Remuneration figures are determined with reference to the financial year ending on 31 December 2023. The remuneration covers salary, benefits and pension contributions, bonus in respect of 2023 which will be paid in March 2024 and share awards without performance conditions granted in 2023. No components were omitted from the calculation and no adjustments were made to any of the pay elements. Where required, actual remuneration was converted into a full-time equivalent by pro-rating earnings to reflect full-time contractual working hours.

The Committee determined that the identified employees are reasonably representative of the pay quartiles, since the structure of their remuneration arrangements is in line with that of the majority of employees in the UK. The Committee believes that the median pay ratio for the 2023 financial year is consistent with the pay, reward and progression policies for the Company's UK employees.

The change in the CEO pay ratio from the prior year is primarily attributed to the vesting of the Haleon PSP Refill awards for the CEO whereas the 2022 single figure of remuneration did not include any long-term incentive awards.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Percentage change in remuneration

The table below sets out how the change in remuneration for each Director between 2022 and 2023 compared to a wider UK employee comparator group:

	Change in 2023 against 2022		
	Salary/fees ¹ (% change)	Benefits ² (% change)	Bonus ³ (% change)
Executive Directors			
Brian McNamara	0%	-52%	4%
Tobias Hestler	0%	5%	8%
Chair and Non-Executive Directors			
Sir Dave Lewis	0%	19%	n/a
Manvinder Singh (Vindi) Banga	0%	-52%	n/a
Marie-Anne Aymerich	0%	191%	n/a
Tracy Clarke	0%	-89%	n/a
Dame Vivienne Cox	0%	-87%	n/a
David Denton ⁴	n/a	n/a	n/a
Asmita Dubey	0%	-35%	n/a
Deirdre Mahlan	0%	146%	n/a
Bryan Supran ⁴	n/a	-43%	n/a
John Young ⁵	0%	-11%	n/a
Average for all UK employees ^{6,7}	6%	35%	18%

¹ Change in salary/fees for Directors is shown as the change from the post-demerger annual rate of salary applicable for 2022 to the rate applicable for 2023.

² Change in benefits for Directors is shown as annualised value of post-demerger benefits for 2022 compared with the full value of benefits in 2023.

³ Change in bonus for the Executive Directors is shown as the annualised value of the post-demerger 2022 AIP compared with the full value of the 2023 AIP.

⁴ David Denton and Bryan Supran do not receive Non-Executive Director fees. David Denton joined the Board with effect from 1 March 2023.

⁵ John Young stepped down from the Board with effect from 28 February 2023.

⁶ Only a very small number of individuals are employed by the same entity as Directors. As the number of employees is fewer than five, data for this entity is not presented. Therefore the table above shows a comparison to the average remuneration for all UK employees of Haleon.

⁷ Average change in salary for the UK employees is the average increase awarded to the UK workforce in 2023. Average change in benefits for the UK employees represents a change in the medical benefit offering in the UK between 2022 and 2023 which resulted in an increase in the average monthly premium. Average change in bonus for the UK employees is calculated as the change in the business multiplier between 2022 and 2023 and will be re-stated in the 2024 report when actual bonus data is available.

Consideration of workforce pay and approach to engagement

The Board receives regular updates on employee engagement, including employee engagement survey results, with a detailed update presented annually. In addition, workforce engagement is covered on page 70, which includes commentary on how the views of employees were considered by the Board.

To ensure that the remuneration-related decisions are fair and appropriate, the Committee considered employees' pay increases when determining the appropriate salary levels for the Executive Directors and fees for the Chair. In addition, the Committee was provided with an update on bonus outcomes for the wider employee population, which were taken into account to ensure that the bonus outcomes appropriately reflect business performance at all levels in the organisation. Furthermore, the Committee approved the implementation of Haleon's all-employee share plans and agreed the terms and details of the 2023 and 2024 share awards made to the executives and other senior employees. In 2023, the Workforce Engagement Director, Dame Vivienne Cox, conducted a series of meetings with various groups of employees across multiple geographies and functions. She covered the role of the Board and the Committee in one of her sessions, setting out how the Remuneration Committee operates and how it considers wider workforce remuneration arrangements.

In addition, employees have been informed about the alignment between the executive remuneration structure and the wider workforce remuneration arrangements as part of the wider reward communications. The Directors' Remuneration Policy, which is available on Haleon's website, has been shared with employees, providing an opportunity to view and assess the remuneration structure which applies to the Board. The Company always welcomes employee feedback, and views on executive remuneration will be shared with the Committee.

Remuneration Committee advisers

During 2023, PwC was the independent remuneration adviser to the Committee. PwC was appointed by the Committee in August 2022. As part of this process, the Committee considered the services that PwC provided to other FTSE 100 companies and Haleon's competitors, as well as other potential conflicts of interest. PwC is a member of the Remuneration Consultants' Group and voluntarily operates under their code of conduct when providing advice on executive remuneration in the UK. PwC regularly meets with the Chair of the Committee without management present. The Committee is comfortable that the PwC engagement partner and team providing remuneration advice to the Committee do not have connections with Haleon or its individual Directors that may impair their independence and objectivity. The total fees paid to PwC for the provision of independent advice to the Committee in 2023 were £74,500 charged on a fixed fee as well as time and materials basis. During 2023, PwC also provided other services to Haleon entities, including tax advice, internal audit and assurance, controls (e.g., SOX, organisational controls and cyber-security assessments), general management consultancy, advice relating to Group-wide projects, staff augmentation for cyber-security specific requirement, short and medium secondees, deals and transactions work. Remuneration advice is provided by an entirely separate team within PwC.

Statement of voting at the Annual General Meeting (AGM)

The Directors' Remuneration Policy and the 2022 Directors' Remuneration Report were approved by shareholders at the 2023 AGM. Each of these resolutions received a significant vote in favour by shareholders and the Committee is grateful for this support and endorsement by our shareholders. The votes received were:

Resolution	For	%	Against	%	Withheld
To approve the Directors' Remuneration Report	7,769,899,285	98.72%	101,062,356	1.28%	34,883,051
To approve the Directors' Remuneration Policy	7,728,166,817	98.19%	142,531,194	1.81%	35,150,085

Directors' service contracts and letters of appointment

Brian McNamara's and Tobias Hestler's service contracts, dated 9 May 2022 and 10 May 2022 respectively, are subject to a 12-month notice period and any payments for loss of office will be in line with the Directors' Remuneration Policy disclosed in the 2022 Annual Report. Executive Directors' service contracts are available for inspection at the Company's registered office and included as exhibits to this Annual Report and Form 20-F. The Non-Executive Directors and the Chair were each appointed by a letter of appointment for an initial term of three years, and either party may terminate the appointment on three months' notice, or, if earlier, with the consent of the Board. All Non-Executive Directors are subject to annual re-election by shareholders at the AGM and there is no provision in their letters of appointment giving them a right to compensation upon early termination.

2023 Non-Executive Directors' remuneration

The Chair is entitled to receive an annual fee which was set at £700,000 per annum for 2023. The 2023 base fee for each other Non-Executive Director was £95,000 per annum. Bryan Supran and David Denton are Pfizer employees and do not receive any fees for acting as Non-Executive Directors of Haleon plc. Additional fees payable in 2023 were as follows:

- £50,000 per annum for the Senior Independent Director;
- £30,000 per annum for the Workforce Engagement Director;
- £40,000 per annum for chairing the Audit & Risk Committee;
- £40,000 per annum for chairing the Remuneration Committee; and
- £30,000 per annum for chairing the Environmental & Social Sustainability Committee.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

2024 Non-Executive Directors' remuneration

The Board reviewed the Non-Executive Directors' fees and, at the recommendation of the Chair and the CEO, approved a 4.5% increase to the base fee for the Non-Executive Directors, bringing the 2024 base fee to £99,275 per annum. In addition, a 4.5% increase was applied to the Chair's annual fee, bringing the 2024 Chair's fee to £731,500 per annum. No other changes were made to the remuneration of the Non-Executive Directors.

'Single figure' of remuneration - Non-Executive Directors (audited)

The table below shows the actual fees paid to our Non-Executive Directors in 2023 and 2022.

Non-Executive Director ^{2,4}	2023 fees (£000)	2023 benefits (£000)	2023 total remuneration (£000)	2022 fees (£000) ¹	2022 benefits (£000)	2022 total remuneration (£000)
Sir Dave Lewis	700	5.6	706	426	2.9	429
Manvinder Singh (Vindi) Banga	145	0.6	146	66	0.6	67
Marie-Anne Aymerich	120	3.0	123	43	0.5	44
Tracy Clarke	135	0.2	135	61	0.6	62
Dame Vivienne Cox	125	0.4	125	57	1.3	58
David Denton ³	0	0.2	0	—	—	—
Asmita Dubey	95	1.8	97	43	1.3	44
Deirdre Mahlan	135	14.2	149	61	2.6	64
Bryan Supran	0	6.1	6	—	4.9	5
John Young ³	16	0.8	17	43	0.5	44

¹ Remuneration shown in the table in respect of 2022 includes fees and benefits for the period between 23 May-31 December 2022 for Sir Dave Lewis and 18 July-31 December 2022 for all other Directors, in line with their appointment dates.

² In addition to the Directors listed in the table, prior to separation and demerger, Victoria Whyte and David Redfern were appointed as administrative directors on 20 October 2021 and resigned on 23 May 2022. They were not remunerated for these duties.

³ John Young stepped down from the Board with effect from 28 February 2023. John was succeeded as Non-Executive Director and representative of Pfizer by David Denton with effect from 1 March 2023.

⁴ Fees and total remuneration have been rounded to the nearest £1,000 for presentation purposes, and totals reflect the sum of these rounded values.

Statement of Directors' shareholding and share interests (audited)

Total shareholding of Directors on 31 December 2023 is shown below.

	Director	Shares beneficially owned ¹	Shares not subject to performance	Options not subject to performance	Shares subject to performance	Total interest	Share ownership as % of 2023 salary/fee ²	Share ownership requirement met
Chair	Sir Dave Lewis	94,627	—	—	—	94,627	44%	n/a
Executive Directors	Brian McNamara	246,572	129,069	—	4,717,325	5,092,966	82%	No
	Tobias Hestler	11,631	71,861	7,919	1,732,883	1,824,294	23%	No
Non-Executive Directors	Manvinder Singh (Vindi) Banga	329,800	—	—	—	329,800	1136%	n/a
	Marie-Anne Aymerich	27,884	—	—	—	27,884	96%	n/a
	Tracy Clarke	12,504	—	—	—	12,504	43%	n/a
	Dame Vivienne Cox	0	—	—	—	0	0%	n/a
	David Denton	0	—	—	—	0	n/a	n/a
	Asmita Dubey	0	—	—	—	0	0%	n/a
	Deirdre Mahlan	80,000	—	—	—	80,000	276%	n/a
	Bryan Supran	50,000	—	—	—	50,000	n/a	n/a
	John Young ³	80,541	—	—	—	80,541	277%	n/a

¹ Beneficial interest also includes shares held indirectly through Haleon ADSs and shares/ADSs held by connected persons.

² Share ownership as % of 2023 salary/fee is based on the average share price between 1 July and 31 December 2023 of £3.2716. Shares that count towards the requirement include beneficial holdings and unvested DABP shares on an after-tax basis.

³ John Young stepped down from the Board with effect from 28 February 2023. John was succeeded as Non-Executive Director and representative of Pfizer by David Denton with effect from 1 March 2023. The shareholding shown above is as of John Young's resignation date.

The following changes to Directors' interests in ordinary shares or ADSs occurred between 31 December 2023 and 7 March 2024 (being the latest practicable date): 440,123 ADSs vested for Brian McNamara (357,197 released and 82,926 lapsed) and 61,621 shares vested for Tobias Hestler (50,011 released and 11,610 lapsed) under the PSP Refill awards on 1 March 2024.

Non-Executive Directors, including the Chair, are encouraged to build up a personal holding in the shares of the Company equal to the value of one year of their annual base fee. Executive Directors are required to build and maintain significant holdings of shares in Haleon over time (450% of salary for the CEO and 350% of salary for the CFO). Until these requirements have been met, Executive Directors are required to hold all Haleon shares acquired under the PSP and/or DABP (net of income tax and National Insurance contributions). Executive Directors are required to comply with shareholding requirements for two years after leaving the Company, at a level equal to the lower of their shareholding requirement immediately prior to departure or their actual shareholding on departure. During this period, former Executive Directors will be required to seek permission to deal from the Company Secretary.

Outstanding share options

The following table sets out the share options held by Executive Directors in the Haleon Share Save Plan as at the end of the period. No other Directors participated in any option scheme.

	Date of grant	Exercise price	Market price at 31 Dec 2023	Exercise period		Beginning of period	Number of options					End of period
				Beginning	End		Granted	Exercised	Cancelled	Forfeited	Lapsed	
Tobias Hestler ^{1,2}	22 Dec 22	£2.2728	£3.2165	1 Feb 26	31 Jul 26	7,919 ³	Nil	Nil	Nil	Nil	Nil	7,919

¹ No gain was made by Directors in 2023 on the exercise of these options.

² No price was paid for the award of any option.

³ The total number of shares under option is calculated based on a three-year savings period with contributions of £500 per month. The exercise price represents a 20% discount from the share price at the time the invitations were sent to UK employees. The total face value of the award based on the share price on 31 December 2023 of £3.2165 is £7,473.

Additional disclosures

Further information is provided on compensation and interests of Directors and senior management. For the purpose of this disclosure, this group includes the Executive and Non-Executive Directors and the Executive Team.

The following table sets out aggregate remuneration for this group for 2023.

2023 remuneration	£000
Total compensation paid	37,381
Aggregate increase in accrued pension benefits (net of inflation)	—
Aggregate payments to defined contribution schemes	1,204

During 2023, members of this group were awarded shares and ADSs under the Company's share plans, as set out in the table below. To align the interests of senior management with those of shareholders, Executive Directors and Executive Team members are required to build and maintain significant holdings of shares in Haleon over time. Selected Executive Team members are required to hold shares to an equivalent multiple of three times their base salary.

	Awards		Dividend equivalents	
	Shares	ADSs	Shares	ADSs
Performance Share Plan	6,326,775	1,084,997	165,726	21,370
Share Value Plan ¹	26,418	19,155	0	0
Deferred Investment Awards ^{1,2}	0	0	5,035	0

¹ Executive Directors are not eligible to receive Deferred Investment Awards or participate in the Share Value Plan.

² Deferred Investment Award made in 2022 represents a conversion of the legacy GSK Deferred Investment Award into Haleon shares.

At 7 March 2024 (being the latest practicable date), this group and persons closely associated with them had the following interests in shares and ADSs of the Company. Interests awarded under the various share plans are described in Note 26 to the Financial Statements, 'Employee share schemes' on page 167.

Interests as at 7 March 2024 ¹	Shares	ADSs
Owned	759,468	445,200
Unexercised options	7,919	0
Deferred Annual Bonus Plan	200,930	0
Performance Share Plan	12,524,482	663,441
Share Value Plan ²	11,196	0
Deferred Investment Awards ^{2,3}	417,387	0

¹ This disclosure excludes employees who ceased to be members of the Haleon Executive Team by 7 March 2024.

² Executive Directors are not eligible to receive Deferred Investment Awards or participate in the Share Value Plan.

³ Deferred Investment Award made in 2022 represents a conversion of the legacy GSK Deferred Investment Award into Haleon shares.

Compliance with the UK Corporate Governance Code

The Board considers that the Company has applied the principles and complied fully with the provisions set out in the 2018 UK Corporate Governance Code (the Code) for the period from 1 January 2023 to 31 December 2023.

The table below summarises how the principles of the Code have been applied throughout this period. It should be read in conjunction with the Strategic Report and Corporate Governance section, including the Directors' Remuneration Report.

- >> See also our summary statement outlining differences between the Group's UK corporate governance practices from those of US companies on page 208.
- >> The Code is published on the FRC website: www.frc.org.uk

Code principle	Page(s)
Board leadership and company purpose	
A The Board effectiveness review showed that the Board continues to operate effectively. This is attributed to the diverse and complementary expertise of the Directors, which promotes balanced decision-making focused on long-term sustainable success. Careful procedures manage conflicts of interest should they arise with Directors linked to the controlling shareholder, including recusal from certain Board discussions where required.	62, 63, 71, 186
B The Board has agreed the strategic direction of the Group and monitored the strategy, medium plans and evolution of the culture and values at its meetings during 2023.	68
C The Board monitors performance and KPIs through regular updates, presentations and deep dives into key areas. The Company's controls and risk management processes are overseen by the Audit & Risk Committee.	68, 75
D Stakeholder engagement activities during the period included meetings with major institutional shareholders, shareholder representative bodies and employees (through the Workforce Engagement Director). The AGM also provides the opportunity for the Board to engage directly with shareholders.	69, 70
E The Board received updates on policies and practices throughout the period. Any employee can raise matters of concern confidentially through the Speak Up programme which is overseen by the Audit & Risk Committee.	68, 73
Division of responsibilities	
F The Chair has led the Board effectively during 2023, demonstrating objective judgement and promoting a culture of openness and debate.	71
G There is an appropriate balance of Executive, Independent Non-Executive and Non-Executive Directors. There is a clear division of responsibilities between the Chair and the Chief Executive.	62, 63, 67, 78
H The Non-Executive Directors have diverse backgrounds and skill sets. The Board effectiveness and evaluation review concluded that all Non-Executive Directors are effective and devote appropriate time to their duties. The Chair meets regularly with Non-Executive Directors without Executive Directors present.	62, 63, 71, 78
I The Chair and Company Secretary ensure the Board and its Committees receive timely, accurate and clear information to support their decision-making.	71
Composition, success and evaluation	
J Appointments to the Board are led by the Nominations & Governance Committee save where Pfizer nominates Non-Executive Directors under the relationship agreement. Directors are subject to annual re-election at the AGM.	78
K The Board skills matrix is maintained and reviewed by the Nominations & Governance Committee, who also reviews membership of Board Committees on a regular basis.	78
L The Board effectiveness and evaluation review concluded that the Board continues to operate effectively. The Senior Independent Director led the review of the Chair's performance.	71
Audit, risk and internal control	
M The Audit & Risk Committee is responsible for assessing the independence and effectiveness of the external auditor and the internal audit function. It has reviewed all of the Group's published Financial Statements.	73
N The Board is satisfied that the Annual Report, taken as a whole is fair, balanced and understandable. The viability and going concern statements specifically cover the Board's assessment of the current and future prospects of the Group.	59, 74, 98, 190
O The Board and, as appropriate, the Audit & Risk Committee (in line with its terms of reference) has reviewed the principal risks, monitors risk appetite and oversees the internal control framework.	68, 75
Remuneration	
P The Remuneration Committee has developed a policy on Executive Director remuneration which was approved by shareholders at the 2023 AGM.	82
Q No Directors are involved in deciding their own remuneration outcomes. The Remuneration Committee followed a clear process while developing the Directors' Remuneration Policy.	81
R The Remuneration Committee exercises independent judgement and considers the application of discretion permitted when determining the outcome of performance-related Executive remuneration.	80, 83, 85, 86, 90