HALEON

Environmental, Social and Governance (ESG) Databook

2022

This document provides performance data on a range of ESG metrics for the year ended 31 December 2022.

Haleon demerged from GlaxoSmithKline (GSK) in July 2022, completing a multi-year journey to establish a world-leading, standalone global consumer health company.

This document provides performance data on a range of Environmental, Social and Governance (ESG) metrics for the year ended 31 December 2022.

Some business metrics do not use the 2022 calendar year reporting period, footnotes are included, where applicable throughout the document to indicate each data point reporting period. This includes data points where data has only been captured since demerger in of July.

Contents

<u>Governance</u>

Board Gender Diversity

Data point	Unit	2022	Notes
Number of Board members	Number	11	
Number of Independent Directors	Number	6	
% of Independent Directors	Percentage	54.6	
Number of Women on Board	Number	5	
% of Women on Board	Percentage	45.4	

UN Global Compact membership

Data Headline	Unit	2022	Notes
UN Global Compact Signatory	Y/N	Y	Haleon | UN Global Compact

Social

	Goal	Unit	2022
Health Inclusivity	We will empower millions of people a year to be more included in opportunities for better everyday health, empowering 50 million people a year	Number	22.4 million+[1]

Employee numbers

Data point	Unit	2022	Notes
Total Number of Employees[2]	Number	24,622	

Employee Gender Diversity

Data point[3]	Unit	2022[4]			
		Male	Female	Other	Non-disclosed
Board	Number	6	5	-	-
Executive Team[5]	Number	8	6	-	-
Executive Team direct reports	Number	59	52		1
Senior managers[6]	Number	990	770		6
All employees	Number	12,802	11,587	9	224

Women in the workforce

Data point[7]	Unit	2022[8]	Notes
Share of women in total workforce	Percentage	46.9	(as % of total workforce)
Share of women in all management positions, including junior, middle and top management[9]	Percentage	46.1	(as % of total management positions)
Share of women in junior management positions, i.e., first level of management[10]	Percentage	47.8	(as % of total junior management positions)
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions[11]	Percentage	46.3	(as % of total top management positions)

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[1] Reporting Period = 1 January to 31 December 2022.

[2] Reporting scope = Both permanent and temporary employees.

[3] Reporting scope = Both permanent and temporary employees.

[4] Reporting period = As of 31st December 2022.

[5] At 20 March 2023, the Executive Team comprised seven males, six females and 13 members overall.

6 Comprised of Leadership roles = Employees within our global compensation grades 0-5. These roles include members of the Executive Team, their direct reports (excluding administration support), heads of department and other upper management.

[7] Reporting scope = Permanent employees only.

[8] Reporting period = As of 31st December 2022.

[9] All management positions = global compensation grades 0-6.

[10] Junior management positions = global compensation grade 6 only.

[11] Top management positions = positions on level -1 & -2 from CEO (excluding admin staff).

Share of women in management positions in revenue-generating functions (e.g. sales)[12]	Percentage	52.1%	as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)
Share of women in STEM-related positions[13]	Percentage	27.7	(as % of total STEM positions)
% coverage of above data reported on as a % of FTEs	Percentage	>75%	

US Workforce Ethnic Diversity

Data Point[14]	Unit	2022[15]					
Share in total workforce	Percentage	White 70.4%	Asian 10.2%	Black or African American 9.9%	Hispanic or Latino 7.1%	Indigenous or Native 0.8%	Mixed 1.6%
Share in all management positions, including junior, middle, and senior management[16]	Percentage	White 69.7%	Asian 13.4%	Black or African American 6.3%	Hispanic or Latino 8.7%	Indigenous or Native 0.4%	Mixed 1.3%

Gender Parity

Data point	Unit	2022[17]
We aim to reach gender parity in leadership roles[18] by 2030	Percentage	43.7%

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12 Management positions = global compensation grades 0-6. Revenue-generating functions include roles under three regional commercial reporting lines (EMEA/LATAM, APAC, NAM) and job family groups: Sales, Marketing, Commercial, Commercial Operations as well as the global marketing reporting line.

13 STEM-related positions = job family groups: Science & Technology, Medical and Clinical, Engineering, IT, Digital Data and Analytics.

14 Permanent employees only. Data excludes employees based in Puerto Rico.

15 Data reported as of 31st December 2022.

16 Management positions = global compensation grades 0-6.

17 Data reported as of 31st December 2022.

18 Leadership roles = Employees within our global compensation grades 0-5. These roles include members of the Executive Team, their direct reports (excluding administration support), heads of department and other upper management. Scope = permanent employees only.

Employee Hires

Data point	Unit	2022[19]			
Number of new external employee hires[20]	Number	2151			
- Age Group	Number	<30 880	30-50 1091	>50 120	Unknown 60
- Gender	Number	Female 1023	Male 1100	Other /Unknown 28	
- Management Level[21]	Number	SVP/VP 6	Director 61	Manager 142	Other 1942

Employee turnover

Data point[22]	Unit	2022[23]			
Number of leavers	Number	1159			
Overall turnover	Percentage	5.0%			
- Age	Percentage	<30 8.1%	30-50 4.7%	>50 4.3%	Unknown 4.7%
- Gender	Percentage	Female 5.2%	Male 4.6%	Other/ Unknown 4.9%	
- Management level[18]	Percentage	SVP/VP 6.1%	Director 5.0%	Manager 4.3%	Other 5.1%
Number of voluntary leavers	Number	760			
Turnover of voluntary leavers	Percentage	3.3%			
- Age	Percentage	<30 6.8%	30-50 3.2%	>50 1.4%	Unknown 4.2%
- Gender	Percentage	Female 3.6%	Male 3.1%	Other/ Unknown 3.9%	
- Management level[18]	Percentage	SVP/VP 1.8%	Director 2.6%	Manager 2.8%	Other 3.4%

Employee training

Data point[24]	Unit	2022[25]			
Average hours per FTE of training and development	Hours	29.65			
- Age	Hours	<30 35.84	30-50 28.69	>50 28.28	Unknown 15.64

19 Reporting period for new hires = 18 July to 31 December 2022.

20 Scope = permanent and temporary employees. Data excludes employees who did not appear at work on their first day.

21 Manager = global compensation grade 6 only. Other = global compensation grades 7-10.

22 Scope = permanent employees only. Data excludes employees who did not appear at work on their first day.

23 Reporting period for employee turnover = 18 July to 31 December 2022.

24 Reporting scope = permanent employees only.

25 Reporting period = 1 January – 31 December 2022.

- Gender	Hours	Female 24.71	Male 34.31	Other 42.55	Prefer not to say: 25.09	Unknown 16.66
- Management level[18]	Hours	SVP/VP 8.12	Director 13.16	Manager 18.73	Other 32.44	
Average amount spent per FTE on training and development	£	416				
- Age	£	<30 505	30-50 404	>50 397	Unknown 220	
- Gender	£	Female 600	Male 482	Other 346	Prefer not to say: 232	Unknown 354
- Management level[18]	£	SVP/VP 114	Director 181	Manager 258	Other 456	

Supplier assessments

Data point	Unit	2022	Notes
Total number of supplier assessments[26]	Number	3208	
Total number of suppliers assessed by a third party[27]	Number	156	
Total number of significant[28] suppliers in tier 1	Number	179	
% of total spend on significant suppliers in Tier-1	Percentage	46%	
Total number of significant suppliers in non Tier-1	Number	0	

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[26] This is a Haleon internal desk-based assessment, as part of our Third-Party Risk Management (TPRM) process.

[27] These involve third-party assessments using tools such as EcoVadis for desk based and PSCI audits for on-site assessments.

[28] We use the DJSI definition of significant suppliers; significant suppliers are identified as having a potential or actual substantial risk of negative ESG impacts and significant business relevant to Haleon. Significant suppliers are identified via our Third-Party Risk Management (TPRM) process where we screen and assess suppliers on a number of risks including ESG. More information can be found in Upholding our Standards Management Approaches 2022.

Environment, Health and Safety (EHS)

Health & Safety

Data point[29]	Unit	2022[30]	Notes
Fatalities - Employees	Number	0*	
Fatalities - Contractors	Number	0*	
Fatalities - Total	Number	0	
Fatalities per 100 workers / 200,000 hrs.	Number	0	
Lost Time Reportable Injury and Illness rate (per 100,000 hours worked)	Ratio	0.10*	
Reportable Injury and Illness rate (per 100,000 hours worked)	Ratio	0.17*	

* Data point assured by DNV as part of their limited assurance engagement over selected data points in this report. For further information please click here.

Product recalls

Data Point[31]	Unit	2019	2020	2021	2022	Notes
Number of product lines for which products were recalled[32]	Number	2	5	2	2	

Environmental violations

Data Point	Unit	2019	2020	2021	2022	Notes
Number of significant fines[33] or penalties paid related to environmental or ecological issues	Number	0	0	0	0	

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[29] Scope = All Haleon employees and supervised employees.

[30] Reporting period = 1 December 2021 to 30 November 2022.

[31] Reporting period = 1 January to 31 December.

[32] Recalls are reported using the US FDA, MHRA, EMA class I and II recall definition.

[33] Significant fine = >$10,000.

Environment

Performance

Goal	Goal Headline	Unit	2022
Tackling carbon emissions	We aim to reduce our net Scope 1 and 2 carbon emissions by 100% by 2030 vs a 2020 baseline[34]	Percentage	41% reduction vs 2020[35]*
Tackling carbon emissions	We aim to reduce our Scope 3 carbon emissions from source to sale by 42% by 2030 vs a 2020 baseline[36]	Percentage	0% reduction vs 2020[37]
Making our packaging more sustainable	We aim to reduce our use of virgin petroleum-based plastic by 10% by 2025, and a third by 2030 vs a 2020 baseline[38]	Percentage	3% increase vs 2020[39]
Making our packaging more sustainable	We aim to develop solutions for all product packaging to be recycle-ready by 2025[40], as part of our goal to make all packaging recyclable or reusable by 2030[41]	Percentage	65% of our packaging was recycle-ready[42]
Sourcing trusted ingredients sustainably	We aim for all of our key agricultural, forest and marine derived materials used in our ingredients and packaging to be sustainably sourced and deforestation free by 2030[43]	Percentage	92% of our palm oil derivatives are RSPO mass balance certified[44]

* 2022 data point assured by DNV as part of their limited assurance engagement over selected ESG data points. For further information click here.

Energy

Data point	Unit	2020	2021	2022[45]	Notes
Purchased Renewable Electricity	GWh	299	303	326	
Purchased Non-Renewable Electricity	GWh	40	43	0	

[34] Our goal to reduce net Scope 1 and 2 carbon emissions by 100% by 2030 is underpinned by a 95% absolute reduction target. The 2020 baseline year reporting period = 1 January 2020 to 31 December 2020. Although the 2020 baseline was calculated prior to the demerger, it includes only the sites which became Haleon sites following the demerger from GSK.

[35] Reporting period = 1 December 2021 to 30 November 2022.

[36] 2020 baseline year reporting period = 1 January 2020 to 31 December 2020.

[37] Reporting period = 1 July 2021 to 30 June 2022.

[38] Virgin petroleum-based plastic baseline = 46 thousand metric tonnes (estimated). 2020 reporting period = 1 January 2020 to 31 December 2020.

[39] Reporting period = 1 July 2021 to 30 June 2022.

[40] Recycle-ready means packaging that has been developed to be compatible with a targeted existing or emerging recycling infrastructure. By recycling infrastructure we mean the state-of-the-art technology and operations capable of achieving efficient collection, sorting and processing into recycled material feedstocks

[41] Where safety, quality and regulations permit.

[42] Reporting period = 1 July 2021 to 30 June 2022.

[43] 90% of all agricultural, forest and marine derived materials are the following key raw materials: paper, corn/wheat derivatives, palm oil derivatives, soy derivatives, mint flavours and oil, carrageenan and fish oils. Scope includes Haleon's globally managed spend on key materials which are agricultural, forestry or marine derived. Globally managed spend covers the majority of our internal spend and expands across some of our third-party manufacturing network.

[44] Reporting period = 1 July 2021 to 30 June 2022

[45] Reporting period = 1 December 2021 to 30 November 2022.

Data point	Unit	2020	2021	2022[45]	Notes
On-site generated renewable electricity	GWh	2	3	4	
On-site generated non-renewable electricity	GWh	13	6	10	
Total electricity consumed	GWh	355	355	339	
% Renewable Electricity	**%**	**85%**	**86%**	**100%***	
Total Non-renewable fuel consumed	GWh	284	292	276	
Total Renewable Fuel Consumed	GWh	17	20	30	
Total Non-Renewable Energy consumed	GWh	358	373	317	
Total Renewable Energy consumed	GWh	318	325	359*	
Purchased heating and cooling	GWh	33	37	41	
Total Energy consumed for operations	GWh	676	698	676*	
% Renewable Energy	**%**	**47%**	**47%**	**55%***	
Energy Intensity	(MWh per tonne of production)		1.82	1.78	
% Reduction in Total Energy consumed	%		3%	-3%	

* 2022 data point assured by DNV as part of their limited assurance engagement over selected data points in this report. For further information please [click here](#).

Carbon: Scope 1 and 2 emissions

Data point	Unit	2020	2021	2022[46]	Notes
On-site fuel use	(thousands of tonnes CO_2e)	55	56	53	
Emissions from fleet	(thousands of tonnes CO_2e)	0	1	1	
Refrigerant gas losses	(thousands of tonnes CO_2e)	2	2	1	
Scope 1 Emissions	(thousands of tonnes CO_2e)	57	60	55*	
Out of Scope Emissions	(thousands of tonnes CO_2e)	0.27	0.30	0.32	
Purchased heating and cooling	(thousands of tonnes CO_2e)	6	6	7	
Scope 2 Market based emissions	(thousands of tonnes CO_2e)	32	15	7*	
Scope 2 Location based emissions	(thousands of tonnes CO_2e)	141	145	137*	
Total Scope 1&2 emissions (location-based)	(thousands of tonnes CO_2e)	198	205	192*	
Total Scope 1&2 emissions (market-based)	(thousands of tonnes CO_2e)	89	75	62*	

[46] Reporting period = 1 December 2021 to 30 November 2022.

Data point	Unit	2020	2021	2022[46]	Notes
Emissions Intensity (location-based)	(thousands of tonnes CO_2e)		0.54	0.51	
Emissions Intensity (market-based)	(thousands of tonnes CO_2e)		0.20	0.16	
Total Net Scope 1 & 2 emissions (market-based)	**(thousands of tonnes CO_2e)**	**89**	**75**	**53***	
Total Emissions Offset	(thousands of tonnes CO_2e)	0	0	9	
% Reduction in Net (Market Based) Scope 1&2 emissions	**(%)**		**-16%**	**-41%***	

* 2022 data point assured by DNV as part of their limited assurance engagement over selected data points in this report. For further information please click here.

Carbon: Scope 3 emissions

Data point	Unit	2020	2021	2022[47]	Notes
Purchased goods and services	(thousands of tonnes CO_2e)	1,045	1,102	1,074	
Capital goods	(thousands of tonnes CO_2e)	49	79	56	
Fuel and energy-related activities	(thousands of tonnes CO_2e)	36	52	54	
Transportation and distribution (upstream)	(thousands of tonnes CO_2e)	22	37	30	
Waste generated in operations	(thousands of tonnes CO_2e)	3	3	3	
Business travel	(thousands of tonnes CO_2e)	16	4	4	
Employee commuting	(thousands of tonnes CO_2e)	44	42	43	
Leased assets (upstream)	(thousands of tonnes CO_2e)	101	102	37	
Transportation and distribution (downstream)	(thousands of tonnes CO_2e)	34	40	32	
Processing of sold products	(thousands of tonnes CO_2e)	N/A	N/A	N/A	Not applicable
Use of sold products	(thousands of tonnes CO_2e)	344	338	339	
End of life	(thousands of tonnes CO_2e)	30	31	32	
Leased assets (downstream)	(thousands of tonnes CO_2e)	N/A	N/A	N/A	Not applicable
Franchises	(thousands of tonnes CO_2e)	N/A	N/A	N/A	Not applicable
Investments	(thousands of tonnes CO_2e)	30	-	17	
Total Scope 3 emissions	(thousands of tonnes CO_2e)	1,755	1,830	1,721	

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[47] Reporting period = 1 July 2021 to 30 June 2022.

Ozone depleting substances

Data point	Unit	2020	2021	2022[48]	Notes
ODP Inventory of CFC and HCFC in Equipment	(kg of CFC11e)	0.15	0.18	0.10	
ODP Calculated Releases of CFC11 equiv	(kg of CFC11e)	0.00	0.00	0.00	

Materials used to package products

The table below shows details of all materials used to package our products.[49]

Data point	Unit	2020	2021	2022[50]	Notes
Total weight of materials used to package products	(thousand tonnes)	398	431	426	
Raw materials	(thousand tonnes)	272	302	293	
Process materials	(thousand tonnes)	N/A	N/A	N/A	Not applicable
Packaging materials	(thousand tonnes)	125	129	133	
Paper	(thousand tonnes)	73	75	78	
Glass	(thousand tonnes)	5	5	5	
Metal	(thousand tonnes)	1	2	2	
Plastic	(thousand tonnes)	46	46	48	
Percentage recycle-ready packaging	%	62%	64%	65%	

The table below shows details of all materials used to package those products which are manufactured at sites in Haleon's operational control.

Data point	Unit	2020	2021	2022[51]	Notes
Total weight of materials used to package products	(thousand tonnes)	270	293	290	
Raw materials	(thousand tonnes)	185	205	199	
Process materials	(thousand tonnes)	N/A	N/A	N/A	Not applicable
Packaging materials	(thousand tonnes)	85	88	91	
Paper	(thousand tonnes)	50	51	53	
Glass	(thousand tonnes)	3	4	4	
Metal	(thousand tonnes)	1	2	1	
Plastic	(thousand tonnes)	32	32	33	
Percentage recycle-ready packaging	%	62	64	65	

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[48] Reporting period = 1 December 2021 to 30 November 2022.

[49] We have calculated these figures using data for the packaging materials used for products manufactured at sites in Haleon's operational control, extrapolated to include products manufactured by third party manufacturers. For the purposes of this calculation we have assumed that the type and relative share of products manufactured internally is the same as those manufactured at our third-party manufacturing suppliers. We are working with our external network of third party manufacturers on transparency of their data so we can improve the accuracy of our estimated footprints.

[50] Reporting period = 1 July 2021 to 30 June 2022.

[51] Reporting period = 1 July 2021 to 30 June 2022.

Water withdrawal (million m^3)

Data point	Unit	2020	2021	2022[52]	Notes
Municipal	(million m^3)	1.61	1.72	1.70	
Ground water	(million m^3)	0.45	0.47	0.51	
Tankers	(million m^3)	0.01	0.02	0.02	
Total water withdrawal	**(million m^3)**	**2.07**	**2.21**	**2.22***	
Water consumed from Recycled Sources (million m^3)	(million m^3)	0.04	0.04	0.04	

* 2022 data point assured by DNV as part of their limited assurance engagement over selected data points in this report. For further information please click here.

Water discharge (million m^3)

Data point	Unit	2020	2021	2022[53]	Notes
Wastewater to municipal sewer	(million m3)	1.24	1.30	1.26	
Wastewater to surface water	(million m3)	0.13	0.16	0.16	
Wastewater discharged to land	(million m3)	0.00	0.09	0.04	
Total wastewater discharged	(million m3)	1.47	1.55	1.46	

Waste

Data point	Unit	2020[54]	2021	2022[55]	Notes
Total waste generated	**(thousand tonnes)**	**33.66**	**37.07**	**34.63***	
Total hazardous waste	(thousand tonnes)	7.57	6.74	6.85	
Total non-hazardous waste	(thousand tonnes)	26.09	30.33	27.77	
Total waste to landfill**	**(thousand tonnes)**	**1.81**	**0.07**	**0.00***	
Total waste recycled/reused	(thousand tonnes)		20.51	18.67	
Total waste disposed[56]	**(thousand tonnes)**		**16.56**	**15.95**	
Waste incinerated with energy recovery	(thousand tonnes)		13.38	12.53	
Waste incinerated without energy recovery	(thousand tonnes)		2.10	2.37	
Waste otherwise disposed (i.e., not incinerated or sent to landfill)	(thousand tonnes)		0.96	1.01	This includes waste disposed to offsite waste water treatment plants, permanent storage and other disposal routes.

* 2022 data point assured by DNV as part of their limited assurance engagement over selected ESG data points. For further information click here.

**This data included the Jacarepaguá site in Brazil, which was owned by GSK in 2022 prior to transitioning to Haleon's operational control in 2023. Waste which we are legally obligated to send to landfill is excluded from this figure.

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[52] Reporting period = 1 December 2021 to 30 November 2022.

[53] Reporting period = 1 December 2021 to 30 November 2022.

[54] Due to a change to data fields in our data collection system, we do not have a breakdown of waste treatment/disposal option for years prior to 2021.

[55] Reporting period = 1 December 2021 to 30 November 2022.

[56] This value includes waste which we are legally obligated to send to landfill.