Our approach to sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD)

Compliance statement
In accordance with the FCA's UK Listing Rule 6.6.6R, the Companies Act 2006 s414CB(A1) and (2A) and the SEC's Guidance Regarding Disclosure Related to Climate Change (2010), we present our TCFD compliance statement and confirm that we have made climate-related financial disclosures for the year ended 31 December 2024 which are consistent with the TCFD Recommendations and Recommended Disclosures, on pages 24–31.

We also include climate-related disclosures throughout Haleon's Annual Report and Form 20-F 2024, including information on our principal risk related to ESG on page 55, key performance indicators on page 33, Notes 1 and 12 of the Financial Statements on page 124 and from page 136, and reporting for the UK Government's guidance on Streamlined Energy and Carbon Reporting (SECR) on pages 188 and 189.

Governance
Governance over climate-related risks and opportunities is consistent with the governance structures in place across Haleon, comprising of the Board, Board committees, executive and management-level governance committees, and specialist working groups across the business (see diagram below, with arrows indicating flow of information).

The Board takes overall accountability for risk and opportunity management, including climate change. The Board delegates specific matters related to climate change to subcommittees in the following ways:

- The Environmental & Social Sustainability Committee (ESS) provides oversight and effective governance over progress with the environmental and social sustainability agenda, including climate change. The ESS Committee meets at least three times a year and is comprised of four Non-Executive Directors. In 2023, the ESS Committee received an outside-in assessment and deep dive facilitated by external experts, to evaluate Haleon's Responsible Business strategy and goals, including those on climate. In 2024, the ESS Committee had a series of deep dives complemented by externally facilitated subject matter experts which focused on specific topics, including implications for Haleon's net zero priorities.
- The Audit & Risk Committee meets at least four times a year and oversees Haleon's principal risks, including Haleon's principal risk related to ESG, which covers climate change (page 55).
- The Remuneration Committee meets at least four times a year and supports Haleon's climate strategy by aligning Haleon's Performance Share Plan with ESG performance via the ESG qualifier. This includes our Scope 1 and 2 decarbonisation goal (page 85).

The Chief Executive Officer and the Executive Team are responsible for the delivery of Haleon's Responsible Business strategy, and they are supported by various governance forums to monitor the climate strategy, including the management of climate-related risks and opportunities.

- The Environment Steering Committee governs progress against Haleon's environment strategy and commitments, including climate change commitments. The Committee meets at least quarterly and makes strategic recommendations on managing our environmental footprint for approval by the Executive Team and the Board. It also monitors climate-related risks, opportunities and regulations. It is chaired by the Vice President of Sustainability and Executive Team members include the Chief Corporate Affairs Officer, the Chief Supply Chain Officer, and the Chief R&D Officer.
- The Executive Team Risk Forum (Risk Forum) consists of members of the Executive Team and Heads of Audit & Risk and Ethics & Compliance. The Risk Forum meets at least four times per year and is responsible for ensuring that the principal risks are managed effectively. This includes Haleon's principal risk

related to ESG, which covers climate-related risks (page 55). In April 2024, the Risk Forum reviewed the principal risk related to ESG. The principal risk is owned by the Chief Corporate Affairs Officer and monitored through Haleon's risk management framework described on page 51.
- Compliance and Risk Forums (CRF) are conducted by our functional teams, categories, and business units, to embed risk management in day-to-day business operations. The Sustainability CRF meets at least every other month and is responsible for monitoring, assessing, and mitigating potential risks that may impact Haleon's responsible business strategy delivery, including risks associated with climate change. Membership includes the Vice President of Sustainability and members of the sustainability team.
- Working groups in our global functions, global categories and business units integrate responsible business targets, principles and initiatives (including those related to climate change) into Haleon's strategic business planning process, capital planning and budgeting, evaluation of potential divestments or acquisitions, day-to-day responsibilities and metric management.

Responsible business scorecards, at both enterprise-wide and business unit level, track in-year targets against our responsible business commitments, including targets tracking carbon emissions reduction. The ESS and the Executive Team receive progress updates against these quarterly as a tool to evaluate performance and inform decision-making, including on climate-related issues.

Responsible business targets are incorporated into employee personal objectives and performance evaluations where relevant, including climate-related objectives for executive management. Executive remuneration is tied to specific responsible business-related KPIs. For the year ended 2024, this included climate-related objectives (pages 33 and 90).

Strategy and risk management

Identifying, assessing, and managing climate-related risks

The process for identifying, assessing and managing climate-related risks is consistent with Haleon's four-step enterprise risk management process described on page 51. This ensures that accountability for the identification, assessment, mitigation and monitoring of risks is aligned with Haleon's strategic objectives. At the corporate level, ESG and the integration of sustainability and climate-related risks into our business and investment decisions was identified as a principal risk; read more on page 55. We have developed our Responsible Business strategy and goals, including those related to climate, to manage risks as well as realise opportunities, such as changing consumer preferences.

The Sustainability CRF leads the environmental (including climate) and social risk identification and assessment process, which is conducted on an ongoing basis. Risks are assessed by taking into consideration the likely impact (considering both financial and reputation impacts), the probability of the risk, and the controls that are in place to manage the risk, in line with Haleon's risk management framework outlined on page 51. This helps to identify those risks and controls where management should focus its effort.

Continuous evaluation and management of risk is embedded in our strategy to enable an appropriate, measured and timely response. Risk owners are assigned to the risks (including climate risks) and continually monitor and assess each risk. A combination of internal knowledge and external factors, such as horizon scanning, legal and regulatory developments, and emerging climate science, are considered to determine whether to mitigate, transfer or accept climate-related risks. In some cases, it may be deemed appropriate to transfer the risk, for example by discharging costs or liability to another party in our value chain. Part of the risk assessment process is also acceptance: establishing a level of comfort with the risk, considering our existing control strategies, and considering them currently sufficient.

The most significant climate-related risks and opportunities are described in detail on pages 27 to 31 along with our plans to manage these. These are considered to have the most significant impact on our business, strategy and financial planning. Risk and mitigation plans undergo a formal review at least once a year. Haleon performed a climate-related risk and opportunity assessment using scenario analysis in 2023 and plans to conduct these assessments at least every three years.

Our resilience to climate change

As outlined in the risks on pages 27 to 31, the quantitative scenario analysis indicates that our business is not at high risk of facing significant financial impacts from climate-related risks in the short term. The analysis was performed in 2023, however the results are still relevant to the business. Any climate-related risks with a medium-risk financial impact are either projected to occur in the long term or have already been addressed through our mitigating actions. As a result, we do not anticipate the need for major changes to our strategy to respond to these risks.

In the medium and long term, we need to consider transition risks. The transition to a low-carbon economy could have financial implications for Haleon, as consumer preferences shift towards sustainable products, potentially impacting our market share and brand reputation. Additionally, increased carbon taxes on emissions across our operations and supply chain could also have financial impacts. However, these risks can be mitigated if we achieve our carbon reduction targets for emissions across all scopes. We have already conducted life-cycle assessments for 11 key products to better understand and mitigate the risks associated with their life-cycle stages. You can read more in our Climate Action Transition Plan.

In the long-term, we need to be aware of the impacts of physical risks. Our key facilities could be affected by flooding and heatwaves, leading to disruption and damage. Our Oral Health product line could also be impacted by disruptions in the supply of raw materials, particularly wheat and corn, which are at a higher risk of yield impact due to long-term climate change. While we already have a resilient sourcing strategy for these key crops, we need to continue monitoring the situation.

The transition to a low-carbon economy also presents an opportunity for Haleon, as consumer preferences shift towards more sustainable products. To capitalise on this opportunity, we need to improve the sustainability of our products and make consumers aware of these changes through effective claims and consumer messaging.

Our approach to sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued

Climate-related scenario analysis
Climate-related scenario analysis is used to assess the potential impact of climate-related risks and opportunities. In 2022, we performed our first qualitative analysis which we refreshed in 2023, both qualitatively and quantitatively, in order to assess the risks and opportunities in greater detail and understand the impact of climate change on our existing business model. A year has passed since we conducted our scenario analysis under the TCFD framework. However, the insights derived from this analysis remain relevant. The results have been used to inform our strategy and financial planning, including updates to our underlying cash flows for our planned actions to meet our climate ambitions.

We worked with a sustainability intelligence company, Risilience, to quantify the potential financial impact of our physical and transition climate risks and opportunities. Risilience used a 'Digital Twin', which is a data-driven digital representation of our business and value chain. This used internal data from our business including current and approved financial projections, market breakdown, key facilities, raw materials and our GHG footprint, to stress-test and quantify the potential financial impact of climate risks and opportunities under different scenarios.

The climate scenarios used as part of the analysis are outlined below. We also modelled a 2.5°C warming trajectory but we are not disclosing it here as we are only disclosing the results with the highest potential impact.

Warming trajectory by 2100	Climate scenarios	Rationale behind climate scenario analysis selection
1.5°C	Paris Ambition: Rapid transition to a low-carbon economy with orderly emissions reductions and rapid consumer preference change.	Enables us to test our business strategy against the most optimistic scenario from a climate-transition perspective. Aligns with our target to be a net zero business from source to sale by 2040, aligned to guidance from The Climate Pledge and Race to Zero. Aligns with TCFD and IPCC[1] recommendations to include a 2°C or lower scenario, with 1.5°C scenario recommended as the '2°C or lower', aligning with the latest scientific research from the IPCC. This scenario represents the worst case'/ highest potential for transition risk for our business.
>4°C	No Policy: Reversal of emissions reductions and abolishment of climate policy leading to extreme warming.	Enables us to test business strategy against the worst-case scenario from a physical risk perspective. This scenario was used in our qualitative analysis in 2022.

A number of assumptions were made in carrying out the analysis:

- Current mitigating actions were not modelled for any of the scenarios.
- All scenarios were modelled independently, i.e., no correlation was assumed between different risks and opportunities.
- Investment costs required to realise opportunities were not taken into account.

While many scenario models and techniques are advanced, we recognise that knowledge in this area is growing, and we expect models and pathways to evolve with time. Models also have limitations, and there are certain areas which are challenging to model. Additionally, in certain situations, different models can project contrasting results. In these situations, we have considered how different outcomes would impact our businesses.

Impact of climate-related risks and opportunities and resilience of our strategy
In 2023, we updated the time horizons used to consider the impact of climate risks and opportunities. The length of the time horizons were reduced to allow greater alignment to modelling capabilities for quantitative scenario analysis and to reduce the risk of modelling uncertainties associated with using time horizons beyond 2050. This provides more accurate results compared to using longer time horizons and aligns with our business risk cycles, allowing us to use the analysis for strategic decision making.

We define short, medium and long-term horizons as follows:

- **Short-term (0-4 years)**: aligns to our financial planning and risk management framework.
- **Medium-term (5-9 years)**: aligns to our interim Scopes 1, 2 and 3 emissions reduction targets of 2030.
- **Long-term (10+ years)**: aligns to our net zero target of 2040 and the UK Government's net zero target of 2050.

[1] We used the IPCC Representative Concentration Pathways (RCPs) to assess physical climate risk. RCPs are commonly used by climate scientists to assess physical climate risk, with each pathway representing a different GHG concentration trajectory which can then be translated into global warming impacts. We used climate data from the World Climate Research Programmes Coupled Model Intercomparison Project – Phase 6 (CMIP 6 – adjusted for spatial resolution and bias corrected) to do this translation. RCPs feed into climate, crop and flood models. There are four RCP pathways with RCP8.5 representing the worst case scenario.

Physical risks

Risk	Impact analysis	Management of risk
Impact of extreme weather events on operations and supply chain The revenue and cost impact of damage and disruption to key facilities from the following climate hazards: riverine, coastal and flash flooding, heatwaves, water stress, and temperate and tropical windstorms. **Paris Ambition (1.5°C)** S M L **No Policy (4°C)** S M L	**Potential impacts included in our Paris Ambition (1.5°C) and No Policy (4°C) scenario analysis included:** – Revenue disruption from the interruption of supply of electricity, gas and water, due to heatwaves and flooding. – Inefficiencies in production due to disrupted employee travel, e.g., caused by flooding. – Increased facility and operational down time, due to damaged transport infrastructure. – Direct damage to stock, buildings, and contents from flood and windstorms. Under a No Policy (4°C) scenario, the hazards with the greatest potential to impact our business are riverine and flash flooding, and heatwaves, over the long-term time horizon. Three of our sites, Guayama (Puerto Rico), Tianjin (China) and Dungarvan (Ireland), are at greatest risk of property damage from riverine flooding owing to their close proximity to rivers. Sites in the US, southern Europe and eastern China are located in regions that could experience a rapid increase in heatwave probability driven by global average temperatures and the likelihood of prolonged extreme temperature events. Heatwaves have the potential to cause disruption through interrupting our supply chain (such as from infrastructure damage to the road and rail network) as well as reducing the productivity of our workforce through human health impacts. The risk of water stress is considered to be low with 0.4% of annual revenue from our owned sites being potentially impacted in the long-term (by 2050). **Assumptions:** – 2023 financial values are kept constant up to 2050 and acute physical risk shocks were applied to these values. – The revenue share for our sites was assumed to be site revenue as a proportion of total revenue. The remaining revenue share was split proportionally across third-party manufacturers' sites. – Meteorological conditions that could lead to water stress (i.e., severe drought) were considered. Local geological conditions were excluded from the analysis.	**Actions:** – In 2024 we conducted refresher training for regional EHS and engineering leads on climate risks. – Manufacturing sites are included within a loss-prevention survey programme and are routinely visited to confirm appropriate resilience measures are in place, including flood, wind and storm protection. – Our manufacturing sites have emergency plans, disaster recovery plans (DRPs), and business continuity plans (BCPs), which we continuously improve to further enable our sites to withstand extreme weather events. – Our BCPs include options for multiple sourcing for manufacturing of our products. This is achieved by using a combination of Haleon or third-party manufacturing organisations' sites, spread across different geographies. – We conducted value-chain water footprint analysis to better understand potential water-related risks in specific geographies and prioritise actions. – All our manufacturing sites are implementing the Alliance for Water Stewardship (AWS) standard to address local water-related risks and opportunities. Since 2023, 12 of our sites have been certified with a further seven recommended for certification. In 2023 our Cape Town site became water neutral following water replenishment activities in 2022 with WWF South Africa. **Metrics and targets:** – All our manufacturing sites in water-stressed basins[1] to be water neutral by 2030. We consider water neutrality achieved when the amount of water replenished in the catchment exceeds the site's water withdrawal. – We aim for AWS certifications at all our manufacturing sites by the end of 2025. – In 2024 we implemented a new metric to monitor the percentage of sales generated by our own sites at high risk of extreme weather events.

Key

Time horizon for impact

- S Short-term 0-4 years
- M Medium-term 5-9 years
- L Long-term 10+ years

Financial impact of risk or opportunity

- Low risk £10m-£40m
- Medium risk £40m-£80m
- High risk >£80m
- Opportunity

[1] Determined using publicly available tools to identify water risk, such as the WRI Aqueduct Tool, site-specific reviews of local water risk using local data, and materiality of the risk to the business.

Our approach to sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued

Physical risks

Risk	Impact analysis	Management of risk
Reduced availability of raw materials due to chronic weather impact The financial impacts on ingredient production due to chronic climate change induced by changing temperature and precipitation patterns. The following raw materials were considered for the analysis: corn, wheat, mint, palm oil and soybean. **Paris Ambition (1.5°C)** S M L **No Policy (4°C)** S M L	**Potential impacts included in our Paris Ambition (1.5°C) and No Policy (4°C) scenario analysis included:** – Reduction in crop yields leading to supply and demand implications and price volatility. – Supply shortages which could prevent or limit the production of key product lines and lead to a loss in revenue. – Increased costs due to long-term chronic drought affecting crop supply and implementation of adaptation measures such as irrigation solutions. Scenario analysis was conducted to assess the financial impact of crop yield fluctuations caused by long-term climate change for our key crops. Changes in rainfall and temperature were assessed using data on crop sourcing locations and crop vulnerability. The effects of sudden hazards like heatwaves and droughts on crops were also assessed, considering the sourcing locations with a high likelihood or increasing probability of such events. Changes in long-term precipitation and temperature patterns under the No Policy (4°C) scenario are likely to affect wheat and corn sourcing, with wheat experiencing the largest average percentage yield decline of c.37% between 2023 and 2050. Our key sourcing regions for these crops (France, US and UK) could also be impacted by extreme weather events, such as drought or severe heatwave events, further reducing crop yields. In our Oral Health products, corn is a crucial feedstock. However, the projected impact on corn yields in 2050 is anticipated to be minimal, accounting for less than 3% of the total revenue generated by Oral Health products in 2023. Under the No Policy (4°C) scenario, certain areas of central US may see corn yields decline as a result of precipitation variation. **Assumptions:** – 2023 financial values are kept constant up to 2050 and acute physical risk shocks are applied to these values. – The impact of climate conditions on raw material supply is limited to temperature and precipitation. Other conditions, such as soil quality, were excluded from the analysis. – Revenue impacts were considered in terms of reduced crop yields leading to production limitations. Price fluctuations were not considered in the analysis.	**Actions:** – Seek to assess feasibility of substituting raw materials with lower-risk alternatives, for example replacing corn-derived ingredients with alternatives to reduce exposure to yield and cost fluctuations. – We have a robust sustainable sourcing strategy in place (pages 22 and 23). – Our sourcing strategy involves multiple sourcing options from different geographies and holding materials' safety stocks where feasible. Continuity of supply is a priority for our procurement team. – Haleon has defined and launched its Supplier ESG Expectations, which outlines the targets we have set our suppliers, such as requiring materials to be covered by industry-recognised certifications where relevant. – Sustainability requirements are embedded into tender processes. **Metrics and targets:** – We aim for all of our key agricultural, forest, and marine-derived materials to be sustainably sourced and deforestation-free by 2030[1]. For the key material supply chains in scope of this goal, we use recognised global certification programmes wherever possible, for example Roundtable on Sustainable Palm Oil (RSPO) Mass Balance certification for our palm oil derivatives, and Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) certifications for our paper packaging materials. Where these are not available, we are working with independent experts to define clear standards and processes for sustainable sourcing based on the specific issues and opportunities for each material.

[1] Scope includes Haleon's globally managed spend on key materials that are agricultural, forest, or marine-derived. Globally managed spend covers the majority of our internal spend and expands across some of our third-party manufacturing network.

Key

Time horizon for impact

S Short-term 0-4 years
M Medium-term 5-9 years
L Long-term 10+ years

Financial impact of risk or opportunity

Low risk £10m-£40m
Medium risk £40m-£80m
High risk >£80m
Opportunity

Transition risks

Risk	Impact analysis	Management of risk
Carbon pricing policy The financial impacts of carbon taxes on emissions across our operations and supply chain. **Paris Ambition (1.5°C)** S M L	**Potential impacts included in our Paris Ambition (1.5°C) scenario analysis included the following (the No Policy (4°C) scenario was not relevant):** – Direct increase to overhead costs from Scope 1 and 2 emissions (e.g., cost of electricity and fuel). – Increased cost of raw materials from upstream suppliers passing through increased costs from Scope 3 emissions. – Reduction in sales from passing the costs from carbon taxes on to consumers. Under a Paris Ambition (1.5°C) scenario where global carbon prices are expected to grow significantly from 2023, the potential impact is a medium risk if we do not reach our SBTi-aligned target for Scope 1 and 2 emissions. However, if we meet our SBTi target, the risk is significantly reduced as we aim to achieve at least 95% absolute Scope 1 and 2 emissions reduction by 2030 (vs a 2020 baseline). Indirect Scope 3 emissions account for the majority of our exposure to carbon costs, particularly upstream emissions associated with farming and processing, which could be passed on by our suppliers. We have limited ability to influence these costs as they will depend on the extent to which suppliers reflect carbon tax expenditure within prices. The risk of indirect Scope 3 costs will be greatly reduced if we are able to meet our commitment to reduce Scope 3 emissions from source to sale by 42% by 2030 (vs a 2022 baseline) and deliver our net zero source to sale target by 2040, aligned to guidance from Race to Zero and Amazon Climate Pledge. **Assumptions:** – Business as usual emissions trajectory where emissions grow proportionally to revenue growth. – Linear trajectories were used between scenario data points to estimate climate pricing data for intervening years. – All global emissions are subject to carbon pricing and no border adjustments were included in the analysis. – No risk is assumed under a No Policy (4°C) scenario. This is due to this scenario representing a reversal of current policies including currently implemented carbon prices. – Carbon price used in the analysis (2027 weighted average carbon price (USD/tonne): $83.45. Carbon prices used in analysis were collated from sources such as the International Monetary Fund, International Energy Agency and Network for Greening the Financial System.	**Actions:** – Delivery of our carbon emissions reduction targets for Scopes 1, 2 and 3 carbon emissions as outlined below and in our Climate Action Transition Plan will mitigate our operations' exposure to future carbon pricing and environmental taxation. – We work with our suppliers and through industry groups such as Energize to help suppliers map their carbon emissions and take actions to reduce their carbon footprint. – We have launched our Supplier Climate Training Programme with over 350 suppliers. The aim is to educate and support them on their decarbonisation journey. This covers topics like: transitioning to renewable electricity, carbon footprint and emissions calculations and carbon pricing. – In 2024, Haleon implemented an internal carbon pricing scheme that converts carbon emissions into a commercial value for supplier selection criteria. This mechanism encourages suppliers to reduce their carbon footprint to make themselves more competitive. Haleon's carbon price follows the EU ETS cost of carbon. **Metrics and targets:** – Reduce net Scope 1 and 2 carbon emissions by 100% by 2030 vs a 2020 baseline, underpinned by our SBTi target to reduce absolute Scope 1 and 2 carbon emissions by 95% by 2030 vs a 2020 baseline. – Reduce Scope 3 carbon emissions from source to sale by 42% by 2030 vs a 2022 baseline.[1] – Achieve net zero carbon emissions from source to sale by 2040, aligned to guidance from the Climate Pledge and Race to Zero.[1]
No Policy (4°C) Not applicable		

Key

Time horizon for impact

S Short-term 0-4 years
M Medium-term 5-9 years
L Long-term 10+ years

Financial impact of risk or opportunity

Low risk £10m-£40m
Medium risk £40m-£80m
High risk >£80m
Opportunity

[1] Our net zero and Scope 3 carbon emissions targets span carbon emission categories from source to sale (excluding GHG protocol categories 6, 7 and 10-15).

Our approach to sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued

Transition risks

Risk	Impact analysis	Management of risk
Changing consumer preferences: risk The financial impacts of taking action towards the sustainability of our products, and consumer purchasing shifting towards more sustainable brands (e.g. products with less plastic or more recyclable packaging). **Paris Ambition (1.5°C)** S M L **No Policy (4°C)** S M L	**Potential impacts included in our Paris Ambition (1.5°C) and No Policy (4°C) scenario analysis included:** – Reduction in product sales and loss in market share. – Reputational damage and reduction in brand loyalty. Under a Paris Ambition (1.5°C) scenario, it is expected that consumers will rapidly shift towards more sustainable products. The unmitigated potential risk to our business is considered to be medium. The majority of potential revenue loss is driven by our Oral Health products which represent the largest share of total revenue. Oral Health product consumers in the US are likely to see a rapid shift towards more sustainable products. **Assumptions:** – Buying preferences will vary at differing rates across global regions. – To model demand shifts of our products, consumer-led demand for sustainable packaging was used as a proxy. – The risk was modelled under a scenario where we do not act to improve the sustainability of our products, in order to analyse the unmitigated impact of consumer demand shifts.	**Actions:** – To meet or exceed the expectations of Haleon's key stakeholders, including consumers, we are committed to deliver on our Responsible Business strategy and targets (page 23). – We conducted an extensive study to explore and understand the importance of social and environmental issues to people around the world, to understand their sustainability priorities in relation to our categories of Oral Health, OTC and VMS. We conducted quantitative research in 11 markets in 2022 (Australia, Brazil, China, Germany, Indonesia, Italy, Poland, South Africa, Thailand, UK, US) and qualitative research in four markets in 2023 (China, Germany, UK, US) that included online consumer communities, digital listening (US), cultural analysis and expert interviews. This work has given us an understanding of consumers' priorities, identifying opportunities for Haleon to help address these. – Using our sustainability claims tracker, twice a year we monitor the incidence of environmental and social sustainability claims across new product launches in our categories. – Haleon's sustainability impact assessment tool (SIAT) enables our R&D teams to calculate, analyse and compare the impact of product and packaging design decisions on key environmental-impact parameters (including carbon footprint and packaging). – In 2024 we improved the SIAT scoring process to make it more quantitative and introduced a weighted sustainability scoring. – We are participating in externally verified sustainable choice ranges such as Amazon's 'Climate Pledge Friendly' programme as well as making direct sustainability statements in relation to our products. – With a focus on health inclusivity, our brands seek to tackle specific barriers that stand in the way of better everyday health. This includes empowering consumers and Health Professionals to better understand the impact of climate change on health and equip both with tools and solutions to manage and mitigate the impact on everyday health. **Metrics and targets:** – Haleon has set targets with an aim to respond to changing consumer preferences, for example our aims for 100% of product packaging to be recycle-ready by 2025 and recyclable by 2030, where safety, quality and regulations permit, and to reduce our use of virgin petroleum-based plastic by 10% by 2025 and by a third by 2030 vs a 2022 baseline[1]. See page 23 for our performance. Where relevant, we incorporate environmental credentials into consumer-facing statements or listings in retailers' sustainable choices ranges.

Key

Time horizon for impact

S Short-term 0-4 years
M Medium-term 5-9 years
L Long-term 10+ years

Financial impact of risk or opportunity

Low risk £10m-£40m
Medium risk £40m-£80m
High risk >£80m
Opportunity

[1] Scope includes product packaging and some devices, including toothbrushes.

Transition opportunities

Opportunity	Impact analysis	Management of opportunity
Changing consumer preferences: opportunity The financial impacts of taking action towards the sustainability of our products, and consumer purchasing shifting towards more sustainable brands (e.g., products with less plastic or more recyclable packaging). **Paris Ambition (1.5°C)** S M L **No Policy (4°C)** S M L	**Potential impacts included in our Paris Ambition (1.5°C) and No Policy (4°C) scenario analysis included:** – Changing consumer demand to low-carbon alternatives leading to a gain in market share and an increase in product sales. – Positive reputational impacts and increasing brand loyalty. The potential market opportunity for more sustainable products could be significant under a Paris Ambition (1.5°C) scenario, equating to 2.6% additional revenue in 2032, compared to baseline projected revenues. Consistent with the related risk, the greatest potential for upside is driven by our Oral Health products. The size of the potential opportunity decreases in the long term, as more products align with consumer preferences and take actions to meet future climate targets. Therefore, the opportunity reduces for product groups which have already seen a sustainable shift. **Assumptions:** – Buying preferences will vary at differing rates across global regions. To model demand shifts for Haleon's products, consumer-led demand for sustainable packaging was used as a proxy. – The opportunity was modelled under a future where we work to improve the sustainability of our products in order to understand the potential financial gains that could be realised.	**Actions:** – Management activities as for equivalent risk on page 30, with a focus on realising opportunities of responding to changing consumer preferences. **Metrics and targets:** – Haleon has set targets with an aim to respond to changing consumer preferences, for example our aims for 100% of product packaging to be recycle-ready by 2025 and recyclable by 2030, where safety, quality and regulations permit, and to reduce our use of virgin petroleum-based plastic by 10% by 2025 and by a third by 2030 vs a 2022 baseline. See page 23 for our performance. Where relevant, we incorporate environmental credentials into consumer-facing statements or listings in retailers' sustainable choices ranges.

Metrics and targets

We have made significant progress in establishing our standalone Responsible Business strategy as a separately listed company (following demerger in July 2022). This has included the development of targets, associated delivery plans to meet targets, performance and risk management forums and processes.
As outlined in this disclosure, we have developed metrics alongside our scenario analysis which are used to monitor certain risks and opportunities. This includes cross-industry metrics and targets recommended by TCFD, which can be found mapped to risks and opportunities on pages 27-31, in KPIs on page 33, our Scope 1, 2 and 3 emissions set out in line with the UK Government's guidance on Streamlined Energy and Carbon Reporting (SECR) on pages 188 and 189, and built into our ESG Qualifier as described on pages 33 and 85. In January 2025, SBTi validated our near-term target to reduce absolute Scope 1 and 2 GHG emissions by 95% by 2030 from a 2020 base year[1], which is the absolute target that underpins our target to reduce net Scope 1 and 2 GHG emissions by 100% by 2030 from a 2020 base year. SBTi also validated our target to reduce absolute Scope 3 GHG emissions from purchased goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, upstream leased assets and downstream transportation and distribution by 42% versus our 2022 baseline within the same timeframe.

Haleon continues its journey to better manage climate risks, and in 2024 we have implemented a new metric to monitor the percentage of sales generated by our own sites at high risk of extreme weather events.

Our 2024 performance and the key areas which we will focus on in 2025 are described on pages 22 and 23. Performance against these targets, along with additional environmental metrics and reporting methodologies, can be found on our website.

>> More information on our Climate Action Transition Plan, including progress reported in our 2024 Responsible Business Report, is available at **www.haleon.com/our-impact/esg-reporting-hub**

Key

Time horizon for impact

- S Short-term 0-4 years
- M Medium-term 5-9 years
- L Long-term 10+ years

Financial impact of risk or opportunity

- Low risk £10m-£40m
- Medium risk £40m-£80m
- High risk >£80m
- Opportunity

[1] The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.