

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Haleon (LSE / NYSE: HLN) is a world-leading consumer health company, with a clear purpose to deliver better everyday health with humanity. In July 2022, it listed as an independent company on the London and New York Stock Exchanges. Haleon's portfolio spans five global categories including Oral Health, Vitamins, Minerals and Supplements (VMS), Pain Relief, Respiratory Health and Digestive Health and other. Within these categories, there are long standing-brands – such as Advil, Sensodyne, Panadol, Voltaren, Theraflu, Otrivin, Polident, paradontax and Centrum, which are used and trusted by millions of consumers around the world. These brands are built on trusted science, innovation and deep human understanding.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	July 1 2021	June 30 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

GBP

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we do not know if we have embedded commodities

Explanation if not disclosing

<Not Applicable>

Palm oil

Commodity disclosure

Disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

No, because we do not know if we have embedded commodities

Explanation if not disclosing

<Not Applicable>

Cattle products

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

We have prioritised commodities where materiality and inherent risk are high e.g. paper and palm oil derivatives. Haleon purchases or uses small volumes of cattle derived materials in our manufacturing activities including lactose and gelatin. We are working to map these supply chains so we can better disclose our consumption of these materials in future CDP submissions. However, data shows the use of extremely small volumes of each within our supply chain. A materiality assessment completed in 2021 has helped us define our key material supply chains in scope for our 2030 commitment – for all key agricultural, forestry and marine derived materials to be sustainably sourced and deforestation free by 2030. The scope of this goal 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. Of hundreds of materials purchased, 9 have been identified as key materials in scope for this commitment. Cattle-derived materials did not make the in-scope list due to their extremely small volumes for our business.

Soy

Commodity disclosure

Not disclosing

Stage of the value chain

Manufacturing

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

We have prioritised commodities where materiality and inherent risk are high e.g. paper and palm oil derivatives. Haleon purchases or uses a relatively small amount of soy derived materials in our manufacturing activities. We are working to map these supply chains so we can better disclose our consumption of these materials in future CDP submissions. The work we are doing includes engaging procurement, our suppliers and external experts to help us develop a more sustainable sourcing approach for soy derived materials, to support Haleon's aim to sustainably source 100% of key agricultural, marine, and forestry derived materials by 2030. The 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.

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Stage of the value chain

<Not Applicable>

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

<Not Applicable>

Other - Cocoa

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Stage of the value chain

<Not Applicable>

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

<Not Applicable>

Other - Coffee

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Stage of the value chain

<Not Applicable>

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

<Not Applicable>

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Operational control

F0.6

(F0.6) Select the countries/areas in which you operate.

Argentina
Brazil
Canada
China
Indonesia
Ireland
Italy
Kenya
Malaysia
Mexico
Pakistan
Panama
Puerto Rico
Slovakia
South Africa
Spain
Sri Lanka
Switzerland
Taiwan, China
United Kingdom of Great Britain and Northern Ireland
United States of America

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.7a

(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Forest risk commodity

Timber products

Value chain stage

Supply chain

Exclusion

Other, please specify (Volumes purchased by our third-party contract manufacturing operations)

Description of exclusion

Volumes of Timber related materials purchased by our third party manufacturing organisations to produce finished Haleon products.

% of volume excluded

31-40%

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

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. The 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. The remaining volume of materials purchased by our third party manufacturing organisations are therefore not included in our commitment and Haleon forecasts this could be up to 32% based upon volume of products annually produced. Based on the type of products manufactured by third party manufacturing organisations for Haleon, this will include timber related materials. Due to a lack of robust data from our third party manufacturing organisations and direct buying agreements with the material suppliers, we are currently not in a position to include these material volumes in our commitment, however we will endeavor to incorporate these volumes in the future.

Forest risk commodity

Palm oil

Value chain stage

Supply chain

Exclusion

Other, please specify (Volumes purchased by our third-party contract manufacturing operations)

Description of exclusion

Volumes of Palm Oil related materials purchased by our third party manufacturing organisations to produce finished Haleon products.

% of volume excluded

31-40%

Potential for forests-related risk

Potential for forests-related risk but not evaluated

Please explain

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. The 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. The remaining volume of materials purchased by our third party manufacturing organisations are therefore not included in our commitment and Haleon forecasts this could be up to 32% based upon volume of products annually produced. Based on the type of products manufactured by third party manufacturing organisations for Haleon, this will include Palm Oil related materials. Due to our lack of robust data from our third party manufacturing organisations and direct buying agreements with the material suppliers, we are currently not in a position to include these material volumes in our commitment, however we will endeavour to incorporate these volumes in the future.

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB00BMX86B70

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Using as input into product manufacturing

Form of commodity

Primary packaging
Secondary packaging
Tertiary packaging

Source

Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Australia
Brazil
Canada
Chile
China
Czechia
Finland
France
Germany
Indonesia
Italy
Kenya
Netherlands
Norway
Pakistan
Republic of Korea
South Africa
Spain
Sweden
Switzerland
Taiwan, China
United Kingdom of Great Britain and Northern Ireland
United States of America

% of procurement spend

1-5%

Comment

We are improving the traceability of paper packaging year on year, i.e. the range of locations/origins and suppliers of timber derived products used by Haleon and certification of supply. We continue to map our supply chains and work with procurement teams to implement a sustainable strategy across categories. The strategy is focused on helping us to achieve and define 100% sustainably sourced and deforestation-free paper packaging by 2030. The scope of this goal 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.

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Palm oil derivatives

Palm kernel oil derivatives

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Brazil

Cameroon

Colombia

Côte d'Ivoire

Ecuador

Gabon

Ghana

Guatemala

Honduras

India

Indonesia

Liberia

Malaysia

Nicaragua

Nigeria

Panama

Papua New Guinea

Philippines

Solomon Islands

Thailand

% of procurement spend

<1%

Comment

Haleon manages its palm oil supply through working with central procurement and local procurement processes for the purchase of palm oil derivatives. Supply chain complexity makes it challenging to gather and aggregate specific commodity-based data from all relevant sources. However, we are working to put effective solutions and processes in place that will allow us to better understand and disclose information on origin and use of palm oil that is accurate and representative of Haleon. This work includes developing roadmaps for key commodities, such as palm oil, supported by integrating supplier sustainability criteria into procurement processes and improving our supply chain mapping. We are members of or working with the likes of Roundtable on Sustainable Palm Oil (RSPO), Action for Sustainable Derivatives (ASD) and using tools such as the Sustainable Palm Index (SPI) to help us develop our approach. The strategy is focused on helping us to achieve and define 100% sustainably sourced and deforestation-free palm oil derivatives by 2030. The scope of this goal 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

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	91-99%	Haleon has a dependence on timber products, especially paper packaging and secondary and tertiary packaging which is used in most of its products.
Palm oil	11-20%	Haleon depends on palm oil derivatives with most of the volume used in our oral healthcare products (e.g toothpaste).
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**Forest risk commodity**

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

13938

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

54

Please explain

We have worked with Action for Sustainable Derivatives (ASD) to develop a 2-step process to validate deforestation and/or conversion-free (DCF) volumes, as outlined below:

Step 1, Physical connection to DCF sources: The sources that we have considered as DCF are those that have been supplied to us as RSPO certified volumes with MB*, SG and IP Chain of Custody (in 2021/2 92% of our palm oil derivatives were sourced as RSPO Mass Balance, most materially glycerin, and the remaining volumes were covered with regular and independent smallholders' credits).

Step 2, Verification of DCF sources: Once the volumes with a physical connection to deforestation-free sources were identified (per Step 1), we have verified that these volumes are indeed free of deforestation. To do this, we have identified the origin, i.e. identified the mills linked to these volumes, and then checked whether deforestation has been identified in the mill's supply area.

We have worked with ASD to trace our supply chain back to mill level.

To link mill to plantations we are making the following assumptions:

- When a mill is inside a concession, the plantation in the concession is automatically associated with this mill
- When a mill is outside (but close to) a concession and both have the same owner's name (either the name of the group or the subsidiary), the plantation in the concession is associated with this mill
- When we were unable to connect mills and concessions (imperfect cadaster) because the mill is outside and bears a different name, we postulated that all plantations in a buffer zone of 10 km around the mill are supplying Fresh Fruit Bunches (FFB) to this mill. If a supply radius from another identified mill crossed the radius of the buffer zone concerned, we divided the area equally between the two buffer zones so that there was no overlap.

Once the volumes with a physical connection to sources that are free of deforestation have been identified, it is necessary to verify that these sources are indeed free of deforestation. To do this, we have identified the origin, i.e. identified the mills linked to these volumes, and then checked whether deforestation has been identified in the mill's supply area using the satellite monitoring tool Nusantara Atlas to estimate the deforestation and conversion of forest after the cut-off date of November 2018 within each mill's catchment area.

In addition, using ASD's monitoring of grievances, we can confirm whether a mill has been accused of sourcing from plantations linked to deforestation or conversion of forest.

Once these two conditions have been met, it is possible to say that our relevant volumes link to the mills are verified DCF.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

53300

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Partial commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

<Not Applicable>

Please explain

Consumption of our in scope timber/paper items (corrugates, cartons, leaflets and dividers & trays) totalled 53.3K Tonnes. Haleon is committed to sustainably sourcing 100% of all key agricultural and forestry commodities by 2030, including its key paper materials which are derived from timber. We are working to achieve 100% sustainably certified paper packaging material through FSC or PEFC chain of custody certification by 2030 or through purchase of recycled content. Our procurement team are continuously increasing the traceability of our supply chain to achieve Full Chain of Custody and therefore certify that our timber products are deforestation free by 2030. The scope of both our commitment and the data we collect on this topic is globally managed spend only, which covers the majority of our internal spend and expands across some of our third-party manufacturing network.

Currently in our reporting scope we do not include other paper or pulp derived materials purchased by Haleon including labels, dividers & trays (which are non-paper), point

of sale items, cellulose materials (e.g Microcrystalline Cellulose), transit packaging (such as pallet layer pads and labels included in the upstream from direct material suppliers, or downstream to our customers), promotional materials or office / general administrative paper items. This is due to their small cumulative volumes versus our in-scope paper items. As well as the complexity and lack of access to accurate weight data for these non-packaging items to enable robust reporting. Our in-scope materials (cartons, corrugates, leaflets and total dividers & trays) account for >96% by weight of all our paper packaging materials.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
0

% of DCF production/consumption volume verified through monitoring systems
0

% of DCF production/consumption volume physically certified
0

% of non-DCF production/consumption volume from unknown origin
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area
<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level
<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level
<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
0

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
<Not Applicable>

Timber products – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion
<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems
<Not Applicable>

% of DCF production/consumption volume physically certified
<Not Applicable>

% of non-DCF production/consumption volume from unknown origin
5.4

% of non-DCF production/consumption volume traceable only as far as country level
94.6

% of non-DCF production/consumption volume traceable only as far as sub-national area
0

% of non-DCF production/consumption volume traceable only as far as processing facility level
0

% of non-DCF production/consumption volume traceable to production unit level
0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]
<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]
100

Palm oil – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

100

% of DCF production/consumption volume physically certified

0

% of non-DCF production/consumption volume from unknown origin

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level

<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level

<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

<Not Applicable>

Palm oil – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems

<Not Applicable>

% of DCF production/consumption volume physically certified

<Not Applicable>

% of non-DCF production/consumption volume from unknown origin

3

% of non-DCF production/consumption volume traceable only as far as country level

2.2

% of non-DCF production/consumption volume traceable only as far as sub-national area

94.8

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

100

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Peninsular Malaysia)

% of total production/consumption volume

16.52

Please explain

Palm oil derivatives sourced from Peninsular Malaysia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sabah)

% of total production/consumption volume

5.23

Please explain

Palm oil derivatives sourced from Sabah, Malaysia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to Hialeon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

India

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sarawak)

% of total production/consumption volume

5.43

Please explain

Palm oil derivatives sourced from Sarawak, Malaysia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to Hialeon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Riau)

% of total production/consumption volume

16.9

Please explain

Palm oil derivatives sourced from Riau, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to Hialeon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (North Sumatra)

% of total production/consumption volume

11.81

Please explain

Palm oil derivatives sourced from North Sumatra, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to Hialeon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Central Kalimantan)

% of total production/consumption volume

7.87

Please explain

Palm oil derivatives sourced from Central Kalimantan, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to Hialeon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (South Sumatra)

% of total production/consumption volume

5.48

Please explain

Palm oil derivatives sourced from South Sumatra, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (West Kalimantan)

% of total production/consumption volume

5.07

Please explain

Palm oil derivatives sourced from North Sumatra, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Aceh)

% of total production/consumption volume

4.18

Please explain

Palm oil derivatives sourced from Aceh, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (East Kalimantan)

% of total production/consumption volume

3.44

Please explain

Palm oil derivatives sourced from North Sumatra, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Jambi)

% of total production/consumption volume

3.4

Please explain

Palm oil derivatives sour Jambi, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Bengkulu)

% of total production/consumption volume

2.19

Please explain

Palm oil derivatives sour Bengkulu, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (West Sumatra)

% of total production/consumption volume

2.17

Please explain

Palm oil derivatives sour West Sumatra, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to Haleon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (South Kalimantan)

% of total production/consumption volume

1.15

Please explain

Palm oil derivatives sour South Kalimantan, Indonesia. This is one of 14 areas which together represent 95% of the palm oil sourced for use in the palm oil derivatives to Haleon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Not disclosing

% of total production/consumption volume

3.82

Please explain

The remaining 23 provinces of Indonesia supply a total of 3.82% of the total Palm oil derivatives used in the palm oil derivatives to Haleon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

2.8

Please explain

The Haleon Procurement team has mapped in scope timber derived materials to countries of origin, completed in 2022.

Forest risk commodity

Timber products

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1.2

Please explain

The Haleon Procurement team has mapped in scope timber derived materials to countries of origin, completed in 2022.

Forest risk commodity

Timber products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

1

Please explain

The Haleon Procurement team has mapped in scope timber derived materials to countries of origin, completed in 2022.

Forest risk commodity

Timber products

Country/Area of origin

Kenya

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.1

Please explain

The Haleon Procurement team has mapped in scope timber derived materials to countries of origin, completed in 2022.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

89.5

Please explain

The Haleon Procurement team has mapped in scope timber derived materials to countries of origin, completed in 2022. 89.5% of in-scope timber derived volumes supplied to Haleon were supplied from a further 21 countries that are not defined as forest-risk countries by CDP.

Forest risk commodity

Timber products

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

5.4

Please explain

The Haleon Procurement team has mapped in scope timber derived materials to countries of origin, completed in 2022. 5.4% of this volume could not be mapped to origin.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Jambi)

% of total production/consumption volume

3.4

Please explain

Palm oil derivatives sourced from Jambi Indonesia. This is one of the top areas from which 95% of the palm oil is sourced for use in the palm oil derivatives to Haleon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.022.

Forest risk commodity

Palm oil

Country/Area of origin

Brazil

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.05

Please explain

Palm oil derivatives sourced from Brazil. This is one of 8 other countries which together represent 2.2% of the palm oil sourced for use in the palm oil derivatives to Haleon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Cambodia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.05

Please explain

Palm oil derivatives sourced from Cambodia. This is one of 8 other countries which together represent 2.2% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Colombia

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.7

Please explain

Palm oil derivatives sourced from Colombia. This is one of 9 other countries which together represent 2.2% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.3

Please explain

Palm oil derivatives sourced from Guatemala. This is one of 8 other countries which together represent 2.2% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Honduras

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.15

Please explain

Palm oil derivatives sourced from Colombia. This is one of 8 other countries which together represent 2.2% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Côte d'Ivoire

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.1

Please explain

Palm oil derivatives sourced from Cote d'Ivoire. This is one of 8 other countries which together represent 2.2% of the palm oil sourced for use in the palm oil derivatives to HALEON, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Papua New Guinea

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.5

Please explain

Palm oil derivatives sourced from Papua New Guinea. This is one of 8 other countries which together represent 2.2% of the palm oil sourced for use in the palm oil derivatives to Haleon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.35

Please explain

Palm oil derivatives sourced from Thailand. This is one of 8 other countries which together represent 2.2% of the palm oil sourced for use in the palm oil derivatives to Haleon, as determined by the supply chain traceability assessment carried out by Action for Sustainable Derivatives (ASD), based on data collected in 2022.

Forest risk commodity

Palm oil

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

3

Please explain

We have substantial progress, working with Action on Sustainable Derivatives, to increase the traceability of the palm oil used in the palm oil derived materials that we purchase. We have not been able to obtain traceability of 3% of the in-scope palm oil used in the palm oil derived materials that we purchase.

F1.5f

(F1.5f) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

<Not Applicable>

Volume produced/consumed

<Not Applicable>

Metric

<Not Applicable>

Country/Area of origin

<Not Applicable>

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

<Not Applicable>

Does the source of your organization's biofuel material come from smallholders?

<Not Applicable>

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Reputational and markets

Primary impact driver

Increased cost of certified sustainable material

Primary impact

Supply chain disruption

Description of impact

Supply chain issues starting in 2021 and continuing into 2022 caused disruption to supply and resulted in increased prices for paper packaging materials. Some sites in Europe have seen the impact of supply chain disruption impact local site costs and sourcing decisions. Haleon's procedure for risk management, including forest related risks, uses an internal control framework (ICF) methodology. ICF is based on recognised international standards (e.g., ISO31000, COSO) and is used at all levels of the organisation. Although this was an experienced detrimental impact, it did not breach even the threshold for a "low" risk impact as defined by our Enterprise risk management.

Primary response

Supplier diversification

Total financial impact

369190

Description of response

Our global procurement team that manages the majority of timber product spend are working on a diversified approach to sustainably source these materials. For example, on secondary pack carton board, this includes putting in place a strategy for our sites that employs several different sourcing options, such as certified virgin material and recycled options. The stakeholders involved in this response are global procurement teams, local site procurement teams, the sustainability team and suppliers. The total financial impact is the additional cost of material incurred as a result of implementing this strategy.

Forest risk commodity

Palm oil

Impact driver type

Reputational and markets

Primary impact driver

Availability of certified sustainable material

Primary impact

Other, please specify (Risk to meeting 2030 commitment for palm oil to be deforestation free)

Description of impact

We encountered a shortage of Segregated and Identity Preserved RSPO certified palm oil derivatives that guarantees deforestation free supply. Continuing shortage of these materials could affect achieving our 2030 target of 100% sustainably sourced and deforestation-free palm oil derivatives. Therefore, Haleon had to purchase some credits of a lower standard of RSPO certification, through Book & Claim IS RPSO credits. Total financial impact is based on an estimate of the price of purchasing the higher standard of RSPO certification. Haleon's procedure for risk management, including forest related risks, uses an internal control framework (ICF) methodology. ICF is based on recognised international standards (e.g., ISO31000, COSO) and is used at all levels of the organisation. Although this was an experienced detrimental impact, it did not breach even the threshold for a "low" risk impact as defined by our Enterprise risk management.

Primary response

Increased use of sustainably sourced materials

Total financial impact

43538

Description of response

For 2021-22 palm oil derivatives were covered by RSPO Mass Balance certification (92%) and regular and independent smallholders' credits (8%). Haleon is committed to 100% sustainable sourcing of palm oil derivatives by 2030 and Haleon's sustainability team is engaging with ASD and our suppliers to improve supply chain traceability and to understand how we can increase our deforestation free supply of palm oil derivatives. The scope of both our commitment and the data we collect on this topic is globally managed spend only, which covers the majority of our internal spend and expands across some of our third-party manufacturing network. The financial impact represents the cost of purchasing the Book & Claim credits.

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

<Not Applicable>

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

<Not Applicable>

Known or estimated deforestation/ conversion footprint (hectares)

<Not Applicable>

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

<Not Applicable>

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Partial consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Since a specified cutoff date, please specify year (the RSPO cut-off date (November 2018))

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Since 2019, we have been a member of ASD, a collaborative initiative bringing together companies from a range of industries to tackle supply chain issues around palm oil derivatives. Our membership has helped us to gain greater transparency of the palm oil used by our suppliers by establishing traceability of 96.3% of volumes to the refineries that supply our factories, 92% of this to palm fruit processing mills and 30.7% to palm oil plantations in 2021.

Understanding where the palm oil is sourced from will help us to work with suppliers and other partners to meet our goal of deforestation-free supply chains by 2030.

Utilising the Nusantara Atlas satellite monitoring tool, ASD has been able to estimate the deforestation and conversion of forest that has occurred after the RSPO-defined cut-off date (November 2018) within the catchment area of a large proportion of the fresh fruit bunches (FFB) processing mills that supply in to our supply chains.

At time of writing, we are not aware of a methodology to calculate the proportion of the deforestation linked to these mills that can be attributed to the volumes of the palm oil we use. We aim for all our key agricultural, forest- and marine-derived materials used in our ingredients and packaging to be sustainably sourced and deforestation free by 2030. The scope of this commitment and the data we collect on this topic is globally managed spend only, which covers the majority of our internal spend and expands across some of our third-party manufacturing network. Alongside our work with ASD, we use the Roundtable for Sustainable Sourcing of Palm Oil (RSPO) Mass Balance certification for the palm oil derivatives we purchase, where possible.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
IBAT for Business
National specific tools and databases

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Regulation
Climate change
Impact on water security
Tariffs or price increases
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Suppliers

Please explain

Haleon conducts a materiality assessment that reviews forest related risks of sourcing commodities. Input to the assessment methodology was provided by an external consultant, who used their own established methodology to assess forest-related risks in our timber and palm oil supply chains to identify the areas requiring the most attention. The materiality assessment is revised annually. Haleon reviewed environmental, social and business-related risks across our direct operations and supply chain. The key risk factors in the assessment include deforestation, biodiversity loss, labour rights, forced labour, and water use intensity. For the issue of biodiversity loss, the IUCN red list was used to determine whether crop or animal species were endangered. If species were rated as Vulnerable, Endangered or Critically Endangered then their score in the materiality assessment was rated as 'high'.

Haleon sustainability and global procurement teams used internal company methods to map our timber and palm supply chains, using data provided by suppliers to gain a better understanding of the countries and provinces where these materials are sourced. We used national databases and tools to assess issues that are specific to sourcing countries such as deforestation and social risks. This considers local stakeholders such as producers and communities where timber is harvested.

Within the procurement team tools are used to assess business related risk e.g. risks from Third Parties are identified and assessed through our Third Party Risk Management process and EcoVadis. This helps to ensure forest-related risks are analysed, for example social factors in the production of timber products, such as meeting minimum wage requirements and aligning with Haleon's Anti-Bribery & Corruption policy.

Haleon responds to investor queries on management of forest-related topics via our Investor Relations team. Haleon also responds to ESG indices as requested by its investors, e.g. CDP Forests. Feedback from our investors is considered in our forest-related risk management.

We used IBAT to analyse specific locations using STAR metrics to generate reports detailing where relevant parts of our value chains are close to Protected Areas and/or Key Biodiversity Areas.

Palm oil

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
National specific tools and databases
Other, please specify (Action for Sustainable Derivatives)

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Regulation
Climate change
Impact on water security
Tariffs or price increases
Brand damage related to forests risk commodities
Corruption
Social impacts

Stakeholders considered

Customers
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Suppliers

Please explain

Haleon conducts a materiality assessment that reviews forest related risks of sourcing commodities, which is revised annually. Haleon reviewed environmental, social and business-related risks across our direct operations and supply chain. Input to the assessment methodology was provided by an external consultant, who used their own established methodology to assess forest-related risks (including but not limited to climate impact, water intensity, deforestation, labour rights and biodiversity impacts) in our timber and palm oil supply chains in order to identify the areas requiring the most attention. The key risk factors in the assessment include deforestation, biodiversity loss, and water use intensity. For the issue of biodiversity loss, the IUCN red list was used to determine whether crop or animal species were endangered. If species were rated as Vulnerable, Endangered or Critically Endangered then their score in the materiality assessment was rated as 'high'.

Haleon works with ASD each year to complete a supply chain mapping exercise, collecting data from direct and indirect suppliers about refineries, crushers, and mills. A geographical risk assessment is conducted to identify deforestation risk of at province level and catchment area of mill level, producing a ranked level of the different deforestation risks by location. In 2021 the risk assessment covered Haleon's top 8 suppliers (98.6% of supply based on Haleon's globally managed spend only). In addition to ASD mapping, Haleon sustainability and procurement teams are mapping the supply chain of the other palm oil derivatives. Understanding location specific sourcing issues includes consideration of stakeholders within these areas, e.g., local communities and producers where palm oil is being harvested.

Other risk related tools used: Third Party Risk Management process and EcoVadis and Haleon's Anti-Bribery & Corruption policy.

Haleon responds to investor queries on management of forest-related topics via our Investor Relations team. Haleon also responds to ESG indices as requested by its investors, e.g. CDP Forests. Feedback from our investors is considered in our forest-related risk management.

We used IBAT to analyse specific locations using STAR metrics to generate reports detailing where relevant parts of our value chains are close to Protected Areas and/or Key Biodiversity Areas.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Palm oil	Yes, we have partially mapped the value chain	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Palm oil

Scope of value chain mapping

- Tier 1 suppliers
- Tier 2 suppliers
- Tier 3 suppliers
- Tier 4+ suppliers

% of total suppliers covered within selected tier(s)

98.6

Description of mapping process and coverage

Haleon has mapped 98.6% of the total globally managed spend palm oil volumes used in the glycerines we purchase, which is supplied by 8 suppliers. Of this volume, 98.1% of palm oil derivatives volumes are traceable up to the refiners, 97% up to the mills and 76.7% up to the plantations. This was achieved through working with ASD in 2022, who conducted the supply chain mapping of the palm oil derivatives of Haleon's key 8 suppliers. The supply chain mapping was conducted through a process of collection of baseline data; and scoping and verification of the data. Data is also collected from direct and indirect suppliers to inform supply chain mapping of refineries, crushers, and mills. This information is then analysed and verified to estimate level of transparency according to volumes sourced and sourcing areas. Additionally, based on the results of supply chain mapping a geographical risk assessment is conducted to identify environmental risks and mill and regional level.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

Forest risk commodity

Timber products

Scope of value chain mapping

- Tier 1 suppliers
- Tier 2 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

100% of Haleon's globally managed Tier 1 and 2 suppliers of timber products were mapped in 2022.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	Methodology used for classifying levels of risk	Use of risk classification	Attachment indicating risk classification for each sourcing area (optional)
1 No, but we plan to in the next two years	<Not Applicable>	<Not Applicable>	<Not Applicable>

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	No
Palm oil	No
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Haleon’s procedure for risk management, including forest related risks, uses an internal control framework (ICF) methodology. ICF is based on recognised international standards (e.g., ISO31000, COSO) and is used at all levels of the organisation. The impact of a risk may be classified as low, medium, high, and very high, based on the rating of the "risk impact". Next, it is moderated by looking at "risk likelihood" that may be classified as: rare, unlikely, possible, likely, almost certain. Combining these elements produces a risk heat map and classifies the risks as 'low', 'medium', 'high', or 'very high'. We define risks classified as "medium", "high" and "very high" or based on potential financial impact of the risk to be >£40m as having a substantive financial or strategic impact on our business. The impact could be, for example, the failure to meet one or more of Haleon’s strategic objectives, supply disruption or constraints in our global sourcing and supply network due to external or internal factors or insufficient capacity leading to the inability to meet customer demand and desired service levels. Haleon’s ICF helps identify, prioritise, and mitigate risks as follows. Firstly, the ICF quantifies the risk’s likelihood and its impact, then it applies a series of checks and balances designed to reduce the likelihood of any risk materialising and its impact as well as tracking that planned mitigations are working.

F3.1c

(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Timber products	Evaluation in progress	Haleon recognizes that there is a potential long-term risk to the business in sourcing paper packaging that is sourced from non-certified and non-recycled sources. We have aimed 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. The scope of this commitment 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. This means we will be sourcing more of our core timber-derived packaging materials as FSC or PEFC CoC certified or from recycled sources. Haleon conducted an analysis with the aim of understanding the potential impact of reduced availability and increased price volatility of raw materials due to climate change. Within the scope of this risk assessment were the materials from which we source key derivatives: corn, mint, palm oil and cellulose. The risks identified are not currently projected to result in a substantive impact based on definition that risks classified as "medium", "high" and "very high" or based on potential financial impact of the risk to be >£40m as having a substantive financial or strategic impact on our business. We will continue to monitor this risk in our ongoing scenario analyses.
Palm oil	Evaluation in progress	Haleon recognizes that there is a potential long-term risk to the business in sourcing palm oil derivatives. 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. The scope of this commitment and the tonnage quoted above 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. This will mean sourcing more of our core palm oil materials as sustainable credible third-party certified, or to purchase Book & Claim credits in support of certified production. Haleon conducted an analysis with the aim of understanding the potential impact of reduced availability and increased price volatility of raw materials due to climate change. Within the scope of this risk assessment were the materials from which we source key derivatives: corn, mint, palm oil and cellulose. The risks identified are not currently projected to result in a substantive impact based on definition that risks classified as "medium", "high" and "very high" or based on potential financial impact of the risk to be >£40m as having a substantive financial or strategic impact on our business. We will continue to monitor this risk in our ongoing scenario analyses.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased sales of existing products/services

Company-specific description

Increasing the use of recycled and certified timber-derived packaging would reduce Hialeon's impacts on land use resource and will realise our commitment to sustainably sourced and deforestation free timber-derived materials.

Communication and marketing of this claim is part of our strategy to utilise sustainability as a growth driver for the business.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1313872

Potential financial impact figure – maximum (currency)

2627745

Explanation of financial impact figure

Figures quoted are an estimation based on an evaluation of the likely minimum impact of realising our commitment to sustainably source FSC/PEFC Chain of Custody certified deforestation-free (or recycled) timber-derived materials on revenue growth, calculated as a component of the total revenue that we expect to be generated through the promotion and communication of these products through specific channels (e.g. through 'sustainable choice ranges' offered through retail channels). We have made these estimations based on a range of 4% - 10% growth rates of retailers' sustainable choices ranges.

Cost to realize opportunity

3000000

Strategy to realize opportunity

We have made it a requirement that suppliers of Timber products only supply FSC CoC or PEFC CoC (only non-tropical countries) and/or recycled materials. An annual tender process will enable this objective to be realised in time to achieve our commitment to ensure timber-derived materials which are globally managed are sourced sustainably and deforestation-free by 2030.

The cost to realize this opportunity is based on our review of the additional costs incurred as a result of implementing this strategy – i.e. for switching to certified recycled paper from certified virgin material.

Forest risk commodity

Palm oil

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Other parts of the value chain

Primary forests-related opportunity

Increased sales of existing products/services

Company-specific description

Increasing the use of RSPO MB certified palm-oil derived materials would reduce Hialeon's impacts on land use resource and will realise our commitment to sustainably sourced and deforestation palm-oil derived materials.

Communication and marketing of this claim is part of our strategy to utilise sustainability as a growth driver for the business.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

647937

Potential financial impact figure – maximum (currency)

1295874

Explanation of financial impact figure

Figures quoted are an estimation based on an evaluation of the likely minimum impact of realising our commitment to sustainably source RSPO MB certified palm-oil derived materials on revenue growth, calculated as a component of the total revenue that we expect to be generated through the promotion and communication of these products through specific channels (e.g. through 'sustainable choice ranges' offered through retail channels). We have made these estimations based on a range of 4% - 10% growth rates of retailers' sustainable choices ranges.

Cost to realize opportunity

650000

Strategy to realize opportunity

We have made it a requirement that suppliers of palm oil-derived materials only supply RSPO MB-certified materials. An annual tender process will enable this objective to be realised in time to achieve our commitment to ensure timber-derived materials which are globally managed are sourced sustainably and deforestation-free by 2030. The cost to realize this opportunity is based on our review of the additional costs incurred as a result of implementing this strategy – i.e. for buying palm oil material where possible that are RSPO Mass Balance certified.

F4. Governance**F4.1****(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

F4.1a**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual or committee	Responsibilities for forest-related issues
Director on board	The Chair of the Environmental and Social Sustainability Committee is a non-Executive Board Director, and the role with responsibility for environmental and social topics and governance over progress of Haleon's environmental and social sustainability agenda. Forest-related issues are included in this scope. The committee is composed of other non-Executive directors.
Board-level committee	The Environmental and Social Sustainability Committee was established in March 2023. The Committee provides oversight and effective governance over progress with Haleon's environmental and social sustainability agenda and the external governance and regulatory requirements relevant to these areas. In 2022, Sustainability topics were addressed by the Board. Board oversight activities in 2022 included: <ul style="list-style-type: none"> Reviewed and approved the sustainability strategy and the KPIs to be adopted, included Haleon's sustainable sourcing strategy and goals Discussed the engagement across industry-wide initiatives to support Haleon's ESG strategy Discussed suppliers, Working with responsible third parties position and the work in progress in relation to Human Rights

F4.1b**(F4.1b) Provide further details on the board's oversight of forests-related issues.**

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing the setting of corporate targets Overseeing value chain engagement Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy	The Environmental and Social Sustainability Committee of the board meets at least twice per year 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. The Environmental and Social Sustainability Committee was established in March 2023. In 2022, Sustainability topics were addressed by the Board. Board oversight activities in 2022 included: <ul style="list-style-type: none"> Reviewed and approved the sustainability strategy and the KPIs to be adopted, included Haleon's sustainable sourcing strategy and goals Considered Haleon's progress in sustainable sourcing of key forest, marine and agricultural derived materials, including palm oil derivatives and timber products, and steps required to deliver Company targets Discussed the engagement across industry-wide initiatives to support Haleon's ESG strategy Discussed suppliers, Working with responsible third parties position and the work in progress in relation to Human Rights

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

The Non-Executive Directors (NED) on the Environmental and Social Sustainability Committee have a senior level of experience on ESG issues, including the Committee Chair. This has been assessed through their relevant previous experience in ESG-related activities in their executive careers, including forest-related issues. The more experienced NEDs have been exposed to ESG, including forest-related issues, on the various boards on which they have served.

Haleon's Chair of the Board of Directors is also presently the Chair of the WWF-UK, taking up the position in June 2020. Two pillars of WWF-UK's strategy are averting dangerous climate change and restoring threatened habitats and species, providing exposure to climate, water, and forests-related issues.

The full Haleon board has gone through a deep dive on Sustainability, including forest-related issues, and approved the Sustainability strategy and targets. The NED induction included an approach to all areas of Haleon's risk management and an understanding of the company's key disclosed risks and mitigating actions, which included forest-related matters.

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Managing annual budgets relating to the implementation of forest-related policies and commitments Integrating forests-related issues into business strategy Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	Responsible business governance is an Executive Team responsibility managed via three executive-led committees. These are the Environment, the Health Inclusivity, and the Human Rights Steering Committees. Our CSO (Head of Sustainability and member of the Executive Team) chairs our Environment Steering Committee that makes strategic recommendations on managing our environmental footprint for approval by the Executive Team and the Environmental and Social Sustainability Board Committee. It also monitors forest-related issues and works to integrate our sustainability strategy into our broader organisation. The Environment Steering Committee meets every other month and regularly reviews our forest-related performance and other environmental metrics. It is composed of members of senior management, including the Vice President of Sustainability, Chief Supply Chain Officer, Chief Corporate Affairs Officer, Chief Scientific Officer, Chief Procurement Officer, and R&D Head of Packaging.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	Working groups in our global functions, global Category teams, and business units integrate responsible business commitments into key performance indicator (KPI) management through our Responsible Business Scorecards. These KPIs include deforestation-free sourcing of forests commodities including palm and soy. The Executive Team and Regional Leadership Team review these quarterly. Responsible business performance KPIs are built into individuals' personal objectives where it is relevant for their roles, including for Executive team members. Performance against personal objectives are used to determine, in part, annual bonuses for employees. Our CSO (Head of Sustainability and member of the Executive Team) has delivery of sustainability objectives built into their objectives on an annual basis, including the delivery of forests-related initiatives. For 2023, this specifically includes a positive outcome in the CDP Forests questionnaire result.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	Company performance against a sustainability index with forest-related factors (e.g., CDP Forests Score)	Our CSO (Head of Sustainability and member of the Executive Team) has delivery of sustainability objectives built into their objectives on an annual basis, including the delivery of forests-related initiatives. Specifically, this includes Haleon's participation in ESG disclosures, including CDP Forests.	The timeframe for this objective is for completion in 2023 and applies to Haleon's Enterprise performance in the CDP Forests survey. Monetary incentives via annual bonuses at Haleon are partially dependent on delivery of individual objectives.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	<Not Applicable>	

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)
 Haleon_2022AR_TCFD.pdf.downloadasset.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Selected facilities, businesses or geographies only

Commodity coverage

Palm oil
 Timber products

Content

- Commitment to eliminate deforestation
- Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)
- Commitment to take action beyond own supply chain to tackle environmental issues
- Commitment to resolving both social and environmental issues in own operations and supply chain
- Commitment to protect rights and livelihoods of local communities
- Commitments beyond regulatory compliance
- Commitment to stakeholder awareness and engagement
- Commitment to align with the SDGs
- Recognition of the overall importance of forests and other natural ecosystems
- Description of business dependency on forests
- Recognition of potential business impact on forests and other natural ecosystems
- Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy
- List of timebound milestones and targets

Document attachment

Y
 Haleon Position - Deforestation FINAL June 2023_For Publication.pdf
 human-rights-final-2023.pdf

Please explain

Attached is Haleon's "Sustainable and deforestation free sourcing of materials - Our Haleon position". This details the deforestation issue, the key supply chains which are in scope for Haleon, the commitments we have made to support deforestation free supply chains, our 6 guiding principles which help us progress our commitment, and details of our progress against palm oil, paper and soy supply chains. The scope of our policy is aligned to our sustainable sourcing commitment and so applies only to 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. Also attached is our Human Rights Policy.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Forest risk commodity	Public commitments made
Timber products	Yes
Palm oil	Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

No, we do not endorse any initiatives

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Palm oil

Criteria

- No conversion of natural ecosystems
- Zero net deforestation
- No new development on peat regardless of depth
- Avoidance of negative impacts on threatened and protected species and habitats
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Promotion of gender equality and women’s empowerment
- Remediate any adverse impacts on indigenous people and local communities
- Adoption of the UN International Labour Organization principles
- Resolution of complaints and conflicts through an open, transparent and consultative process
- Facilitate the inclusion of smallholders into the supply chain
- Build community capacity and incentivize engagement in multi-stakeholder processes
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
- Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2020

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Sector-wide agreement/recommendation

Commitment target date

2026-2030

Please explain

We aim that key agricultural, forest and marine derived materials used in our ingredients and packaging are sustainably sourced and deforestation free by 2030. The scope of this commitment includes Haleon globally managed spend only, which covers the majority of our internal spend and expands across some of our third-party manufacturing network.

Forest risk commodity

Timber products

Criteria

- No conversion of natural ecosystems
- Zero net deforestation
- No new development on peat regardless of depth
- Avoidance of negative impacts on threatened and protected species and habitats
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples
- Adoption of the UN International Labour Organization principles
- Resolution of complaints and conflicts through an open, transparent and consultative process

No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2020

Forest risk countries/areas that the cutoff date applies to

Applied globally

Reason for selecting cutoff date

Sector-wide agreement/recommendation

Commitment target date

2026-2030

Please explain

We aim that key agricultural, forest and marine derived materials used in our ingredients and packaging are sustainably sourced and deforestation free by 2030. The scope of this commitment includes Haleon globally managed spend only, which covers the majority of our internal spend and expands across some of our third-party manufacturing network.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	<p>ESG has been identified as a principal risk for Haleon. One of our mitigating actions is the management of forest related risks through Haleon’s sustainable sourcing strategy. A key long-term objective for integrating forest related issues and risks is our aim that 100% of our forest derived materials are sustainably sourced and deforestation free by 2030. The scope of this goal 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. Haleon aligns with the science-based mitigation hierarchy approach to avoid and reduce impacts to nature featured in the Science Based Targets for Nature (SBTN). This objective will be achieved through our sustainable sourcing programme which defines the assessment process for understanding these issues, the approach to managing these issues and how performance will be monitored and tracked towards 2030.</p> <p>In our sustainable sourcing programme we assess the environmental, social and business-related impacts (and opportunities) from our use of forest related materials and commodities, and we develop plans in mitigation. We take a value chain approach to understanding social and environment issues associated with purchasing and use of commodities as well as an understanding of Haleon’s dependency on these key natural resources. We are aligned with SBTN Corporate Engagement Programme to support the development of robust, accredited science-based nature targets - including for land, supply chain and biodiversity related elements. We are also a supporter of the TNFD framework.</p> <p>At the corporate level Haleon aligns with international agreements and frameworks including the Paris Agreement, Sustainable Development Goals (SDG) and the UN Global Compact.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>Six principles drive our work with suppliers and other stakeholders to progress our commitment to make the key commodities used in our ingredients and packaging sustainably sourced and deforestation-free by 2030:</p> <ol style="list-style-type: none"> 1. Visibility – Understanding the origins of the commodities we use, the drivers of deforestation and degradation within these areas, and the actions required at source to prevent conversion from forest. Traceability of our deforestation risk commodities back to their origin and monitoring these origins is a critical part of sourcing materials sustainably and deforestation-free. 2. Acting with humanity – Protecting the human rights of people and communities that work and live across these commodity supply chains. Understanding links between these rights and forest protection, and vice-versa. For more information, please see our Human rights policy. 3. Collective Action – Recognising that stopping deforestation in landscapes within which raw materials are produced will require collective action by a range of stakeholders. We will work closely with our suppliers and other actors in our supply chains to achieve our goals more effectively. 4. Monitoring progress – Tracking the progress of collective efforts to prevent and reverse forest conversion. 5. Understanding wider environmental impacts – understanding other impacts of commodity supply chains, such as carbon emissions generated through ongoing production and forest conversion, water use, and management of waste, and how to prevent and reverse these impacts. 6. Transparency – Transparently reporting and disclosing progress towards our 2030 goal to sustainably source key ingredients from deforestation-free supply chains is key. We do this by reporting progress in our Annual Report and on our website.
Financial planning	Yes, forests-related issues are integrated	5-10	<p>We have incorporated the costs of sustainably sourced materials, including palm oil derivatives and paper packaging, into our Cost of Goods used for financial planning and monitoring.</p> <p>All our own manufacturing sites were included in the scope of our TCFD analysis with the aim of understanding the potential impact of risks caused by acute (flooding, heavy precipitation, extreme winds) and chronic (drought and water stress, temperature variations) extreme weather events.</p> <p>Within the scope of this risk assessment were the materials from which we source key derivatives, including palm oil and cellulose. Derivatives of these and other crops account for more than 95% of Haleon’s key agricultural, and forest materials. We used qualitative analysis for all of these materials. Below is a summary of key findings for these raw materials:</p> <p>Palm oil: Palm oil mills from which Haleon sources from are mostly located in Asia (Indonesia, Malaysia), in areas very highly exposed to flooding and heavy precipitations. Some mills in Indonesia and the southern part of Malaysia are exposed to coastal flooding events or riverine flooding events.</p> <p>Cellulose — Cellulose sourcing regions are located all over the world, therefore it was challenging to cover them all. We conducted analysis for sourcing based in the US. It was found that flooding (riverine and coastal) and heavy precipitation are the main physical risks</p> <p>This process improved our understanding of the strength and resilience of our business under different climate scenarios, and emphasised the importance of having risk mitigation plans.</p>

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Year target was set

2022

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody
PEFC Chain of Custody
SFI Chain of Custody

Base year

2020

Base year figure

0

Target year

2030

Target year figure

100

Reporting year figure

12.9

% of target achieved relative to base year [auto-calculated]

12.9

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Our goal is that all key agricultural, forest -derived materials used in our ingredients and packaging are sustainably sourced and deforestation-free by 2030. The 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. Our definition of sustainably sourced paper includes either chain of custody (CoC) certified by the Forestry Stewardship Council or Programme for the Endorsement of Forest Certification (FSC or PEFC) or recycled content.

The 12.9% 'reporting year figure' relates only to the % volume of material that is CoC certified by either FSC or PEFC and does not include the percentage of materials purchased as recycled.

Target reference number

Target 2

Forest risk commodity

Palm oil

Year target was set

2022

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

<Not Applicable>

Third-party certification scheme

RSPO Mass Balance
International Sustainability and Carbon Certification (ISCC)

Base year

2020

Base year figure

43.5

Target year

2030

Target year figure

100

Reporting year figure

92

% of target achieved relative to base year [auto-calculated]

85.8407079646018

Target status in reporting year

Underway

Is this target linked to a commitment?

Zero net/gross deforestation

Please explain

Our goal is that all key agricultural, forest -derived materials used in our ingredients and packaging are sustainably sourced and deforestation-free by 2030. The 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.

We are focussed on continuously improving the traceability and transparency of the materials we use. We use leading sustainable sourcing certifications including the Roundtable for Sustainable Sourcing of Palm Oil (RSPO) Mass Balance certification for palm oil derivatives.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Supply chain coverage	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Volume from direct suppliers only	For secondary packaging our central procurement team worked with our paper packaging suppliers, converters and printers to map volumes, sourcing areas (countries and regions) and level of certifications during 2022. The procurement category managers for each area continue to consolidate data and supply chain information by paper packaging category and link it to certifications and origin, country and regional level information. The information gathering has improved over a period of two to three years.	Business activity Facility Specific product line(s) Specific supplier(s)	100% of Haleon’s paper packaging supply chain from direct suppliers related to key categories (cartons, corrugates, leaflets and dividers & trays) was mapped in 2022. Volumes from indirect suppliers were not included (e.g. from Tier 2).
Palm oil	Yes	Volume from direct suppliers only	We work with Action for Sustainable Derivatives (ASD) to conduct supply chain mapping of our palm oil derivatives from our key suppliers. This is conducted through a process of collection of baseline data and scoping and verification of the data. Data is also collected from direct and indirect suppliers to inform supply chain mapping of refineries, crushers, and mills. This information is then analysed and verified to estimate the level of transparency according to volumes and sourcing areas/regions. Additionally, based on the results of supply chain mapping a geographical risk assessment is conducted to identify environmental risks and mill and regional level.	Business activity Facility Specific product line(s) Specific supplier(s)	Haleon has mapped 98.6% of the total globally managed spend palm oil volumes used in the glycerine we purchase, which is supplied by 8 suppliers. Of this volume, 98.1% of palm oil derivatives volumes are traceable up to the refiners, 97% up to the mills and 77% up to the plantations. This was achieved through working with ASD in 2022, who conducted the supply chain mapping of the palm oil derivatives of Haleon’s key 8 suppliers.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Refinery	Indonesia Malaysia	98
Palm oil	Mill	Indonesia Malaysia	97
Palm oil	Plantation	Indonesia Malaysia	77
Timber products	Country	Argentina Australia Brazil Canada Chile China Czechia Finland France Germany India Indonesia Italy Japan Kenya Luxembourg Malaysia Netherlands Norway Pakistan Poland Portugal Republic of Korea South Africa Spain Sweden Switzerland Taiwan, China United Kingdom of Great Britain and Northern Ireland United States of America	95

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	12.9
Palm oil	Yes	92
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

92

Form of commodity

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

10997

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

In 2022, 92% of our palm oil derivatives were sourced as RSPO Mass Balance. The scope of this reporting is HALEON's globally managed spend, which covers the majority of our internal spend and expands across some of our third-party manufacturing network.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Credits/Book & Claim

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

8

Form of commodity

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

6762

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

8% of volumes were covered with regular and independent smallholders credits. The scope of this reporting is HALEON's globally managed spend, which covers the majority of our internal spend and expands across some of our third-party manufacturing network. IS-CSPO credits have been purchased to continue HALEON's support for smallholders in their journey to sustainable palm oil. 2022 volume breakdown equates to:

RSPO credits from Independent Smallholders = 2129 metric tons

Excess RSPO credits equivalent to 7 tonnes of palm oil derivatives over HALEON's total volume were purchased.

During 2022 we worked internally and with our suppliers to further map the origin of ingredients to identify remaining palm oil derivatives. As a result, HALEON increased supply chain knowledge and now is able to report these volumes in the ACOP and together with ASD (Action for Sustainable Derivatives) we are working on traceability assessment. This will also help to inform decisions on which suppliers we work with and volumes can be covered by third party certification.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

12.9

Form of commodity

Paper

Boards, plywood, engineered wood

Volume of production/ consumption certified

6874

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

The figures quoted are for FSC CoC certified in-scope materials supplied by Tier 1 suppliers in the specified reporting period. 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.

HALEON has a sustainable strategy for paper packaging to increase supply chain traceability and material certification.

HALEON's sustainable sourcing approach will establish robust systems and methods for understanding and ensuring that we are compliant with no conversion and/or no deforestation commitments including mechanisms such as Full Chain of custody certification of supply chains.

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	No, but we plan to develop one within the next two years	We are working with our suppliers to map supply chains to source and ascertain mitigation measures in place.
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

Third-party verification

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

81-90%

Response to supplier non-compliance

Retain & engage

% of non-compliant suppliers engaged

100%

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Please explain

In scope volumes and suppliers include 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. Through our membership of Action on Sustainable Derivatives, we evaluate direct suppliers' performance on commitments to progress sustainable procurement practices. The Sustainable Palm Index (SPI) includes an evaluation scorecard for different actors in the palm oil and palm kernel oil derivatives supply chain, to inform action plans with suppliers and form the basis of further engagement over the coming year. Through a third-party evaluation, conducted by Transitions, suppliers are assessed on their progress on supply chain knowledge, sustainable sourcing practices, and compliance with No Deforestation, No Peat, No Exploitation principles. Suppliers are evaluated out of 100 based on the sum of points allocated to each category (Commitments; Processes & Ongoing actions; Achievements). According to their score, suppliers will be classified in three categories: Compliant practices / Partially compliant practices / Non-compliant practices. 80% of our suppliers in scope representing 89,5% of volume palm-based volumes were compliant, 10% of suppliers in scope representing 1.3% of palm-based volumes were partially compliant.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	No, we do not assess legal compliance	Through our standards and procurement practices we aim to ensure that all laws and regulations are adhered to at global, national and local level. However, to date we have not done an assessment by country of our adherence with forest regulations.
Palm oil	No, we do not assess legal compliance	Through our standards and procurement practices we aim to ensure that all laws and regulations are adhered to at global, national and local level. However, to date we have not done an assessment by country of our adherence with forest regulations.
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Not applicable	<Not Applicable>	<Not Applicable>	<Not Applicable>	The products that Haleon purchases, to the best of our knowledge, do not have smallholders within their supply chain. Haleon engages with our large paper packaging suppliers who supply at commercial scales to meet organizational demand.
Palm oil	Yes, working with independent smallholders	Other	Other, please specify (Purchase of independent smallholder credits supporting local verified sustainable production practices at plantation level. Purchase of independent smallholder credits supporting local verified sustainable production practices.)	180	In our 2022 reporting year (1 July 2021 – 30 June 2022) 8% of the volumes of palm oil derivatives that Haleon purchased were covered with regular and independent smallholders' credits. IS-CSPO credits were purchased to continue Haleon's support for smallholders in their journey to sustainable palm oil; these credits encourage them to produce palm oil sustainably, for example because it provides smallholders with better market access to trade certified palm and consequently to better plantation management. The figure of 180 smallholders is an estimate based on average production volumes.
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

We have implemented this deforestation free requirement into our tender process by requiring our Tier 1 suppliers to only supply recycled or FSC CoC certified materials. This tendering process was ongoing throughout the reported period.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

We are working directly with Tier 1 suppliers to ensure they have a clear understanding of our requirement to only supply relevant timber-derived packaging that either Chain of Custody Certified to the FSC or PEFC standards or from a recycled source. This enables suppliers to develop plans with their suppliers to ensure compliance with these requirements and reach standards that will deliver deforestation and conversion free outcomes.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 1)

Forest risk commodity

Palm oil

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Capacity building

Details of engagement

Supplier questionnaires on environmental and social indicators

Developing or distributing supply chain mapping tool

Supplier audits

Offering on-site training and technical assistance

Investing in pilot projects

Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation

Description of engagement

We have participated in ASD's Sustainable Palm Index (SPI) which uses an in-depth third-party evaluation to assess our suppliers' progress on supply chain knowledge, sustainable sourcing practices, and compliance with NDPE principles.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Through an in-depth third-party evaluation conducted by a third party (Transitions) in 2022, suppliers are assessed on their progress on supply chain knowledge, sustainable sourcing practices, and compliance with No Deforestation, No Peat, No Exploitation principles. This will strengthen supplier dialogue on sustainability, support suppliers towards progress by identifying positive results and areas for improvement, align business decisions with supplier's commitments & practices, strengthen existing relationships and develop new paths of collaboration.

SPI's methodology is that suppliers are evaluated out of 100 based on the sum of points allocated to each category. According to their score, suppliers will be classified in three categories: Compliant practices; Partially compliant practices; and Non-compliant practices.

Themes of the evaluation include commitments (such as RSPO membership and public commitments), Processes (such as policy integration and grievance management), and achievements (such as share of suppliers compliant with NDPE policies and RSPO certification).

80% of our suppliers in scope representing 89.5% of volume palm-based volumes were compliant, 10% of suppliers in scope representing 1.3% of palm-based volumes were partially compliant.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 2)

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

We are seeking to ensure that all of our key forest derived materials used in our ingredients and packaging are sustainably sourced and deforestation free by 2030. 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. During 2022 we worked with all suppliers to ensure all timber derived corrugates, leaflets and carton packaging supplied to Haleon will be Chain of Custody Certified, either to the FSC or PEFC standard or recycled by 2030. In order to achieve this, we engaged all our suppliers in 2022 to ensure they develop clear plans to meet these requirements and to map supply chains to ensure compliance.

Explain the impact of your engagement on the selected action

We are working directly with suppliers to ensure they have a clear understanding of our requirement to only supply relevant timber-derived packaging that either Chain of Custody Certified to the FSC or PEFC standards or from a recycled source. This enables suppliers to develop plans with their suppliers to ensure compliance with these requirements and reach standards that will deliver deforestation and conversion free outcomes.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 1)

Forest risk commodity

Palm oil

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Capacity building

Details of engagement

Supplier questionnaires on environmental and social indicators

Description of engagement

Since 2019, we have been a member of ASD, a collaborative initiative bringing together companies from a range of industries to tackle supply chain issues around palm oil and palm kernel oil derivatives. We initially joined ASD as GSK Consumer Healthcare, prior to the de-merger in 2022. In 2022 we conducted a traceability exercise with ASD that enabled us to gain greater transparency of the palm oil supply chains used by our suppliers by mapping 98.6% of volumes to refineries, 97% to mills and 76.7% to plantations. The scope of this mapping includes Haleon globally managed spend only, which covers the majority of our internal spend and expands across some of our third-party manufacturing network.

In 2022 we also participated in ASD's Sustainable Palm Index (SPI) which uses an in-depth third-party evaluation to assess suppliers' progress on supply chain knowledge, sustainable sourcing practices, and compliance with No Deforestation, No Peat, No Exploitation (NDPE) principles. Our contracts with direct suppliers stipulate that these materials must be supplied to us as RSPO Mass Balance (RSPO MB) certified.

Explain the impact of your engagement on the selected action

All of our suppliers and their supply chains are covered by ASD's Sustainable Palm Index (SPI) initiative. In addition to this, we work with direct suppliers to ensure they meet our contractual requirement that they only supply RSPO mass balanced (RSPO MB) Certified Palm Oil.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Target 2)

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	Yes, we engage in landscape/jurisdictional approaches	<Not Applicable>	<Not Applicable>

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

	Criteria for prioritizing landscapes/jurisdictions for engagement	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Ability to contribute to/ build on existing landscape and/or jurisdictional approaches Commodity sourcing footprint Current and future sourcing risk Opportunity to build resilience at scale Opportunity to increase market access for smallholders and local communities Opportunity for increased human well-being in area Opportunity to protect and restore natural ecosystems Recognized as priority landscape by credible multi-stakeholder groups Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems Risk of biodiversity loss	We are a member of Action for Sustainable Derivatives (ASD), through which we support ASD's Impact Fund. ASD's Impact Fund supports the Kaleka Mosaik Initiative, a five year project that aims to sustainably restore the landscape and drive economic growth in two of the largest palm producing districts in Central Kalimantan, Indonesia from which we source a significant volume of the palm oil used to manufacture the derivatives we use in our products. Project activities include certification of smallholder farmers, incentivizing community conservation of natural forests, community-based restoration and forestry, enhancing use of fire-free agriculture, encouraging protection of natural forests, and restoration of forests. The Kaleka Mosaik Initiative was selected to receive Impact Fund support by the wider ASD membership after an extensive project mapping, prioritization and engagement process. ASD's support of on-the-ground projects is a strategic opportunity to achieve responsible sourcing of palm oil derivatives by generating local transformation and building volumes of sustainable supply.

F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID

Please select

Country/Area

Indonesia

Name of landscape or jurisdiction area

Central Kalimantan >Seruyan & Kotawaringin Barat Districts (Seruyan – Bedaun Landscape) encompassing Tanjung Puting National Park

Types of partners engaged in the initiative design and implementation

- National government
- Subnational government
- International civil society organization(s)
- National civil society organization(s)
- Local civil society organization(s)
- Local forest/rural associations
- Indigenous peoples
- Local communities
- Local producers/smallholder
- International company(ies)
- National/local company(ies)
- Direct supplier(s)
- Indirect supplier(s)
- Academics/ researchers
- Workers union(s)

Type of engagement

Funder: Provides full or partial financial support

Goals supported by engagement

- Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate
- Forest fires monitored and prevented
- Increased and/or maintained protected areas
- Natural ecosystems conserved and/or restored
- Biodiversity protected and/or restored
- Decreased ecosystem degradation rate
- Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management
- Respect, protect, and fulfil human rights
- Implementation of livelihood activities/practices that reduce pressure on forests

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative

Description of engagement

Action for Sustainable Derivatives (collaboration bringing together end users of palm oil derivatives to tackle supply chain issues) began impact work in 2022 by collectively supporting the Kaleka Mosaik Initiative in Central Kalimantan, Indonesia. As such, Haleon has been supporting project work in this region for a year. A notable portion of Haleon’s palm oil and palm kernel oil derivatives sourcing comes from Indonesia. And specifically, a portion comes from the region of project focus, Centra Kalimantan.

Engagement start year

2022

Engagement end year

Not defined

Estimated investment over the project period (currency)

100000

Is a collective monitoring framework used to measure progress?

Yes, progress is monitored using an internally defined framework

State the achievements of your engagement so far, and how progress is monitored

We are a member of Action for Sustainable Derivatives (ASD), through which we support ASD’s Impact Fund, which supports the Kaleka Mosaik Initiative, a five-year project that aims to sustainably restore the landscape and drive economic growth in two of the largest palm producing districts in Central Kalimantan, Indonesia from which we source a significant volume of the palm oil used to manufacture the derivatives we use in our products. Project activities include certification of smallholder farmers, incentivizing community conservation of natural forests, community-based restoration and forestry, enhancing use of fire-free agriculture, encouraging protection of natural forests, and restoration of forests.

The Kaleka Mosaik Initiative was selected to receive Impact Fund support by the wider ASD membership after an extensive project mapping, prioritization and engagement process.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
Please select	Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data	<Not Applicable>	<Not Applicable>

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**Forest risk commodity**

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

UN Global Compact

Please explain

Haleon joined as a member of UN Global Compact in 2022. We will report our progress for the first time in this current reporting cycle.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Other, please specify (Action for Sustainable Derivatives (ASD))

Please explain

In 2019 Haleon became a member of Action for Sustainable Derivatives (ASD). Together with ASD and its members, Haleon aims to scale up efforts towards compliance with No Deforestation, No Peat, No Exploitation (NDPE) principles. By harmonising requirements, tools and methodologies and using a collaborative approach, ASD plans to increase the transparency of the global derivatives supply chain, collectively monitor risks and activities along the supply chain, and implement collective action projects, including with smallholders, to address social and environmental issues on the ground. Haleon's work with ASD helps to increase traceability and knowledge of country or region-specific sourcing locations and helps to identify environmental and social risks that are relevant to sourcing areas, which could be addressed through on the ground initiatives. Increasing the percentage of palm oil derivatives that are traceable back to mill and refinery level will also help to engage suppliers we work with and work to cover volumes by third party certification. This will help achieve Haleon's corporate commitment to source palm oil and palm oil derivative's sustainably and deforestation free by 2030. The scope of this commitment is globally managed spend, which covers the majority of our internal spend and expands across some of our third-party manufacturing network.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

Please explain

Haleon joined as a member of RSPO in 2017, and now annually produces ACOP reports, and purchases credits to cover palm oil derivative volumes. We initially joined RSPO as GSK Consumer Healthcare prior to the de-merger in 2022. Our focus on sustainably sourced palm oil derivatives continues to have a positive impact. In our 2022 reporting period (1 July 2021 to 30 June 2022), 92% of our palm oil derivatives were mass-balance RSPO certified. The scope of this reporting is globally managed spend, which covers the majority of our internal spend and expands across some of our third-party manufacturing network.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Forest Stewardship Council (FSC)

Programme for the Endorsement of Forest Certification (PEFC)

Please explain

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. 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. We work with our suppliers to ensure timber-derived paper packaging is FSC or PEFC Chain of Custody (CoC) certified and communicate this requirement through the the haleon.com website.

F6.12**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?**

Yes

F6.12a**(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).****Project reference**

Project 1

Project type

Forest ecosystem restoration

Expected benefits of project

Net gain in biodiversity and ecosystem integrity

Protection of human rights

Protection of land tenure

Reduce/halt biodiversity loss

Restoration of natural ecosystem(s)

Securing continued supply of agricultural commodities

Is this project originating any carbon credits?

No

Description of project

A five-year project that aims to sustainably restore the landscape and drive economic growth in two of the largest palm producing districts in Central Kalimantan, Indonesia from which contributing ASD members – of which Haleon one - source palm oil through their procurement of derivatives. Project activities include certification of smallholder farmers, incentivizing

community conservation of natural forests, community-based restoration and forestry, enhancing use of fire-free agriculture, encouraging protection of natural forests, and restoration of forests. The Kaleka Mosaik Initiative was selected to receive Impact Fund support by ASD members, including Haleon, after an extensive project mapping, prioritization and engagement process. ASD's support of on-the-ground projects is a strategic opportunity to achieve responsible sourcing of palm oil derivatives by generating local transformation and building volumes of sustainable supply.

Where is the project taking place in relation to your value chain?

Project based in sourcing area(s)

Start year

2022

Target year

Indefinitely

Project area to date (Hectares)

200000

Project area in the target year (Hectares)

200000

Country/Area

Indonesia

Latitude

-2.4

Longitude

111.73333

Monitoring frequency

Annually

Total investment over the project period (currency)

For which of your expected benefits are you monitoring progress?

Compliance with certification
 Further transformative change through sharing of project design, implementation and lessons learnt
 Improvement of standard of living, especially for vulnerable and/or marginalized groups
 More inclusive, transparent, and empowering governance processes
 Net gain in biodiversity and ecosystem integrity
 Protection of human rights
 Protection of land tenure
 Reduce/halt biodiversity loss
 Restoration of natural ecosystem(s)
 Securing continued supply of agricultural commodities

Please explain

Major KPIs of the project are listed below in relation to the expected benefits for which we are monitoring progress:

Protecting HCV, reduce and halt biodiversity loss, restoration of natural ecosystems:

- Restore 200 ha of forest areas in 5 villages in 3 years
- Enhance biodiversity conservation & ecosystem capacity to mitigate floods and erosion
- In ten years, restore 423 thousand hectares in Seruyan district
- Identify areas for restoration in Kotawaringin Barat. Reducing deforestation
- Increase wide community awareness on restoration and conservation
- Protect 477 thousand hectares of forest in Seruyan district
- Identify forests for protection in Kotawaringin Barat.

The above will contribute towards a net gain in biodiversity and ecosystem integrity.

Jurisdictional platform, enabling a more inclusive, transparent and empowering governance process

- Multi-stakeholder collaborations including with local government, oil palm growers, farmer groups, and others
- Establishment of the governance infrastructure, including a jurisdictional platform, for sustainability.

Empowerment of farmers and improvement of standard of living for vulnerable and/or marginalised groups:

- Certify 2,500 farmers in 3 years
- Establish and operate Agriculture Facility to provide support and training to smallholders in both districts within 3 years
- Within ten years, certify all smallholder in both districts

Protection of human right, including: Prevention of social conflicts and protection of land tenure

- Establish a system with the local governments to handle and mitigate conflict within 2 years
- Mapping and registering customary-owned community land within 3 years
- Establish a comprehensive jurisdictional assessment of human rights issues.

All the above will contribute to achieving the expected benefit of securing continued supply of agricultural commodities - E.g through farmer training on better agricultural practice

F7. Verification**F7.1****(F7.1) Do you verify any forests information reported in your CDP disclosure?**

No, but we are actively considering verifying in the next two years

F8. Barriers and challenges**F8.1**

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain
Other parts of the value chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

During 2021 and into 2022 Haleon has seen supply chain issues arising when sourcing suitable third-party certified sustainable materials for secondary paper packaging. Suppliers are in the process of transitioning to certified material, and we faced limited availability as our suppliers are transitioning themselves to provide certified materials. However, our approach is to develop a diversified strategy that incorporates as flexible an approach as possible to using certified and/or recycled sources of secondary paper packaging materials. This will help mitigate forest related risks from timber derived products we source but also help manage and / or reduce costs and resources required over time. Haleon is still on track to move our sources of supply over to third party certified sources, as part of our goal to achieve a deforestation free supply chain by 2030. Progress is also dependent on increasing certified sources and ensuring transparency and traceability to origin is integrated into our supply chain approach.

Forest risk commodity

Palm oil

Coverage

Supply chain
Other parts of the value chain

Primary barrier/challenge type

Value chain complexity

Comment

Haleon purchases palm oil derivatives, most materially in the form of glycerine. Our ongoing assessments of our supply chain and investigations by procurement teams have identified more than 20 palm oil derivatives used within our manufacturing and production processes. This number of individual materials, each potentially with their own supply chain, suppliers and origins, introduces a high-level of complexity to map and understand the forest related risks. These challenges are especially difficult to resolve for materials we purchase in very small volumes, which are sometimes sourced locally, and where we are a much smaller buyer than other actors in the same supply chain. Our approach therefore has to be to prioritise where we focus our efforts and drive for improvements and results and sustainable supply practices. We are focused on continuing to map our supply chains by working with partners and developing tools and approaches.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Direct operations
Supply chain

Main measure

Greater supplier awareness/engagement

Comment

Greater supplier awareness and engagement will support Haleon to achieve its commitments to sourcing sustainable paper packaging by aligning those suppliers and converters not currently sourcing certified materials to increase their awareness and drive for sustainable materials. A key next step will be a fully diversified sourcing strategy that incorporates certified sustainable materials, recycled materials and the updating of our supplier standards including moving towards a rounded programme with monitoring, audit and assurance processes in place. This programme of work will especially require ongoing capacity building for key internal and external stakeholders to be consistently applied and progressed as part of the sourcing programme.

Forest risk commodity

Palm oil

Coverage

Direct operations
Supply chain
Other parts of the value chain

Main measure

Investment in monitoring tools and traceability systems

Comment

Haleon purchases palm oil derivatives, most materially in the form of glycerine. Our ongoing assessments of our supply chain and investigations by procurement teams have identified more than 20 palm oil derivatives used within our manufacturing and production processes. This number of individual materials, each potentially with their own supply chain, suppliers and origins, introduces a high-level of complexity to map and understand the forest related risks. We continue to work with partner organisations such as Action for Sustainable Derivatives (ASD) to reduce our data gaps with key suppliers and increase transparency for all derivatives. The collection and interpretation of supplier data is key to being able to improve transparency on tail derivatives where origin and determination of starting materials can prove especially difficult.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Executive Officer (CEO)	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms