



# Political advocacy

Our Haleon position



## **What we do and why**

As a consumer health company developing and manufacturing health products,<sup>1</sup> policy legislation and regulatory initiatives can have a profound effect on our business and on our ability to bring new products to consumers around the world. As such, it is important that our voice is one of those contributing to and shaping public policy. We are committed to working with policymakers and policy partners in the interests of consumers, innovation, and public health, and in compliance with local and international laws.

When seeking to effect policy change, we work with a variety of stakeholders globally, regionally, and locally:

- Engaging directly with government stakeholders;
- Working through industry organisations at global, regional, and local level; and
- Partnering with external organisations that also seek to bring about policy change, such as global professional bodies and advocacy organisations.

We develop proactive policy proposals, as well as providing our perspective on proposals developed by governments and others. We bring insight, analysis and evidence based on our experience as a consumer health company. We also commission new, independent research to further build the evidence base for policy change.

## **How we do it**

We are committed to ensuring that our political advocacy is aligned with our values and with legislation and stakeholder expectation. We have effective standards and governance principles in place, with accountabilities up to Executive Level. Our approach is underpinned by strong values, to safeguard the integrity, transparency, and accountability of our political advocacy activity.

## **Do the Right Thing**

At Haleon, we are committed to acting with honesty, transparency, and integrity in all we do, and in compliance with relevant laws and regulations.

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<sup>1</sup> Our portfolio spans five categories: Oral Health; Vitamins, Minerals and Supplements (VMS); Pain Relief; Respiratory Health; and Digestive Health.

Related to our political advocacy, we:

- Support transparency and accountability in policy making. We publish public policy positions on a range of topics of importance to us and our stakeholders **on our website**;
- Publish the costs associated with engaging EU institutions annually via the **European Transparency Register**
- Publish details of our expenditure on lobbying activities in the US, via the **US Federal lobbying register** and relevant State lobbying registers, in line with the Lobbying Disclosure Act; and
- Publish our spend on trade and business associations on our website.<sup>2</sup>

## **Responsibilities**

The Corporate Affairs function is responsible for overseeing and carrying out our political advocacy activity. The vast majority of this activity, including interactions with government stakeholders, is conducted by Haleon employees.

We use public affairs consultancies primarily to monitor political developments and for advice with shaping our external advocacy strategy. External consultants may join Haleon employees in meetings and/or interactions with stakeholders and government officials. External consultants cannot represent Haleon on their own unless there is a strong rationale, in which case, they must disclose that they are there on behalf of Haleon. Under all circumstances, external consultants are governed by Haleon policies and standards, as well as being subject to the due diligence, contracting and monitoring checks conducted under our third-party risk management framework.

## **Political Advocacy expenditure**

We ensure there is management oversight of any expenditure on public policy activities by Haleon employees. The effectiveness of these controls is regularly monitored to ensure that all expenditure, including payments to approved third parties, follows appropriate due diligence and background checks and is in line with formal agreements. In this way, we aim to ensure that no unauthorised or inappropriate payments, contributions or sponsorships are made.

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<sup>2</sup> **Our spend on political advocacy 2022**

## **Political contributions**

Haleon has a policy that it does not make political contributions or sponsor political meetings, conferences, conventions, or events, as set out in our **Anti-Bribery and Corruption Policy**. Our approach includes a ban on any contributions to candidates for State office in the US, even though this is allowed under US law.

Political contributions are defined as any gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing any election for office or any period in office. They include in-kind contributions such as goods, commodities, or services instead of money.

Haleon employees are able to make personal contributions to our US Political Action Committee (PAC). A PAC is a corporate or labour-based political committee that collects voluntary contributions from eligible US employees into a separate fund. The fund is managed by a Board of Directors of participating employees from Haleon's US operating company and makes contributions or expenditures in connection with Federal and State elections.

The operations of the Haleon PAC are reviewed regularly to ensure compliance with applicable US laws. Disclosure reports for the Haleon PAC can be viewed on the **Federal Election Commission website**.

## **Working with Public Policy Groups (PPG)<sup>3</sup>**

Our work with PPGs is an important part of our advocacy activity and choosing the right group to partner with is key. Haleon only works with credible and respected organisations that are aligned with our values and our policy priorities. Haleon employees must conduct a thorough due diligence process before deciding to partner with a PPG to ensure its work is aligned to our strategy and values, and that appropriate governance is in place.

We will not hesitate to stop supporting an organisation if we believe it has acted contrary to Haleon policies and standards.

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<sup>3</sup> An external facing, non-governmental group (for-profit as well as non-profit) for whom shaping/influencing the public policy environment is a key activity. PPGs include single interest groups, groups commonly referred to as "Think Tanks", business lobbying groups (such as Chambers of Commerce) and established industry trade associations (such as the self-care industry associations at global level, in Europe or in the US).

## **Haleon policies and standards**

Our political advocacy activity is guided by a number of Haleon policies and standards. All Haleon employees undertaking such activity, as well as the third parties we work with, must ensure they comply with the requirements set out in the Haleon policies:

- **Anti-Bribery and Corruption (ABAC)**
- **Code of Conduct**
- **Working with responsible third parties**

## **Training**

Mandatory training programmes support the internal controls we have in place to ensure that political advocacy activity is undertaken for legitimate purposes and is conducted appropriately and ethically.