

Adapt to Succeed.



THE BLUE DOT

Haleon Pakistan Limited

11-A, 11th Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4,
Scheme-5, Clifton, Karachi, Pakistan 75600.

Annual Report 2023

HALEON

Adapt to Succeed.

Haleon
Annual Report
2023

As one of the leading consumer healthcare organizations in Pakistan, we strongly believe that while change is important, it is equally imperative to adapt to the change on the same pace.

In the year 2023, Haleon Pakistan Limited witnessed changes at lightning speed, in the environment, within the company and the way it has interacted with its stakeholders.

These changes have propelled us forward to deliver better health with humanity despite the challenges we face.

The secret recipe of our delivery has been in the fact that we have always adapted.

Adapted for a unified reason.
And the reason is "success".
Success for our people, brands, environment, economy, and stakeholders.

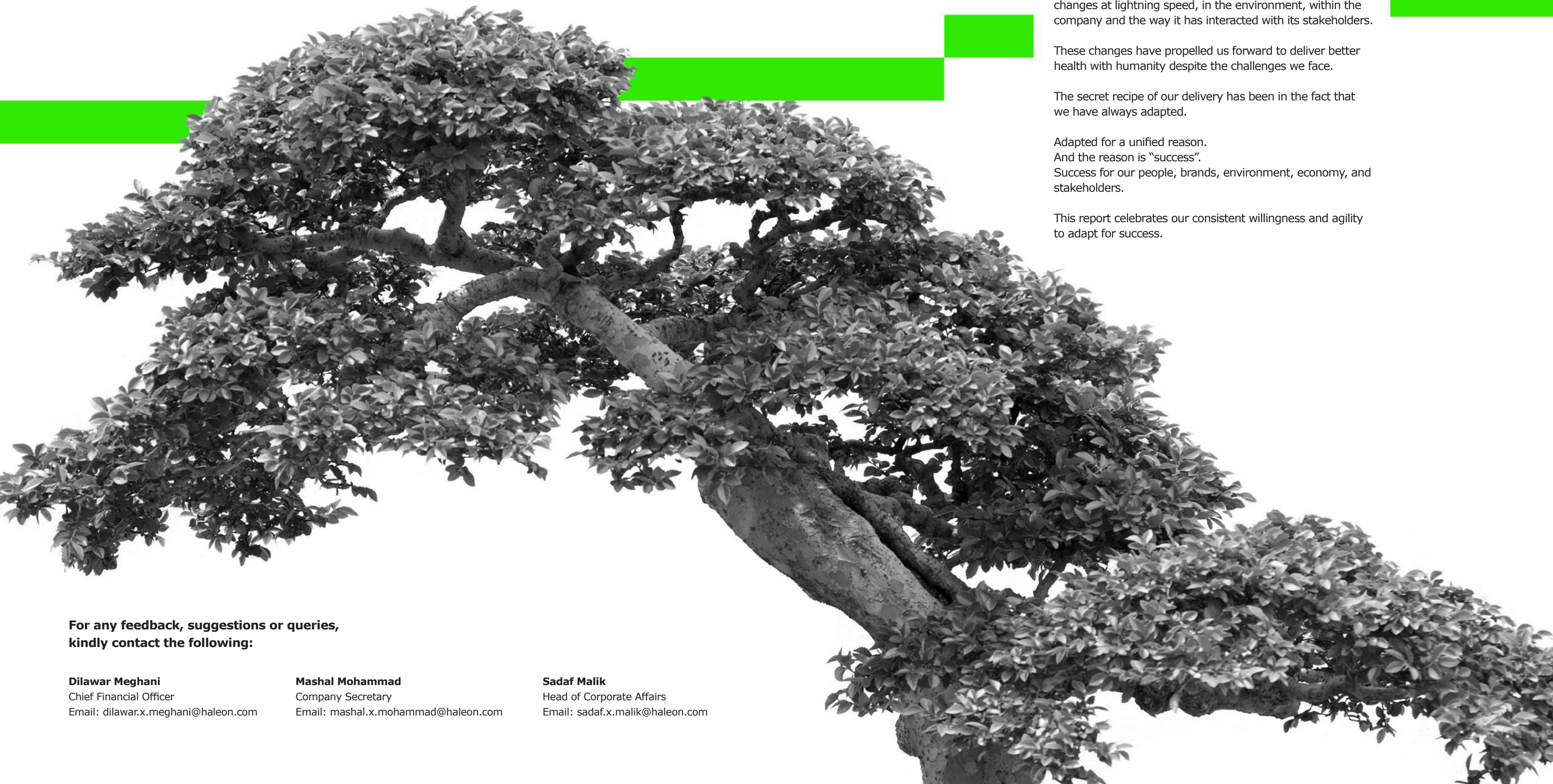
This report celebrates our consistent willingness and agility to adapt for success.

For any feedback, suggestions or queries,
kindly contact the following:

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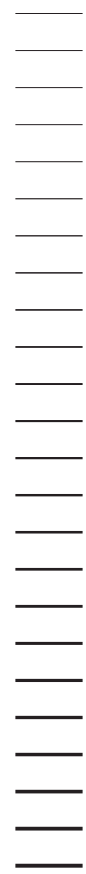
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Organizational Overview & External Environment



Our Story



2015

- GSK Consumer business demerged from GSK Pakistan Limited.
- GSK Consumer Healthcare Pakistan Limited formed.
- GSK OTC (Pvt.) Limited formed from Novartis OTC portfolio.

2016

- GSK Consumer Healthcare Pakistan Limited starts operations as an independent company.

2020

- Transfer of Marketing authorization of Panadol, Eno, Hydrozole and Brevoxyl in the name of GSK Consumer Healthcare Pakistan.
- Deployment of SAP in the Commercial division of the Company to have a standard set of processes with ONE ERP.

2017

- GSK Consumer Healthcare Pakistan Limited gets listed on Pakistan Stock Exchange.
- Transfer of Market Authorization and Jamshoro manufacturing License to GSK OTC (Pvt.) Limited.

2018

- GSK OTC (Pvt.) Limited merged with and into GSK Consumer Healthcare Pakistan Limited.
- GSK Consumer Healthcare Pakistan Limited inherits manufacturing facility (Jamshoro) & its portfolio with leading brands like Cac-1000 Plus & Qalsan-D.

2021

- GSK Consumer Healthcare Pakistan Limited won Best Corporate Report and Best Sustainability Report Award for FY 2020.
- Launch of Panadol Extend.

2022

- Demerger of consumer healthcare business from GSK forming Haleon
- Secured 2nd Position for Best Corporate Report in the Pharmaceutical Industry.

2019

- Transfer of Marketing authorizations and manufacturing license of GSK OTC (Pvt.) Limited to GSK Consumer Healthcare Pakistan Ltd.
- Deployment of SAP in the manufacturing division of the Company.

2023

- Change of name of the Company to Haleon Pakistan Limited.
- Opening of new Head Office in Karachi.
- Announcement of investment in the manufacturing facility at Jamshoro for the production of Panadol base portfolio.
- Launch of HerbActive and Parodontax Complete Protection.
- Secured 3rd Position for Best Corporate Report in the Pharmaceutical Industry.

Haleon Pakistan Limited at a glance

Turnover	Earning per share	Gross Profit	Profit after tax
Rs. 31.6 Bn	Rs. 8.51	Rs. 6.45 Bn	Rs. 01 Bn

Our Mission: To deliver better everyday health with humanity

Leadership in Self-care

Pharmaceutical

#1

Brand in Pharmaceutical Industry



Sensitivity

#1

Sensitivity Category



Calcium supplement

#1

Prescribed Calcium supplements



Key Highlights



New Product launches

In 2023, we launched two new innovations, Herbactive with a unique proposition marking Haleon Pakistan's entry into the non-medicated segment of pain relief, directly aligning with a consumer shift towards treatments that are free from medications and Parodontax Complete Protection, catering to the 3rd biggest need state or barrier of toothpaste category.



Opening of new Haleon Pakistan Head Office

In 2023, Haleon Pakistan welcomed the team to its new office, located amid the heart of Karachi. The new office provides unique and refreshing working environment for the team with great views of a beautiful landscape. With latest and updated creative areas and meeting rooms, the space allows for better collaboration between the employees enabling better communication and inspiration.



Driving Health Professional Advocacy

In a ground-breaking achievement, Haleon Pakistan has been declared as "Officially Amazing" by the Guinness Book of World Records for "Largest Attendance for a pharmaceutical conference in one day" with 9,000 Healthcare professionals attending the event.



Investment for sustainable growth

Haleon Pakistan Limited announced an investment in its manufacturing facility at Jamshoro for the production of Panadol base portfolio, including Panadol 500mg and Panadol Extra tablets. The objective is to bring the latest manufacturing technology to Pakistan and enhance the production capacity to 8 billion tablets.

Geographical Presence

Global



- | | | | | | |
|--|--|---|---|--|--|
| Africa
Algeria (EN)
Kenya (EN)
Morocco (EN)
Nigeria (EN)
South Africa (EN)
Tunisia (EN) | Australia
Australia (EN)
New Zealand (EN) | North America
Canada (EN/FR)
Mexico (EN) | Asia & Middle East
Bangladesh (EN)
China (EN)
Egypt (EN/AR)
Hong Kong and Macau (EN/ZH)
India (EN)
Indonesia (EN)
Israel (EN) | Japan (JP)
Kazakhstan (RU)
Korea (KO)
Malaysia (EN)
Pakistan (EN/UR)
Philippines (EN)
Saudi Arabia (EN) | Singapore (EN)
Sri Lanka (EN)
Taiwan (ZH)
Thailand (EN)
Turkey (TR)
United Arab Emirates (EN)
Vietnam (EN) |
|--|--|---|---|--|--|



- | | | | | |
|---|--|---|---|---|
| Europe
Albania (EN)
Austria (DE)
Belarus (EN)
Belgium (FR/NL/EN)
Bosnia and Herzegovina (EN)
Bulgaria (BG)
Croatia (EN) | Cyprus (EN)
Czech Republic (CS)
Denmark (DA)
Estonia (EN)
Finland (FL)
France (FR)
Germany (DE)
Greece (EL) | Hungary (HU)
Ireland (EN)
Italy (IT)
Latvia (EN)
Lithuania (EN)
Luxembourg (FR/NL/EN)
Malta (EN)
Montenegro (EN) | Netherlands (NL)
North Macedonia (EN)
Norway (NB)
Poland (PL)
Portugal (PT)
Romania (RO)
Russia (RU)
Serbia (SR) | Slovakia (SK)
Slovenia (SL)
Spain (ES)
Sweden (SV)
Switzerland (DE/FR)
Ukraine (UK)
United Kingdom (EN) |
|---|--|---|---|---|

Pakistan

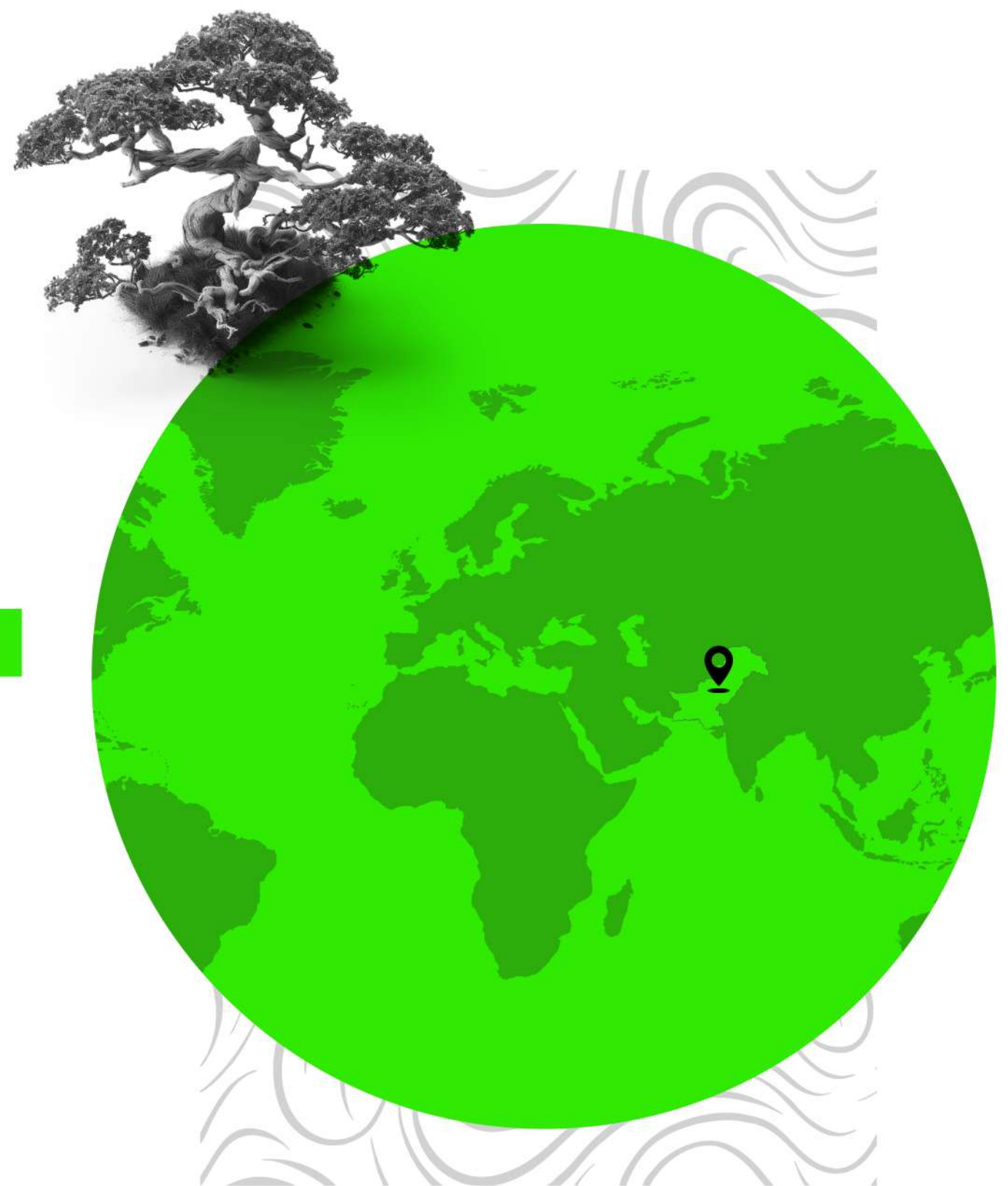
Haleon Manufacturing Site, Jamshoro

Haleon Plant, located in Sandoz Nagar, Pretaro Road, Jamshoro, Sindh is situated in the urban area of Sindh, approximately 160 kilometers away from Karachi. The site encompasses three distinct manufacturing units: Liquids & Semi-Solids Block, Oral Solid Block, and Vitamins Block. Annually, it produces around 105 million packs, consisting of over 60 unique SKUs, including 5 from Novartis. In addition to serving the domestic market in Pakistan, Haleon also exports its products to the Philippines and Vietnam.

Haleon Head Office, Karachi

Haleon Pakistan Limited Head Office is located at:

11-A, 11th Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600.



Our Business Model

Haleon's competitive advantage is derived from combining deep human understanding with trusted science.



Our competitive strengths:

Deep human understanding

We invest in a suite of proprietary assets to generate deep human understanding to support brand innovation, and enhance our engagement with Health Professionals to help educate consumers. This includes dedicated shopper research centres, consumer knowledge and social listening data, all designed to generate and test new insights and identify consumer needs.



Trusted science

We leverage the technical and scientific expertise that comes from our scientists with strong regulatory understanding, underpinned by clinical trials and extensive studies. During the year, we delivered 86 publications supporting our expert engagement and product claims. We continue to invest in research and development (R&D) to support our innovation.

Guided by our purpose, we:

Innovate

Through innovation, we address unmet consumer needs and emerging trends, target products towards a particular demographic and improve delivery mechanisms for existing products which drive consumer preference for our products.



Create meaningful and distinctive brands

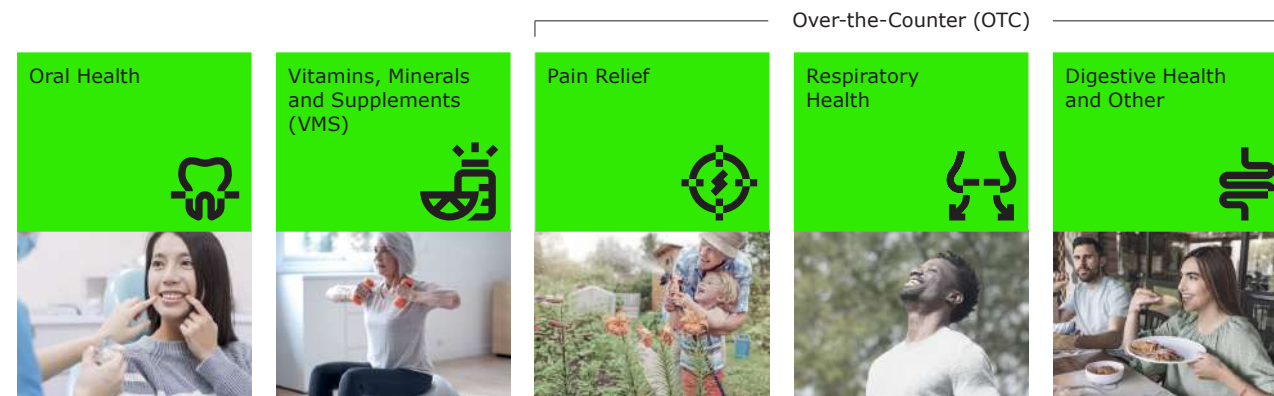
Our investment in advertising and promotion (A&P) activities such as paid media, in-store promotions, TV and print, coupled with a strong focus on digital capabilities, has enhanced our brand equity with brands consumers trust, thereby empowering more people to self-care.



Drive Health Professional advocacy

We have direct and trusted relationships with Health Professionals, together with access to the largest network of pharmacies in the world, who recognise the strength and efficacy of our products which they recommend to consumers, bringing new users to our brands and categories.

Our market categories:



Competitive Landscape and Market Positioning

Haleon Pakistan was formed in 2022 after globally demerging from GlaxoSmithKline. Prior to the demerger the business unit was known as GlaxoSmithKline Consumer Health. The company has historically grown many iconic brands which hold a heritage status such as Panadol, CAC-1000 PLUS, Sensodyne etc. With a state-of-the-art production facility, it has continued to gain market share across the different categories the entity operates in.



Oral Health

Oral health is a saturated category, with Sensodyne leading the sensitivity category and has the highest share for recommendation amongst sufferers. Recently, Sensodyne entered the kids segment with variants targeting kids till 12 years of age. Within the gum care category, Parodontax is the #1 recommended brand for Bleeding gums.



Pain Relief

In Pakistan's Pain Relief sector, the systemic pain division commands the market, holding a staggering 96% share, while topical pain solutions account for a modest 4%. Fever (66%), body aches (61%), and headaches (50%) are the most commonly reported ailments within this category. Panadol stands as the nation's leading Pain Relief Brand, capturing a 23% share of the market value, thanks to its strong brand equity and long-standing heritage. The brand is committed to innovation, tailoring new products to meet the specific needs of consumers. A recent example is the introduction of Panadol's latest offering, which targets the 83% of individuals experiencing pain that interferes with their ability to enjoy a good night's sleep.



Vitamins & Mineral Supplements

The VMS category has a fragmented market landscape with various mushroom players functioning inconsistently. This category is divided into two sub-segments; Bone & Joint and Multivitamins where Bone & Joints holds 78% share. Haleon Pakistan leads this category with CaC-1000 Plus holding 32% share owed to its unique formulation backed by 40 years of

research, most recommended by experts, variety of flavours as well as the only players with sugar-free formulation.



Threat of Substitutes

Healthcare is essential for the people and the demand for it in the country must be met. Haleon undertakes extensive research to come up with a product that would help the consumers in fulfilling their demand of healthcare needs. Threat of substitute is always there since for every treatment, pain or disease there are multiple medicines being made. Technological advancement also plays a huge role in development of these products as Haleon continues to incorporate innovative enhancements in its offerings.



Power of Customers

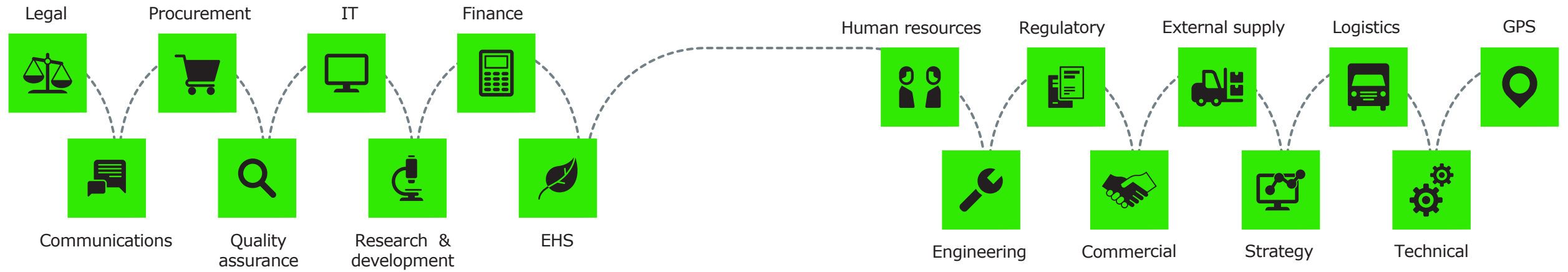
The Company prioritizes its relationship with its customers and the trust they have in the company. Haleon has played a major role in shaping the healthcare sector of Pakistan. They introduced Protective Counter Units in pharmacies for customers well-being and to minimize exposure of pharmacists during COVID-19.



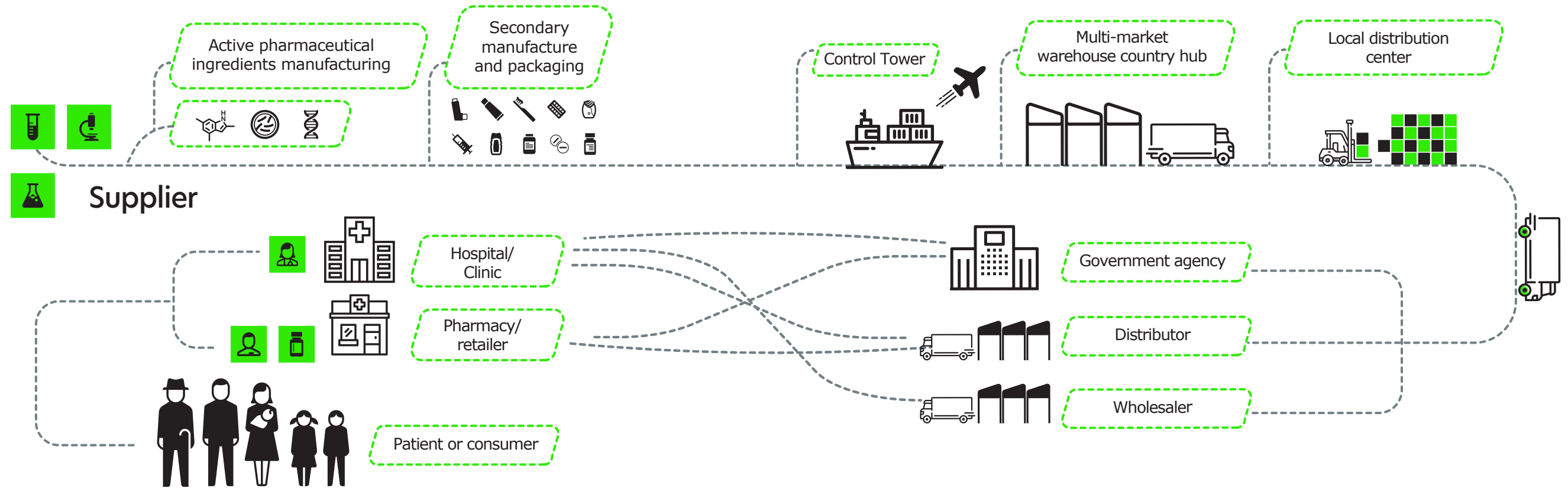
Power of Suppliers

Supply chain department at Haleon holds a crucial area of operational excellence. For the company to keep growing they need a sustainable framework that allows smooth and uninterrupted supply of input. Haleon has good strategic relationship with its suppliers; be it for smooth access of raw materials or capital inputs.

Our Position in the Value Chain

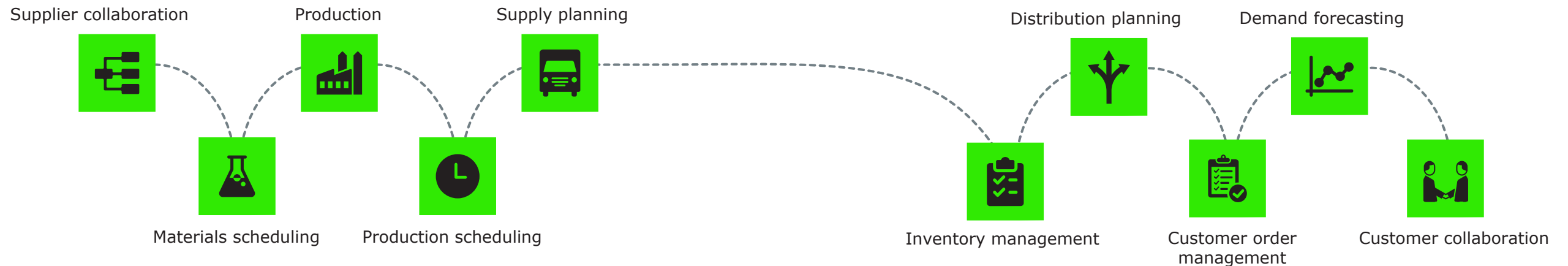


Functions



Physical Flow

Planning Flow



Key Brands

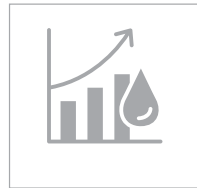
Panadol, the Company's flagship brand, is the first choice for fever and pain relief among consumers. With a value share of 23.2%¹, Panadol is the market leader in the Pain Relief category. The brand maintained its category leadership as the No. 1 Pharmaceutical brand of the country surpassing the PKR 14 billion milestone¹. Panadol is a household name in Pakistan, built on a history of trust and credibility, spanning several decades. The brand portfolio consists of a diverse range of solutions for Fever, Pain and Cold & Flu with varying strengths for all age groups. Owing to its medical heritage and strong brand equity, Panadol is the most prescribed brand by Experts with a 30% share in the Pain Relief category and 61% in the Analgesics segment².



Panadol growth strategy is based on three pillars:



Strengthen the base range



Fuel growth via specialist range

An application for hardship price increase was submitted to the DRAP in October 2021 due rising cost of doing business. Persistent liaison was kept with regulatory authorities and hardship was granted in two phases, October 2022 and February 2023. This allowed Panadol to regain momentum and achieve 49.1% value growth in YTD¹.

Moreover, new packaging artwork was rolled out for Panadol Regular and Panadol Extra; the artwork aligns with Panadol's commitment to innovation and communicating "trust and reliability", reinforcing Panadol's position as a leading choice for pain relief.

An investment of ~\$10 million in its manufacturing facility at Jamshoro for the production of Panadol base portfolio was announced in October 2023. With this investment, we will significantly expand our production capacity to ensure we are able to meet the growing demand for our products in the upcoming years and deliver healthcare with humanity in Pakistan.



CaC-1000 Plus enjoys market leadership in the vitamins & minerals category with a value share of 26%¹ driven by utmost trust of consumers and healthcare professionals alike. The brand has made great strides in building awareness of calcium supplementation as 50% of the women² in Pakistan suffer from calcium deficiency.

CaC-1000 Plus is an effervescent tablet, available in 4 flavors: Orange, Cola, Lemon, and Mango (sugar-free). The brand has strong scientific credentials, backed by 40 years of research.

It has the honor of being the #1 prescribed calcium supplement brand in Pakistan based on its' superior formulation of double calcium and vitamins B6, C and D3.



In August 2023, a digital summer campaign was launched, to remind the consumers of the importance of calcium intake due to sweating in hot weather leading to calcium loss, compromising bone health. In October 2023, CaC-1000 Plus celebrated World Osteoporosis Day with a digital campaign to "Step Up today" for a stronger tomorrow. With this, the brand achieved PKR5.2bn sales, becoming the 6th largest brand in the Pakistan pharmaceutical industry.

CaC-1000 PLUS

In 2023, CaC-1000 Plus launched its new public awareness campaign #RozCaDose (translation: daily dosage) to build the habit of long-term calcium supplementation for better bone health. The brand took phenomenal risks with 4 complementary activations on digital leveraging relevant moments. With this, CaC-1000 Plus expanded consumer reach via diversified platforms such as META with consumer engagement, influencer campaign, crucial assets on Youtube and hospital branding.



¹IQVIA MAT Nov '23 Sales Data,
²IQVIA MAT Jun '23 Prescription Data

Pakistan has an incidence of sensitivity in 64.1 million people Pakistanis. These sufferers face 2 major consumption barriers towards using a specialized toothpaste: Affordability and compromise on other oral health benefits to cater to our consumer needs. The launch was activated across all pillars featuring a celebrity dentist (who who is also former captain of of Pakistan women's cricket team). In addition to the awareness platforms, we created halo campaigns around it to activate lower funnel touchpoints.



Pakistan with an incidence of gums conditions in 46.3M Pakistanis, out of which 72% don't use specialized toothpaste for bleeding gums. The 3rd biggest need state or barrier of toothpaste category was that consumers require all in 1 multi benefit toothpaste. To cater that we launch Parodontax Complete Protection in 2023.

The unique proposition of complete protection is that it is specially designed with 8 benefits that gives healthier

parodontax



Apart from this we had strong on-ground presence in terms of screens on boundaries, sponsored Man of the match as All rounder of the match, Specialised Sensitivity moments on ground (Chill Test), etc. We were also active on TV with our presence on sports channels as title sponsors, brought to you by-sponsors, etc for different cricket tournaments including Pak vs Eng, Pak vs NZ, Asia Cup, etc. We also activated digital thought leveraging the audience on Youtube.

gums and stronger teeth so the consumers don't have to choose and they could take control of their oral health. Additionally, we were able to introduce a local talent with localized language to ensure that the communication becomes relevant and can resonate with consumers. Rigorous and targeted efforts to communicate brand messaging and building condition awareness, TV and digital played a pivotal role where TV helped reach out to the masses. Our campaign was supported by a PR campaign to build condition awareness on bleeding gums.

for the condition and share of shelf for the brand in multiple modern trade stores. Brand activations such as "Plaque scan test" and "Scratch and Win" played a vital role in educating consumers about gum diseases and Parodontax. During this time, our Expert.

We launched the campaign with road shows across Pakistan to educate Sales and Expert team on the new proposition. We continued to strive with various bursts of visibility drives by deploying Gum Health care category and secondary displays to increase awareness

Parodontax was also part of creating awareness for cleft lip patients through collaborating with Smile Train. With every pack sold we donated upto Rs 50. This collaboration made 150 surgeries possible in Ramadan for cleft lip patients.

Sensodyne took an initiative to collaborate with Smile Train. As a part of our value, health with humanity we donated upto Rs.50 on purchase of Sensodyne. This campaign was live for entire Ramadan in 2023 . Apart from this we also created awareness around Cleft lip through media. We were able to sponsor 150 surgeries for cleft lip. Engage HCPs through emailers and E-detailers.



During this time, our Expert Team also innovated through introduction of PROBE & DHOOM- a program launched for continued medical education for young experts in the oral health category. This allowed targeted efforts in multiple institutions, fostering discussions, interaction, and engagement with the brand, and thus strengthening the footprint in the dental community.



Last but not the least we think that it was important to recognise all rounders in real life with Sensodyne Complete Protection. Therefore, we partnered with local influencer, "Naila Kiani", who is an "all-rounder!"; banker, mother of 2 and a mountaineer by passion! She climbed mount Everest while being sponsored by Sensodyne. We literally took Sensodyne to the Top of the world!



Expert Testimonials

CaC-1000PLUS

"CaC 1000 plus is a well time tested brand. I regularly recommend it as a drug of choice for all of my patients with great confidence especially for pregnant and lactating mothers because of the right amount of Calcium and Vitamins to my patients for a healthy and strong bone structure."

Prof. Dr Naseem Saba,
Head of Department
Gynae & Obs.
ZHQ Hospital, DI Khan



"The quality and efficacy of Panadol is exceptional. It is very economical for patients – I always prescribe it."

Dr. Rubina Chaudhary
PWMO Paediatrics
Sir Ganga Ram Hospital, Lahore



"Sensodyne is very effective in relieving sensitivity after scaling."

Dr. Nadia Aman
Head of Operative Department
Foundation University College of
Dentistry & Hospital, Islamabad

parodontax

"Pardontax Complete Protection proved worthwhile in relieving patient gum associated complaint. It was really effective in bleeding gums."

Dr. Saad Mansoor
Senior Registrar
Prosthodontics Dept.
Foundation University College of
Dentistry & Hospital, Islamabad

Other Brands

Actifed

For systematic relief of nasal congestion, rhinitis or cough associated with upper respiratory track disorders



T-Day

Anti-allergic treatment for sneezing, blocked nose, itchy skin rash and itchy watery eyes



ENO

The only antacid in the market that helps relieve heartburn symptoms by effectively beginning the process in just six seconds



Herbactive

A natural balm composed of five carefully selected herbs, each targeting specific pain states including neck, back, muscle, joint pain, and the discomfort associated with sprains and strains.



Hydrozole Cream

An anti-fungal cream that targets inflammation and fights the fungi that cause it. Hydrocortisone, the core ingredient in this product, distinguishes it from other antifungal products in the market



Qalsium-D

Chewable calcium tablets for strong bones and teeth



Voltral Emulgel

Topical Emulgel for neck, back and muscular pain



Corporate Information

Board of Directors	Mr. M. Z. Moin Mohajir* (Chairperson) Mr. Farhan Muhammad Haroon** Mr. Dilawar Meghani Syed Anwar Mahmood Ms. Ayesha Aziz Ms. Sumru Atalay Besceli † Mr. Oussama Abbas
Board Audit Committee	Ms. Ayesha Aziz*** (Chairperson) Mr. M. Z. Moin Mohajir Syed Anwar Mahmood
Secretary	Ms. Marrium Ahmed †††
Supply Chain Executive Committee ††††	Mr. Oussama Abbas*** (Chairperson) Mr. Farhan Muhammad Haroon Mr. Dilawar Meghani
Secretary	Syed Mohsin Mazhar
Human Resource, Remuneration and Nomination Committee	Syed Anwar Mahmood*** (Chairperson) Mr. M. Z. Moin Mohajir Ms. Ayesha Aziz
Secretary	Ms. Ensherah Khan ††
Management Committee	Mr. Farhan Muhammad Haroon** Chief Executive Officer Mr. Dilawar Meghani Chief Financial Officer Ms. Mashal Mohammad Legal Director and Company Secretary Ms. Marrium Ahmed Head of Internal Audit and Compliance Mr. Ameer Taimur Zaid Pakistan E2E SC and Jamshoro Site Lead Mr. Khurram H. Khan Head of Commercial Excellence Mr. Mazhar Shams Head of Regulatory Affairs Mr. Faisal Rafiq Head of Expert Mr. Salman Altaf Marketing Director Syed Abrar Ali Sales Director Ms. Ensherah Khan Head of Human Resources Ms. Sadaf Malik Head of Corporate Affairs

Company Secretary	Ms. Mashal Mohammad
Chief Financial Officer	Mr. Dilawar Meghani
Head of Internal Audit	Ms. Marrium Ahmed †††
Bankers	Citibank N.A Standard Chartered Bank (Pakistan) Limited MCB Bank Limited Habib Metropolitan Bank Limited
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisors	Haroon Dugal Law Chambers

*Mr. M. Z. Moin Mohajir was appointed as the Chairperson of the Board of Directors w.e.f 22 March 2022 with the reconstitution of the Board committees post election at the AGM held on 21 March 2022.

** Mr. Farhan Muhammad Haroon was appointed as the Chief Executive Officer of the Company w.e.f 22 March 2022 post elections at the AGM held on 21 March 2022.

***The Chairpersons to the respective Board committees were appointed w.e.f 22 March 2022 with the reconstitution of the Board committees post election at the AGM held on 21 March 2022.

† Ms. Sumru Atalay Besceli was appointed as Non-Executive Director on the Board of Directors of the Company, on 15 November 2022, after the resignation of Ms. Ozlem Oz Miyanyedi on 28 September 2022.

†† Ms. Ensherah Khan was appointed as the Secretary of the Human Resource, Remuneration and Nomination Committee on 21 July 2022 to replace Mr. Farqaleet Iqbal.

††† Ms. Mariam Maqsood resigned as the Secretary of the Board Audit Committee on 1 November 2022 and was replaced by Ms. Marrium Ahmed on 20 February 2023.

†††† The name of Integration Supply and Network Optimisation Committee was changed to Supply Chain Executive Committee in its meeting held on 23 May 2023.

Registered Office

11-A, 11th Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600*.

*The registered office address was changed w.e.f 9 February 2023.

Tel: 92-21-111-475-725
(111-GSK-Pak)

Investor Relations Contacts

Share Registrar
CDC Share Registrar Services Limited
CDC House, Main Shahrah-e-Faisal, Karachi.

Tel: 021 111-111-500
Email: info@cdcsrsl.com

And
Haleon Pakistan Limited
Corporate Secretarial Department
11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600.
Email: pakistan.shareinfo@haleon.com

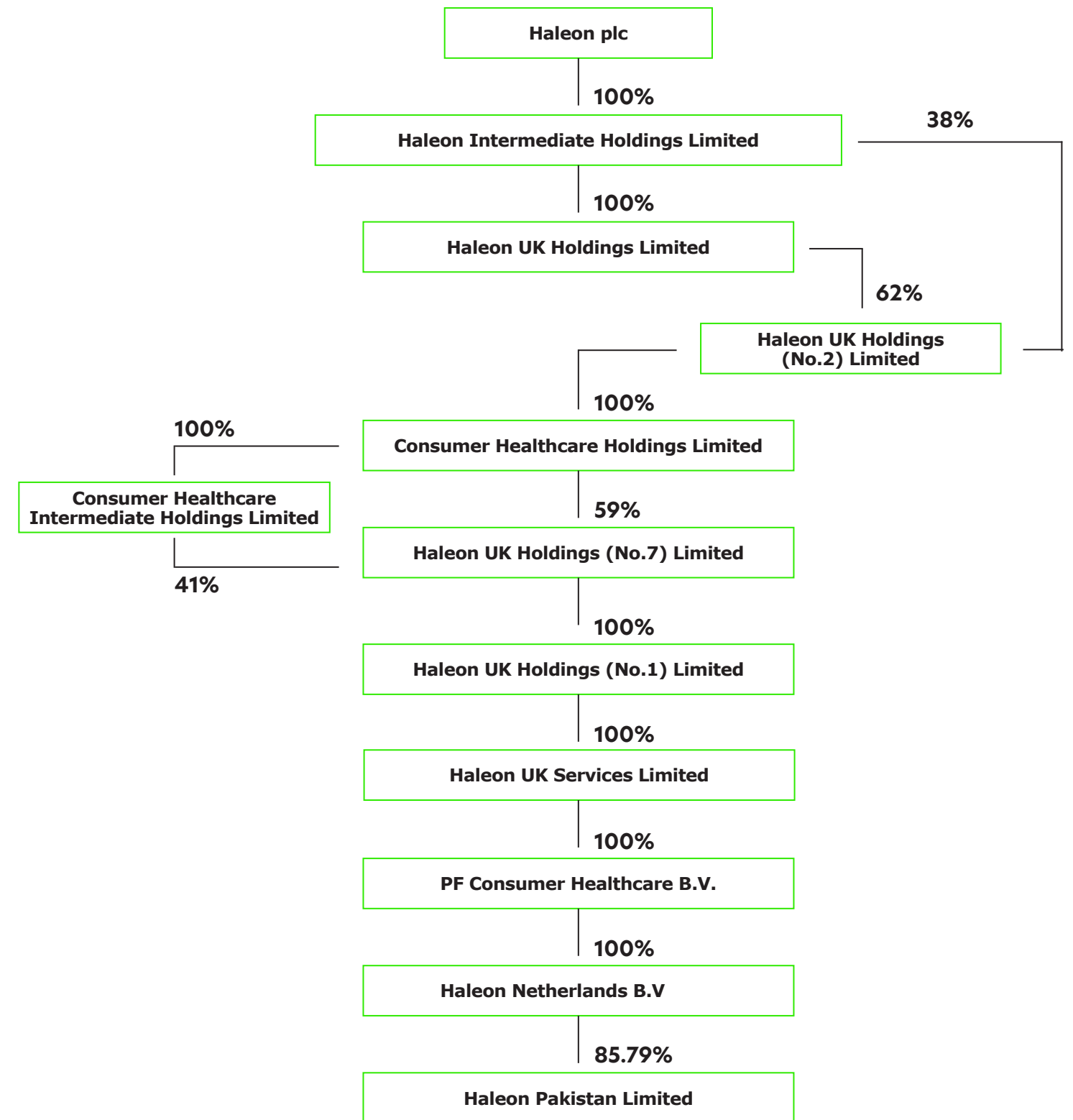
Business Units - Geographical Location and Addresses

The business units and addresses are mentioned in note no. 43 of the financial statements available on page 186 of this report.

Website

www.haleon.pk

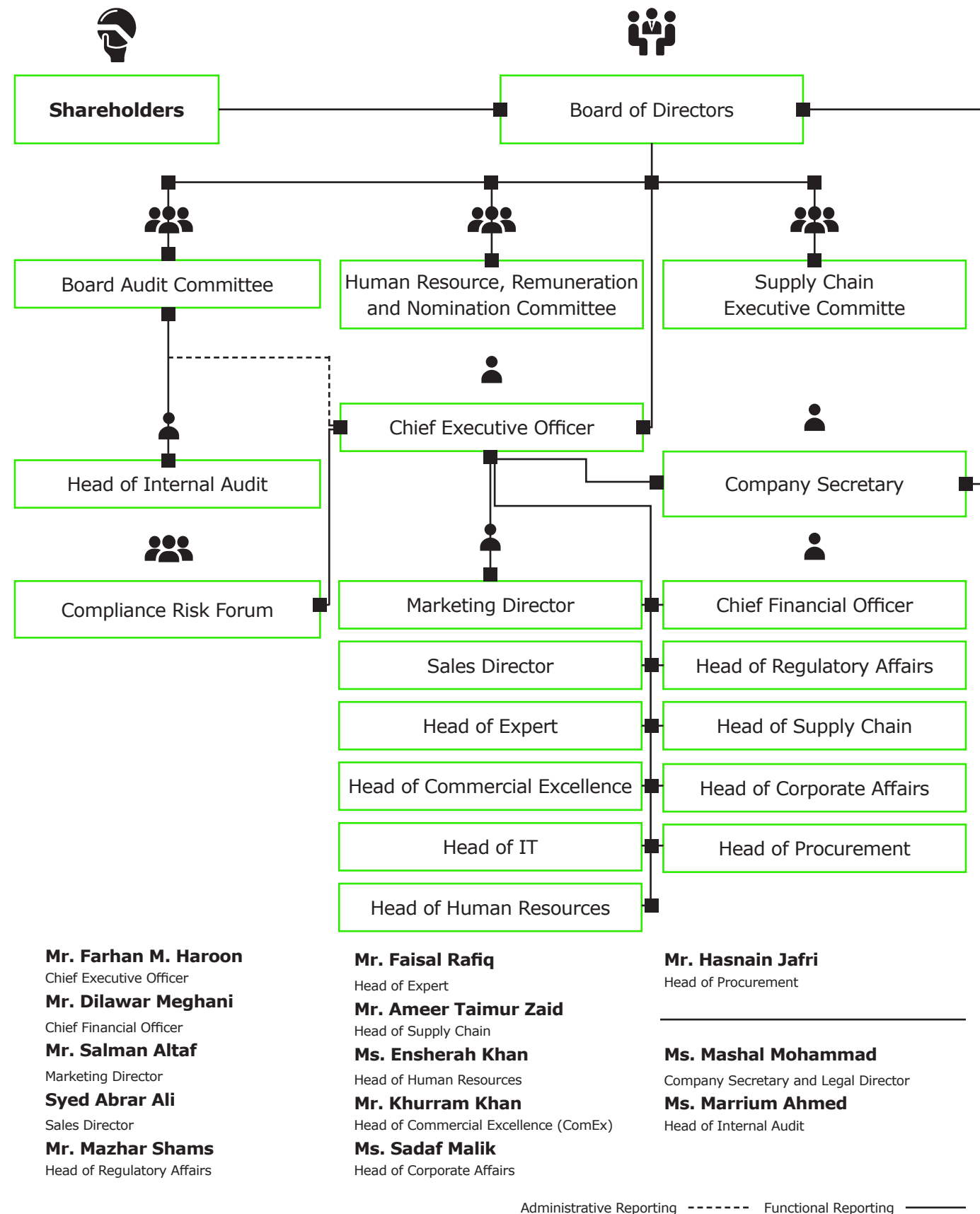
Group Structure



Ownership and Operating Structure

The Company is a subsidiary of Haleon Netherlands B.V. (formerly known as GlaxoSmithKline Consumer Healthcare B.V.). In pursuant of the demerger of the consumer healthcare business from GlaxoSmithKline plc, UK on July 18, 2022 and July 20, 2022, to Haleon plc, an independent listed Company (listed on London Stock Exchange and New York Stock Exchange respectively), the ultimate parent Company has changed from GlaxoSmithKline plc to Haleon plc. As at December 31, 2023, Haleon Netherlands B.V. (formerly known as GlaxoSmithKline Consumer Healthcare B.V.) held 100,423,259 ordinary shares of Rs. 10 each, representing 85.79% of the total shares of the Company. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. During the year, the Company changed its registered office from Sandoz Nagar, Petaro Road, Jamshoro, Sindh to 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, 75600, Pakistan with effect from February 09, 2023.

Organizational Structure



Key Quantitative Information

Number of persons employed as on the date of financial statements and average number of employees during the year are present in the

financial statements in note no. 41. However, details of the company & factory employees are as follows:

Total Number of Employees	
481	478
2023	2022

Total Average Number of Employees	
480	469
2023	2022

Total Number of Plant Employees	
328	317
2023	2022

Total Average Number of Plant Employees	
323	324
2023	2022

Employee Turnover Rate	
7%	9%
2023	2022

Employee Productivity Rate	
249,076	403,058
2023	2022
Packs / employee	Packs / employee

Significant Factors Affecting The External Environment and the Organizational Response

Economic	Social	Environmental
Supply chain disruption, high inflation, rapid devaluation of Pakistan currency, increasing labor cost, and low economic growth adversely affects the profitability.	Due to high inflation, customers have become even more price-sensitive. Customers have become more health conscious post-COVID.	Increasing awareness towards Sustainability and the impact of the companies on the surroundings and employee well-being conditions
Organizational Response		
Closely working with relevant stakeholder groups to manage costs and price adjustment.	The Company is striving to create awareness on self-care and value delivered by the products	The Company is taking steps towards making the operations sustainable and complies with local regulatory compliance requirements to ensure environmental safety.
Legal/Regulatory	Technological	Political
Companies Act 2017, Income Tax Ordinance 2001, Sales Tax Act 1990, Pakistan Stock Exchange listing regulations, SECP Act, Drug Regulatory Authority of Pakistan Act, 2012	Continuous technological changes and advancements lead to obsolescence and excessive training. Increased usage of e-commerce platforms for purchase	Political instability and uncertainty. Absence of conducive regulatory and pricing framework
Organizational Response		
The Company ensures compliance with all the applicable laws and regulations.	Continuous training provided to the employees regarding evolving ways of working. Incorporation of e-commerce in trade channels	Diversification of inventory holding across the country and across the route-to-market. Use of technology to manage business operations during uncertainties. Active lobbying and relationship management with the relevant stakeholders

Effect of Seasonality in Terms of Production and Sales

With continued availability of our wide range of consumer healthcare products, our products are in high demand throughout the year.

Sales of Pain portfolio increase in winters whereas Wellness portfolio is sold more during the summers. The company ensured supply during dengue fever crisis and floods across Pakistan that increased the demand for pain and fever portfolio. The Company manages seasonality through alignment on production planning cycles involving multiple stakeholders and inventory management as well as distributor warehouses to ensure enhanced availability of our products for patients without any supply limitations, delivering on our commitment to better health everyday.

Significant Changes from Prior Year

Global commodity prices and devaluation of Pak Rupee against foreign currency along with political uncertainty in the Country, continued to pose significant risk to profitability.

The capital expenditure for the year 2023 amounted to Rs. 1,789 million, made mainly for expansion of capacity, increasing efficiency, and improving quality along with post-separation expenditure pertaining to new registered office.

Composition of Local Versus Imported Materials

Haleon Pakistan Limited procures its materials from both local and international sources. Composition of local versus imported materials during the year ended December 31, 2023 was as follows:



Sensitivity Analysis

Share Price Sensitivity

Share price of HALEON is affected by a combination of internal and external factors driving the demand and supply of share in the market. The price movement of a stock indicates what investors feel a company is worth based on how much profit it makes. But the investors often look beyond the numbers focusing on prospects for a Company. However, it is not always the case the share price varies in line with investor expectation. External factors like high energy prices, pricing challenges, economic events and circumstances, political environment, interest rates and inflation, etc. plays a pivotal role. In 2023, the highest share price was recorded at Rs. 219.57 whereas the lowest price was recorded at Rs. 126.50. The closing price recorded on 31st December 2023 was Rs. 169.01.

Market Capitalization Sensitivity

As of December 31, 2023, HALEON's market capitalization stood at Rs. 22,474 million. A consequent change of 5% in the market price of the Company's share would result in a change of Rs. 1,124 million in the market capitalization.

Foreign Currency Sensitivity

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The liability is mainly denominated in US Dollars. Net payables exposed to foreign currency risk as of December 31, 2023, amount to Rs. 665.09 million (2022: Rs. 669.33 million). As at December 31, 2023, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 25.97 million (2021: Rs. 29.61 million), mainly because of foreign exchange losses / gains on translation of US Dollar-denominated trade payables, trade debts and bank balances.

Interest Rate Sensitivity

The company is sufficiently cash rich which is evident from the Rs. 4,282 million cash and cash equivalents. When it comes to interest income a change of 100 basis points in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 29.00 million (2022: Rs. 24.99 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2022.

Awards and Achievements

Best Corporate Report

HALEON Limited secured 3rd Position for Best Corporate Report in the Pharmaceutical Industry 2023, announced by Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan, recognizing the good corporate governance of the organization.



Guinness Book of World Records for "Largest Attendance for a pharmaceutical conference in one day"

Guinness World Records' title is an esteemed honour that only world class outstanding achievements get recognized for. In a ground-breaking achievement, HALEON Pakistan has been declared as "Officially Amazing!" by the Guinness Book of World Records for "Largest Attendance for a pharmaceutical conference in one day" with 9,000 Healthcare professionals attending the event.



Our People



Plant Operations

The manufacturing plant of Hialeon Pakistan is a state-of-the-art facility located at Jamshoro, about 150 km from Karachi. It manufactures Consumer Healthcare and Over-the-counter pharmaceutical products for Pakistan and exports to Vietnam, and Philippines. Additionally, it manufactures and packages medicinal products for Novartis Pharma (Pakistan) Limited. The site has the capability to manufacture and pack oral tablets, effervescent tablets, capsules, syrups/suspensions, creams, and gel products. All products are manufactured and packed as per cGMP practices complying to high standards of quality following international, and local regulations. The plant also complies to NEQS (National Environmental Quality Standards) as per EPA (Environmental Protection Agency) and SEPA (Sindh Environmental Protection Agency) guidelines.

In 2023, the Jamshoro plant successfully initiated production of the new product Panadol Night Tablet, ensuring strict adherence to quality standards.

During the same year, the plant secured financial approval of £9.8 million in CAPEX for insourcing of Panadol Extra Tablet & Panadol Plain Tablet at the Jamshoro Plant, aimed at enhancing the company's presence in the Pakistani market. This year, the plant plans to introduce three new products: Local Manufacturing of Panadol Extend Tablet, Hydrozole Cream, and the launch of CAC Kids Effervescent Tablets.

The Jamshoro facility prioritizes compliance with government health and safety regulations to ensure the well-being of its employees and the surrounding environment, which helps to preserve and protect the natural surroundings. In the previous year, the site established a third-party waste composting facility to improve waste circularity, converting approximately 1800 kg/month of organic waste into fertilizer, thereby contributing positively to environmental sustainability.

Actual volume produced in 2023

102.04
million Packs

Planned Annual volume for 2024

104.29
million Packs

No. of SKUs Manufactured

60
Manufactured

Finance

Our finance function is majorly divided into four main categories:

- Commercial Business Partnering;
- Financial Reporting;
- Taxation and Treasury; and
- Global Financial Services



Marketing

Marketing team is a blend of talent from leading FMCG and Consumer Healthcare companies. Each team member is passionate about Haleon behaviors

“Go beyond, Do what matters most, Be Human”.

This passion is demonstrated through spectacular performance of driving global and local power brands in challenging and rapidly changing environment of 2023.



We ensure to broadly group the capabilities required for our roles into four main categories:



Compliance Capabilities



Leadership Capabilities



Commercial Capabilities



Technical Capabilities



Finance team is making sure that Haleon Pakistan Limited remain committed to transparency, accountability, and governance. Our last year Annual Report (Resilience is everything) secured 3rd Position for Best Corporate Report in the Pharmaceutical Industry, evaluated and announced by the Institute of Chartered Accountants

of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

This is a testament to our intentions of presenting the company’s performance and strategies to our shareholders and stakeholders transparently.

Moreover, Finance team is constantly focused on improving and strengthening internal controls to mitigate risk and protect value for shareholders. By simplifying our operating model and product innovations, our finance business partners, through various contributions, seek to add value to the business.

In oral care pillar, Sensodyne continued to increase household penetration led by flagship variant Rapid Action. Parodontax, Complete Protection was also launched in 2023, to drive penetration amongst the bleeding gum sufferers.

In OTC pillar, Panadol franchise faced daunting challenges, however, came out stronger delivering value ambitions. Within the Pain Relief category Haleon entered the non-medicated, Naturals segment with the launch of HerbActive.

In VMS, CaC-1000 Plus continued to build “Calcium Supplementation” amongst the women. Brand bespoke “World Osteoporosis Day” campaign resonated strongly with consumers. Brand continues to lead the category.

In 2023, Marketing team continued vision of “Business Transformation through Innovations”. Strong innovation roadmap is established in core categories. These innovations are next generation differentiated concepts and will reshape the business in near future.

Thus, we will continue to **“Go Beyond”** and **“Lead the Market”**.

Commercial Excellence

Commercial Excellence (ComEx) stands as a pivotal driver in delivering business growth and achieving best-in-class in-store execution and activation at Haleon. Encompassing Channel Marketing, Digital Commerce, Sales Force Excellence, and Net Revenue Management, these facets synergistically contribute to enhancing business profitability.

In the past year, we successfully navigated these challenges and introduced Herbactive to address diverse consumer demands with a unified product. To optimize shopper engagement, a comprehensive trade tools approach was implemented, focusing on



primary and secondary shelves, countertops, and point-of-sale materials, reaching over 90% of our targeted customers within one month.

Our commitment to empowering shoppers to take control of their health and promoting self-care was evident through instore shopper engagement initiatives.

Simultaneously, efforts were directed towards driving growth in the pharmacy channel through category development in pain and vitamin portfolios solidifying our look of success and superiority in-store. In FMCG our utilization of brand ambassadors proved instrumental in generating trial in the modern trade segment for our oral care portfolio. This year Haleon Pakistan reached new heights with Comex through the **Project Summit** in which we tackled challenging landscape of Gilgit Baltistan to make healthcare facilities accessible. The geographical diversity of this region attracts 2.7mn tourists on average,

locally and from around the world. The main tourism activities are trekking and mountaineering, and this industry has been growing in importance throughout the region.

However, the challenging landscape makes healthcare facilities inaccessible and results in commute blockages for 3-4 months in most small towns across the region. Therefore, the local population and tourists are largely dependent upon OTC medication for their wellbeing.

As Gilgit-Baltistan is sparsely distributed across an expansive area with limited healthcare, counterfeit consumer health products and unavailability of ample health care professionals force the local population to resort to purchasing OTC products. Haleon Pakistan has attempted to counter this problem by ensuring increased visibility of our core brands across pharmacies in Gilgit-Baltistan through Project Summit which is an aggressive store branding initiative

aimed at creating brand awareness and improving brand recall.

Throughout the year, a total of 20 face-to-face and numerous online training sessions were conducted to meet the needs of the team.

Furthermore, ComEx showcased exemplary leadership in the successful execution of the Distribution Management System (DMS) project, underscoring a commitment to innovation and operational efficiency. The pivotal factor in achieving this success was ComEx's strategic approach to cross-functional collaboration with Customer Marketing, Sales Operations and Supply Chain Management, uniting experts from various departments to harness their diverse skills and perspectives.

Furthermore, DMS aims to serve as a one window solution for business partners and single source of truth for Haleon Pakistan when it comes to managing distribution network.

Corporate Affairs

As a consumer healthcare company manufacturing health products, Corporate Affairs (CA) is a critical management function for Haleon. The function provides insight and advice on the creation of growth opportunities and how best to navigate fast moving social and economic trends



In 2023, with the official change in the name of the organization from GSK Consumer Healthcare to Haleon in Pakistan, the Corporate Affairs function focused on delivering value to the business by building and protecting its reputation, helping the business capitalize on opportunities created by the external environment and supporting the leadership in turning strategy into action by communicating it to employees.

As one of the leading fast-moving consumer healthcare companies in Pakistan, legislation and regulatory initiatives can have an impact on our business and ultimately on our ability to bring new product innovations for our consumers in the country. Proactive engagement and advocacy efforts with relevant stakeholders help us

ensure that our voice is one of those contributing to and shaping public policy.

We also work closely with media to support our efforts towards establishing the leadership of Haleon in self-care. By working closely with other functions, we are able to ensure that we communicate Haleon's contribution towards empowering self-care in Pakistan, both internally and externally.

Sales

Achieving the remarkable milestone of 31 billion, coupled with an impressive underlying growth rate of 25%, stands as a significant accomplishment, particularly in the face of prevailing economic challenges. The growth figures for both the Over the Counter (OTC) and Consumer portfolios, registering at 17% and 10%, respectively, underscore a comprehensive success story. This well-rounded performance is further illustrated by robust growth across all our brands.

This data showcases the Haleon Sales Team's resilience and effectiveness in navigating unique economic challenges in 2023. Their commitment to a rigorous approach and adherence to the company's values played a pivotal role in overcoming obstacles, resulting in a commendable performance across the board. This accomplishment reflects not only the team's



Expert

At Haleon Pakistan, the Expert team plays a pivotal role in building and sustaining vital connection between our healthcare brands and HCPs (healthcare professionals). In 2023, the team achieved new milestones in fostering enduring partnerships with HCOs through regular scientific dialogue and engagement. This has been a strategic pillar, empowering HCPs to make informed decisions that positively impact the lives of patients.

Past one year has witnessed the executional excellence in terms of launch activations designed to make interaction with HCPs more engaging.



Panadol

53.1%

Sensodyne

10%

Parodontax

14%

Voltral

11%

Hydrozole

20%

adaptability but also their ability to drive growth in a diverse portfolio of brands.

Keeping it Human

The commitment to "Keeping it Human" underscores the team's dedication to customers and patients. Ensuring the availability of brands through extensive coverage expansion in untapped areas reflects a strategic move to prioritize customer needs and capture new markets. The inclusion of female members in the field sales team demonstrates a commitment to diversity and inclusivity. This not only aligns with ethical practices but also contributes to a more well-rounded and representative workforce.

Going Beyond

The team's embrace of a Digital Route to Market has not only facilitated the expansion of our customer reach but has also empowered the direct delivery of both Over the Counter (OTC) and Consumer brands to retailers. This innovative strategy channelled an impressive 300 million in business through digital channels, reaching end

consumers effectively. Furthermore, the successful execution of a sales automation project via a Distribution Management System exemplifies our forward-thinking approach.

By fully embracing digitalization, we have not only modernized our operations but also significantly increased operational efficiencies. This proactive stance positions us to be more responsive to the ever-evolving dynamics of the market, ensuring that we stay at the forefront of industry trends and continue to provide value to both our partners and end consumers.

Doing What Matters the Most

The swift introduction of Herbactive and Parodontax Complete Protection underscores our agility and responsiveness to market demands, demonstrating a steadfast commitment to meeting the distinctive needs of patients and maintaining innovation in our product portfolio. The implementation of projects such as Phoenix and Perfect Stores, were executed systematically, significantly enhanced our brand visibility.

Furthermore, the team achieved a significant milestone by successfully extending our direct coverage to six additional towns (Hafizabad, Alipur, Kandhkot, Pakpattan, Hub and Haripur).. This strategic initiative not only broadened our geographical reach but also resulted in a commendable 10% increase in our customer base by bringing 5000 new stores on direct coverage. This expansion ensures enhanced accessibility to our brands for patients, reinforcing our commitment to providing widespread availability and convenience in accessing our products.

The conclusion emphasizes the team's resilience, strategic initiatives, and commitment to values. "Everyday health with humanity" encapsulates the holistic approach the team takes, not just in terms of business success but also in contributing to the well-being of individuals and communities. The Haleon Sales Team's accomplishments in 2023 are a testament to their adaptability, innovation, and unwavering commitment to customer satisfaction and values.

Key Achievements:

- Panadol is the most prescribed brand in Pakistan
- CaC - #1 prescribed calcium supplement in Pakistan
- Sensodyne - #1 recommend brand for Sensitivity.
- Parodontax - #1 recommend brand for Gingivitis
- Digital transformation is the key initiative for omni channel reach ambition.
- Team has executed 15 webinars with a total participation of 55K
- Expert Pakistan holds a Guinness World record of largest attendance in a webinar- 9K
- 5/10 top attended global webinars are from Pakistan
- Our omni-channel reach to dentists is 80% and 51% to GPs

In 2023, despite macro-economic hurdles, the team's resilience has ensured we grew our network of HCPs and as a result, success of our brands has followed.

Strategy:

Our success is credited to the strategic framework centered on well-defined

objectives and a resilient, dynamic plan that aligns seamlessly with our overall strategy. In the challenging terrain of Pakistan's competitive market, we have cultivated a culture of evolution and innovation in our approaches to engaging Healthcare Professionals, consistently delivering impactful results. Looking ahead to 2024, we anticipate a year marked by extensive digital transformation, with a dedicated focus on leveraging digital tools for enhanced engagement with HCPs.

Capability Building:

Our distinguished field force comprises of highly skilled individuals trained with the relevant scientific knowledge, to deliver brand messages effectively. The team is engaged in various capability building sessions all year round to develop scientific subject expertise to ensure that the team's is well equipped.

Execution:

Navigating through a large team with multiple brands requires flawless execution to ensure we can provide our customers with a memorable

engagement experience. In 2023, our team strongly executed a lot of firsts while demonstrating exceptional skill in enhancing interactions with Healthcare Professionals.

Analytics and Governance:

Real-time tracking through analytics tools like Power BI help us monitor and incorporate improvements in a dynamic system, turning information into opportunities. We also demonstrate utmost vigilance during all our activities and regularly conduct internal monitoring, to ensure compliance with SOPs.

Expert team is dedicated to maintaining unparalleled leadership across categories, transform into best-in-class FF and continue to remain the trusted partner for our HCPs. This vision will be achieved by expanding reach via Omni-Channel transformation, raising the bar in expert marketing, and winning in expert recommendations. We will continue to serve humanity by doing what matters most and going beyond for Pakistan.

Digital & Technology (D&T)

Powered by digital & humanity at the core

As we reflect upon the milestones of the past year, 2023 emerges as a defining chapter in the journey of Haleon. It was a year marked by transformative shifts, echoing the resonance of innovation and adaptability within the framework of our organization. Much like its predecessor, 2022, the year 2023 brought about significant changes, but it was also a testament to our resilience and commitment to progress.



Operational Efficiency



Demands and Stakeholder Management



Discoveries and Innovation



Strategic Roadmap

In a paradigm shift from traditional to cutting-edge technology, our Information Technology (IT) department digital & technology function has evolved into a pivotal business partnering function, playing a decisive role in the success of our organization. The conventional role of IT has transcended mere support functions to become a dynamic force driving digital transformation. This transformation has positioned IT D&T as a strategic partner, actively contributing to the definition of a forward-thinking technology roadmap for Pakistan markets. IT D&T is at the forefront of shaping innovative solutions that align with our business objectives, fostering agility, and propelling the organization towards sustained success.

Strategic Roadmap

Go Green (Automating Business Process)

Technology is being scaled up at an organizational level, as part of Go Green initiative, we implemented tools aimed at optimizing business processes, minimizing complexity, and enhancing efficiency in our ways of working.

To support business in reducing manual work and bring efficiencies especially in the space of financial processes in everyday work, multiple RPA/BOTs as part of robotic process automation (RPA) were implemented in the year 2023.

Tech Connects (Transforming for better partnership)

Consumer Healthcare business in Pakistan experiences rapid growth, proactive addressing of emerging challenges is crucial. The tech function must align with business functions for parallel technology implementation. In 2023, quarterly Tech Connects facilitated alignment on priorities, covered security, phishing, performance review, and shaped future roadmaps. These sessions now integrate with governance forums, adding significant value to the business.

DMS (Distribution & salesforce effectiveness)

In quest of continuous improvement, Haleon joined hands with one of biggest local agency to deploy distribution management system for improving in-field sales efficiencies that completed its rollout in 2023.

It was first of its kind implementation in the history of Pakistan's pharma industry bringing Speed, Visibility & Compliance to an end-to-end in-direct sales automation.

IT Governance and Cyber Security

In today's interconnected world, where digital landscapes reign supreme and data powers innovation, cybersecurity has become more critical than ever before. Amid the constant evolution of cyber threats and the ever-present danger of online scams, phishing, we need to protect ourselves. Unfortunately, the biggest cybersecurity threat is human error. At Haleon we have recognised the need for a step change in our online habits in order to keep ourselves, our families; Haleon customers, employees and data secure from cyber criminals.

IT Governance and Cybersecurity Programs and Policies

In the dynamic landscape of the Consumer Healthcare, robust IT governance and cybersecurity programs stand as pillars of resilience and trust. At Haleon our commitment to safeguarding sensitive information and ensuring the integrity of our operations is encapsulated in our comprehensive IT governance and cybersecurity initiatives. The purpose of these programs like BeCyberSavvy is not only to meet regulatory requirements but to proactively mitigate risks inherent in the industry. In our relentless pursuit of a secure digital environment, we employ a multi-faceted approach to communicate policies effectively. Regular email communications serve as a primary channel, ensuring that every employee is well-informed about cybersecurity protocols, policy updates, and emerging risks. This proactive communication strategy empowers our workforce to stay vigilant and aligned with the organization's commitment to maintaining the highest standards of cybersecurity in the Consumer Healthcare sector.

Employee education and training efforts against cybersecurity risks

In our relentless pursuit of a cyber-resilient workforce, the Employee Education and Training section underscores Haleon's commitment to cultivating a CyberSavvy culture.

What are we doing:

- We are continuing to add to our extensive catalogue of awareness material aligned to common and identified threats.
- We run regular phishing simulations and support those individuals who fail with additional knowledge and guidance and or support to avoid further falls.
- Embedding the BeCyberSavvy theme and adding new features like tailored phishing campaigns, e.t.c.

Contingency and Disaster Recovery Plan

In our dedication to ensuring business continuity and resilience, the Contingency and Disaster Recovery Plan at Haleon remains a cornerstone of our operational strategy. The global quarterly Compliance & Risk Forum provides a platform for collaborative efforts, featuring representation from Pakistan market. During these forums, our focus extends to the review of disaster recovery plans, risk assessments, and backup and restore policies specific to our local applications. This localized approach recognizes the unique challenges and opportunities within the Pakistan markets allowing us to tailor our contingency measures effectively. By incorporating these insights into our global strategy, we reinforce our commitment to mitigating risks, ensuring uninterrupted operations, and safeguarding the interests of our stakeholders.

Supply Chain

2023 was very eventful with all its peaks and troughs through the year. We were able to challenge ourselves everyday by initiating better and more innovative ways of working within multiple avenues. The numerous efforts of the team, coupled with the expertise and calculated actions of the leadership helped us achieve the remarkable growth.

Haleon: A New Entity

The highlight of the year was LENC (legal entity name change) in mid 2023. Manufacturing license of Site was transferred from GSK CH to Haleon. Marketing authorization for most of the SKUs within our portfolio was transferred to Haleon



too while legal entity name change was carried out within the systems of FBR, SECP, CUSTOMS (PSW), Banks and all other relevant stakeholders.

The LENC also brought with it the pre-requisite of switching over to Haleon artwork for every single SKU that was part of our portfolio. The exercise of switch-over was initiated towards mid of last year and is still in progress with the team working in an immaculate manner, ensuring that planning for each and every material is taken into account while ensuring minimal write-offs.

Embracing Challenges with Innovative Solutions

High inflation and a 110% increase in fuel prices in 2023 prompted a comprehensive overhaul of W&D operations in Pakistan. Through a continuous improvement approach, the team achieved quick wins, realizing cost savings and reducing carbon emissions in 2023.

Key improvements included switching from smaller trucks to larger vehicles, saving around 40% on transportation expenses, and re-evaluating drop points based on end-to-end transportation costs for more efficient warehouses and customer mapping.

Navigating Setbacks: Embracing Adaptability & Resilience

The industry faced a critical situation requiring immediate action to align with new tax regulations (i.e. change in GST from 17% to 18%). At Haleon, this involved updating SAP master data to comply with the new laws, risking supply interruptions and potential deficits in sales targets. Swift changes in taxonomy and temporary manual operations prevented an anticipated substantial revenue loss in primary sales for the month.

Simultaneously, ongoing primaries were temporarily halted until existing stock could be overprinted with the new tax percentage ensuring sales of on hand stock compliant with new tax structure. This includes back freighting of around 6m packs from warehouses across country for reprinting, ensuring compliance with quality measures and new tax requirement.

Warehousing Network Enhancement

In 2023, we expanded warehousing capacities in Karachi and Lahore while exiting our warehouse in Islamabad. Additionally, plans are underway to finalize a new warehouse in Peshawar to meet business needs. This strategic move aims to improve storage capabilities and minimize lead times for servicing

customers in and around the northern and northwestern part of the country.

W&D Audits: Fostering Sustainability & Compliance

Following separation from GSK, rigorous audits and due diligence were performed on independent enterprises. This involved setting up a Quality Management System (QMS), redesigning third-party warehouses, and reforming governance forums.

Haleon Manufacturing site: Jamshoro

Haleon's manufacturing site at Jamshoro occupies an area of 4.8 acres including covered space of 107,823 sqft, with state-of-the-art manufacturing technologies.

Panadol Insourcing:

In the past year, a significant challenge involved managing the high demand for Panadol. To address this, Project was initiated to internalize Panadol volume at the Jamshoro Site. The project aims to enhance manufacturing capabilities for two Panadol variants, utilizing Direct Compression formulation. Upon completion, the production capacity is projected to increase by 50% to 8 billion tablets annually.

Jamshoro Site is contributing to the exports from Pakistan by exporting its vitamin and topical portfolio to Vietnam and Philippines.

Process Safety Risk Mitigation

The Jamshoro site in pharmaceutical manufacturing prioritized safety by implementing measures such as detecting flammable solvents, preventing static electricity, and updating equipment. Safety controls were established to avoid chemical mixing, and guidelines were developed, along with staff training and emergency drills. The site also focused on Permit to Work (PTW) and Contractor Management, enhancing competence through training, assessments, and strict controls at the main gate. These efforts resulted in minimal contractor safety incidents, showcasing effective safety management and risk reduction.

Gemba Management Tool

A Gemba management tool was created to improve oversight by the Site Leadership team and address key issues related to Safety, Quality, and Compliance. The tool uses QR codes placed throughout the site, allowing easy access for people to conduct Gemba, which involves on-site observations. Specific checklists for different purposes (EHS, PCCE, Purposeful Gemba, DI Gemba) are available through QR codes. After completing a Gemba response through the QR code link, observations and actions are tracked in an Excel-based MS Power BI dashboard. The Site set a goal for Gemba sessions per week for Operational and Non-Operational Leadership team members.

Quality Management System (QMS)

Quality Management System of Haleon Pakistan is an integral and core part of Company's policy and procedure.

Quality is responsibility of everyone.

"Doing the right thing at right time on first time and every time to ensure timely delivery of safe and Quality products to our customers and consumers."



Regulatory Affairs

Finally, Haleon completed its transition in Pakistan from GSK, and we in Regulatory Affairs have delivered almost all steps locally in 2023 to our new identity. We have moved out to our new head office, got approval from the Drug Regulatory Authority of Pakistan, Pakistan Standards & Quality Control Authority, International Halal Certification, and started switching artwork and external-facing communication for all our brands from GSK to Haleon.



At Haleon, managing customer/consumer relation is our foremost and utmost responsibility. It is very much vital for the maintenance, sustenance, and growth of the trust-based relationship with our end users and stakeholders by providing the safe products of best Quality.

The year 2023 was a quite challenging year as the legal entity name changed as well as company registration in DRAP from GSK CH to Haleon Pakistan happened.

With this challenge, we have approved 17 warehouses of different distributors which enabled the business run without any hiccups or teething issues.

We arranged an awareness session on Inspection Readiness process enable the team to prepare and take appropriate actions in case of any inspection by health authority.

Another achievement is that there were 03 successful Global audits of our LSPs (warehouses and transporter) with no Critical and no Major observations.

In addition, deployment of Veeva QMS (Haleon's QMS system) within GxP functions along with formal execution of Quality Regulatory Intelligence (QRI) process.

We also provided quality oversight to support execution of new product launches along with different changes within LOC for business growth and improvement with compliance.

Besides that, we ensured no recall happened.

In 2024, our aim is to ensure continuous improvement to sustain compliance status of our Quality Management System to ensure where we stand with our commitment to **deliver better everyday health with humanity.**

After a couple of regional awards and the establishment of a new identity, 2023 started with many expectations from the Haleon Pakistan Team. Hence, we have finalized different plans for the coming years, including the induction of new products under HALEON's profile in Pakistan, like Panadol Night for nighttime cold and pain management, sorted local manufacturing of Panadol Extend from Jamshoro manufacturing factory, and strengthening of institutional pipeline by introducing specific SKUs and new products required by different institutions through direct procurement. HerbActive launched with a positive market response that has further strengthened our topical pain management range. Besides, we have also ventured with regional teams to explore the export potential of our manufacturing site and completed our part of the product's export pre-requisites.

2024 is full of excitement with the induction of a few more in-process new products in different health and therapeutic categories. Planned to execute quality by design concept in Jamshoro, for which Haleon has allocated around 10 million USD investment, already announced in 2023. Launch of our calcium and vitamin portfolio in some export markets after completion of activities in importing countries.

Internal Audit & Compliance

The Internal Audit and Compliance function at Haleon in addition to ensuring the compliance with the statutory and global requirements performs the following:



- 01** Ensuring that effective risk assessment, risk mitigation and monitoring is conducted across the company and for all the departments / function
- 02** Playing an advisory role in assisting the management to achieve operational efficiencies while managing the risk appetite of the business;
- 03** Ensuring that local and global policies are effectively and timely complied;
- 04** Offering to provide compliant solutions to the business when they are not available in existing policies;
- 05** Ensuring that each function (commercial and supporting) is managing its Internal Control Framework;
- 06** Conducting routine trainings to head office and sales staff on Anti-bribery anti-corruption, Third Party Oversight, Code of Promotion, Conflict of Interest, Code of Conduct, etc; and
- 07** Promoting the culture of Speak up or whistle blowing issues and conducting investigations when required.

The internal audit operations at Haleon is outsourced to Ernst & Young Ford Rhodes (Pakistan), that adds an additional layer of transparency and provides independent assurance to the members of Audit Committee. Having a third-party team of Internal Auditors ensures that the Company's operations are reviewed objectively and without any bias. It also helps the business in developing better Risk Management, Regulatory Compliance and Governance Control processes over time.

The functions plan and carry out quarterly internal audits, management monitoring, independent business monitoring and assisting in the global audit and

assurance. The findings are reported to the Compliance and Risk Forum (CRF) and the Board Audit Committee (BAC). CRF meetings are held separately for commercial and QSC and the Company each quarter to ensure that matters pertaining to risk assessment, monitoring and mitigation, operational hick-ups, reporting audit, inspection and management monitoring findings, and other matters requiring policy decisions are communicated to all the business heads and timely resolutions are conducted. The matters pertaining to risk management and internal control framework are placed quarterly before the Board Audit Committee to ensure governance at all levels.

Legal and Corporate Secretarial

The Haleon Legal and Corporate Secretarial function works across the business to help it deliver better everyday health with humanity. The Pakistan Legal department is aligned with the purpose of being trusted business partners and delivering high quality legal and corporate secretarial services by proactively engaging with business partners. Corporate Secretarial (CS) plays a central role in ensuring adherence to the Company's governance structure in conformity with best practices.



CS supports the Board of Directors, by liaising with directors, organizing board meetings and general meetings, facilitating departments in preparing relevant documents for board presentations, recording minutes of the meetings and proactively coordinates in the implementation of board decisions, among other tasks.

In keeping up with a fast-paced business, the Legal and Corporate Secretarial department aims to have a solution-orientated and pragmatic approach that is focused on enabling the business to achieve its objectives, while protecting and managing legal and corporate compliance risks to provide timely and quality legal support on all critical areas including:

- Day to day advisory;
- Managing of ongoing and future litigation risk;
- Business development transactions;

- Contract drafting and negotiations;
- Digital processes and initiatives;
- Legal project management;
- Trainings.

Corporate Secretarial (CS) plays a central role in ensuring adherence to the Company's governance structure in conformity with best practices. CS supports the Board of Directors, by liaising with directors, organizing board meetings and general meetings, facilitating departments in preparing relevant documents for board presentations, recording minutes of the meetings and proactively coordinates in the implementation of board decisions, among other tasks.

Human Resources

As a company that is geared towards Doing What Matters Most, at Haleon we know our People Matter the Most, and we take great pride in supporting our people. Our commitment to 'Deliver Better Everyday Health with Humanity' is at the forefront of everything we offer for our consumers and our employees. We aspire to be an 'employer of choice' by ensuring our Employer Value Proposition is centred our values, and Inclusion & Diversity is at the forefront of all our people policies and practices. We have continued to ensure that as an organization, we develop and invest in our people to enable them to 'Go Beyond', and empower them to 'Do What Matters Most', and that we as an employer of choice 'Keep it Human' in everything that we do.



when it comes to Employee Well-Being, Health & Safety. Our focus on Keeping it Human comes to life through our Inclusive Policies, including best in class policies supporting a Flexible Working environment, Paid Parental Leave of 6 months, Care-Taker Leave to support family, amongst many other initiatives. Haleon's myWellBeing portal enables free access to each employee to access resources for their Mental and Physical Well-being and truly achieve a balance that meets their well-being needs. Haleon offers a free of cost Employee Assistance Programme and Mental Health Therapy reimbursement policy because we understand well-being starts at home



Inclusion & Diversity is at the forefront of all Human Resource initiatives and policies at Haleon. The Culture Club serves as a forum representing diversity in the form of a variety of cultures, languages, abilities, ethnicity, experience, ability and thought. The Culture Club meets monthly to work around various global and local initiatives and moments that matter, whether celebrating the success of our women leaders or creating opportunities to build awareness around better everyday health, the Culture Club above all ensures each employee group has their voice when it comes to moments that matter at Haleon.

This year, the Culture Club celebrated Women's Day, joined by our female employees from across Pakistan for an engaging day at the Beach, we celebrated the diversity our female workforce brings to Haleon. We aspire to place ourselves as a 'listening organization' hearing from employees how we can fulfil our vision of 'Keep it Human'. We also celebrated key milestones, including Haleon @ 1, World Environment Day, Pakistan Day, and various other connects and engagements throughout the year. Our Talent Acquisition team launched our diversity focused internship drive

Calcium Champions' where female early talent worked closely with our Expert marketing teams across the country to raise awareness of the importance of well-being for women. Building on our 'Different but Dynamic' from the previous years, we're also proud to have an office that is fully equipped to meeting the needs of differently abled. The Leadership envisions to further our journey towards delivering everyday Health with Humanity through our Employee Resource Groups, Disability Confidence Groups and Women's Leadership Initiative.

Our aspiration is to be an industry leader

with Haleon, with our employees. Haleon's Employee, Health & Safety Compliance Framework also ensures our standards go beyond the local legal environmental, health & safety requirements at all our offices and factory.

Our People Development is focused on creating an environment that recognizes Haleon behaviours our employees demonstrate in everything they do. We take pride in our success and recognize our employees through various platforms for their achievements, whether they 'Go Beyond' to deliver results or 'Do What Matters Most' in the face of challenges. Global Employee Recognition, MEA PlayAbove Awards, Annual Sales Conference are some of the platforms where we celebrate outstanding achievements of our employees. We aim to provide our talent a fulfilling career journey, allowing them to invest in their development through frequent meaningful check-ins, reflective objective setting and available tools and resources to equip our people with the right knowledge, skills and abilities for success through platforms like MyLearning, KeepGrowingCampus and LinkedIn Learning offer a combination of blended learning from Global Content and Internal Affiliated courses, ranging from e-learning, social learning and reading material for all employees, from any location across the world.

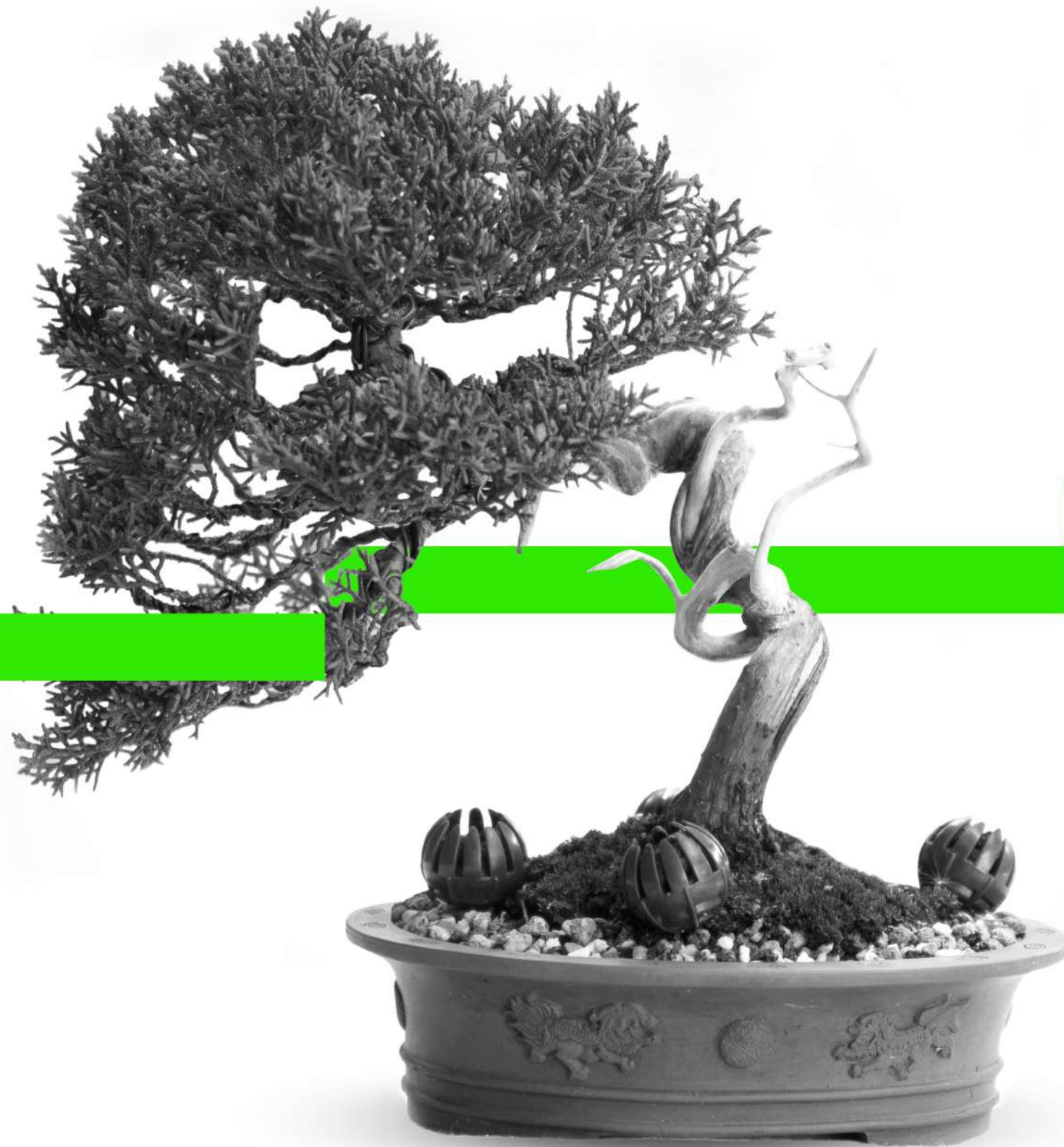
Performance at Haleon is focused on setting right guidelines for our people, and we ensure our performance and reward mechanisms ensure fair and equitable pay for all. Our Haleon Talent Review Framework focuses on not just potential,

but encourages a deep human understanding mindset of unleashing an employees' potential by creating an environment they can thrive in, with development opportunities, stretch projects and optimum level of motivation. We're clear and focused on what matters most. We set bold objectives to stretch for ambitious growth. We ensure our performance and reward mechanisms ensure fair and equitable pay for performance through our annual market benchmarking, annual pay review cycles, talent reviews, global recognition, and focused objectives.






Human Resources and Succession Planning

Haleon's new Global Leadership Standards launched in 2023 serve as a guide for nurturing Haleon Leadership behaviours in our key talent. The Haleon Leadership standards focus on 4 pillars and how our employees demonstrate behaviours to 'Drive Growth', 'Deeply Understand our Consumers & Customers', 'Build One Haleon' and 'Motivate & Unleash Potential'. Haleon's robust Talent Review and Succession Planning framework focuses on holding our talent to the highest standard of development and leadership abilities, matching the right talent with the right opportunities to ensure a challenging and engaging career path for our talent via internal movements, international and local secondments, and international assignments.

Strategy And Resource Allocation



Objective and Strategies

	 Objective	 Innovation	 Performance	 Trust	 Culture
Strategy		Enhance Pipeline value by introducing new brands, variants and line extension	Achieve profitable growth, increase market share and enhance liquidity	Ensure reliable supply of quality products to the customers	Continuously evolve our policies to become a equitable and preferred employer
Timeline		Medium to long term	Short to medium term	Long term	Long term
Resource Allocation Plan		Advertising and promotion, research and development, procurement sourcing	Value engineering initiatives, deploy shopper marketing tools and optimize working capital	Embed an integrated, end-to-end supply chain	Human resource Investment
Relevant KPIs		Annual sales of recently launched products as a % of total sales	Gross margins sustainability, Share of Voice and Cash conversion ratio	Forecast accuracy and On Time In Full	Employee engagement survey scores Diversity ratio

Future Relevance

The KPIs will remain relevant in the future.

Strategy to Overcome Liquidity Problem

The Company has no liquidity problem and manages its working capital in the most efficient manner. Our treasury department invests the surplus funds at the most beneficial rates, which, in turn, adds to its investment income and duly provides the Company with additional funds to meet its operational needs. In 2023, the Company invested significant cash in capital to enhance and insource product of Panadol along with the aim to generate operational efficiency.

Liquidity Position of the Company

The company maintains healthy operating cashflows, which are 112% of its Profit before tax as compared to 98% as at last year. The acid-test ratio of the Company has declined from 0.81 (FY22) to 0.74 (FY23) mainly due to higher liabilities at the close of the year.

Significant Plans and Decisions

The Company plans to continually invest in the manufacturing capacity upgradation in a sustainable manner under improved capital governance and oversight of the Board.

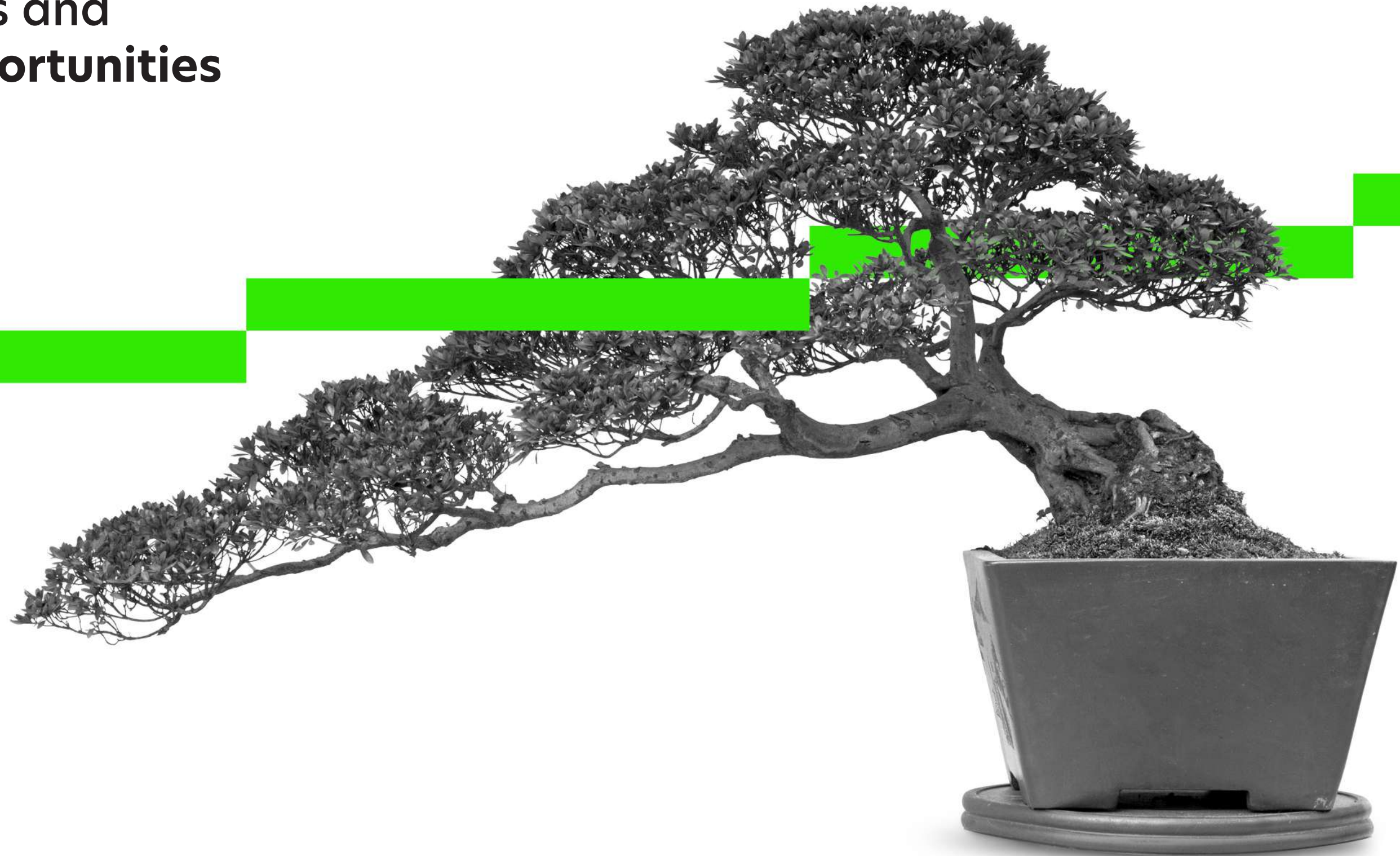
Significant changes in Objectives and Strategies from previous period

There have been no significant changes in objectives and strategies from last year.

CEO's Presentation Video on the Company's Performance, Strategy and Outlook

CEO's Presentation Video on the Company's Performance, Strategy and Outlook can be seen at the company's website: www.haleon.pk

Risks and Opportunities



Risk Management (Boards' Statement, Framework & Methodology and Assessment)

Board's Statement on Risk Management

Board of Directors rigorously works to develop and monitor risk management policies to determine the Company's level of risk tolerance. Our Board's main responsibility includes establishing and overseeing an effective risk management framework in the Company.

Risk Management Framework

Our risk management framework is well embedded within the processes of the business and continually reviewed with oversight at Board level through our Audit Committee. This framework enables the Board to identify, evaluate, manage our principal risks and is designed to support our long-term priorities. It provides our businesses with a framework for risk management and upward escalation of significant risks. In conjunction with our values and expectations and Speak Up processes, it ensures that the risks associated with Company business activities are actively and effectively agreed and mitigated and provides reasonable assurance against material misstatement or loss.

Board of Directors monitors various compliance initiatives and promotes risk management and compliance culture in the Company. Board has delegated the responsibility of monitoring and control of business risks to the management of the Company.

Risk and Opportunity Report

Risk & Opportunities	Opportunity or Risk	Related Opportunity or Risk
Environment, Health & Safety and Sustainability (EHS&S)		Unable to protect people, the environment and the communities in which we operate.
Information Security		IT infrastructure or data maybe exposed to misuse or unauthorized disclosure.
Volatile Law and Order Situation		Potential damage to Company's Property, plant and equipment, unstable economic conditions and safety threat to employees
Counterfeit products		The availability of low-cost generics in the market
Pricing Policy		Opportunity to sustain and thrive in longer run through conducive price increases.

Risk	High	Low	Medium	Internal
Opportunity	Long Term	Short Term	Medium Term	External

Information about default in payments of debts

There were no defaults in payments of debts during the year ended December 31, 2023.

Inadequacy in the capital structure

The Company does not have any inadequacy in the Capital Structure.

Assessment of Principal Risks

Our Compliance Risk Forum (CRF) is responsible to effectively identify, assess, mitigate, monitor and report major risks that the business may encounter. All critical business risk units are governed by the CRF, which promotes the 'tone from the top', establishes the culture regarding risk and oversees internal controls. The CRF has formed a structure whereby designated Risk Owners are responsible for identifying and treating significant risks, each Risk Owner then performs a review of their key Principal Risks, take corrective and preventive approaches to ensure controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Compliance and Internal Audit Lead facilitates in instilling a risk-based approach to establishing internal controls system. This eventually makes risk management an integral part of decision making and business operations. The CRF held five (05) meetings during the year. In two out of these five meetings risk assessment, rating, mitigating actions and controls was discussed in detail. The Enterprise Risk Assessment is also shared with the Board Audit Committee annually and their input the management's approach to risk management is actively sought.

The Board monitors the various compliance initiatives and promotes risk management and compliance culture in the Company.

Mitigation measure of Risk / Description of opportunity	Magnitude	Source	Likelihood	Capital	Nature
We are actively managing our EHS&S obligations and seek to ensure practices that are environmentally sustainable and compliant.				Human Capital and Manufactured Capital	
Proper controls in place that are commensurate with the changing nature of the security threat landscape.				Intellectual	
Company ensures security measures are in place and rolls out effective communications to alert employees in such situations.				Human Capital And Manufactured Capital	
Through capacity enhancement/plant upgrading, new product launches, R&D and providing affordable healthcare solutions to maintain the company's market share.				Social and Relationship Capital	
Secure price increases to offset ongoing inflation and devaluation in the prevailing economic environment.				Financial	

SWOT Analysis

1. Global footprint with operations in nearly 170 countries and diverse portfolio of category defining brands that have established themselves as the leading products in their respective markets.
2. Strong distribution network with collaboration of distributors nation-wide.
3. Global thinking with local execution, which means that it pursues global strategies that make it win the hearts and minds of consumers.
4. State of art manufacturing facility in Jamshoro serving three markets, Pakistan, Philippines and Vietnam.
5. Ongoing investment at the manufacturing facility in Jamshoro to enhance the capacity to serve more consumers.

S

Strengths



W

Weaknesses



1. Challenging price-controlled environment in the OTC portfolio with lack of conducive pricing policies by the regulatory authorities is a risk.
2. Dependence on imported raw material.

1. Haleon is positioned to play a vital role for people all around the world, in the self care sector that is growing and more relevant than ever.
2. Great potential in the export market to capture new markets and grow consumer base across the globe.
3. Strong e-market potential in the Consumer Healthcare business, further enhancing the customer growth.
4. Strong innovative product pipeline and additional variants which can grow and diversify the portfolio.

O

Opportunities



T

Threats



1. Unstable political landscape
2. Limited consumer spending
3. Weak implementation of Intellectual Property Rights and presence of counterfeit products can lead to loss of market share.
4. Deteriorating exchange rates pose a high risk to our profitability as we depend heavily on imported raw materials.
5. Consistent increase in cost of doing business including raw material prices and associated supply chain disruptions

Governance



Profiles Of Board Members



Mr. M. Z. Moin Mohajir
Independent Director and Chairperson

Elected: 21 March 2022

Nationality: Pakistani

Years of Experience: Over 40 years of experience in business and finance fields.

Education: Chartered Accountant

M. Z. Moin Mohajir's business experience spans 40 years. After qualifying as a Chartered Accountant with A.F. Ferguson & Co (PWC), he joined Pakistan Security Printing Corporation in 1978, where he was Chief Accountant / Company Secretary.

In 1981, he joined Hoechst Pakistan Limited (formerly Sanofi Aventis Pakistan Limited) from where he retired as Director Finance and Administration in October 2011. Subsequently, he worked with the Overseas Investors Chamber of Commerce and Industry (OICCI) for ten years as Deputy Secretary General, from October 2011 to October 2021.

He also serves as the Independent Member of the Board of Directors of Loads Limited and its Board Committees.

His previous responsibilities included: Member of the Board of Directors and various Board committees of Pakistan Industrial Development Corporation (PIDC), Standard Chartered Leasing Limited, Sindh Modaraba Limited, Wyeth Pakistan Limited, Archroma Pakistan Limited and Pakistan Oxygen Limited. He has also been Chairperson of the ICAP Election Committee and member of the ICAP Audit and Fiscal Law Committees.



Mr. Farhan Muhammad Haroon
Chief Executive Officer and Executive Director

Elected: 21 March 2022

Nationality: Pakistani

Years of Experience: 20+

Education: ACA, ACMA and MBA.

Farhan Muhammad Haroon was appointed as CEO & General Manager for Haleon in Pakistan in 2022, having previously served in this position since 2021, while the business was still a part of GSK. Mr. Haroon joined GSK in 2011 as Head of In-Country Financial Shared Services and then progressed into diverse roles over the course of his career leading various key local and above country restructurings, M&As and change management projects. His last assignment before becoming General Manager, was Audit Account Director, of the GSK Global Audit & Assurance function.

Prior to GSK, Farhan worked with Lotte, Sanofi and PwC holding key business partnering roles through which he contributed to the success of the Company. Mr. Haroon earned his Master of Business Administration (MBA) degree from Institute of Business Administration (IBA) in 2013 and completed his Chartered Accountancy in 2005.

In his current role as the General Manager, Farhan has been actively driving the diversity agenda in Haleon and an avid believer of internal talent development, Farhan is known for his approachable nature at the workplace. He is considered as an industry expert and speaks at various forums as the voice of healthcare industry as well.



Mr. Dilawar Meghani
Chief Financial Officer and Executive Director

Elected: 21 March 2022

Nationality: Pakistani

Years of experience: over 18 years

Education: Chartered Accountant (FCA) and Master's degree in Commerce.

Dilawar Meghani has diverse experience of 18+ years ranging from Core finance, planning & controlling, restructuring, integration, change management, assurance & advisory, distribution management and route to market. He is currently working as a Chief Financial Officer of the Company. Prior to this, he has worked as a Commercial Finance Head for GSK Pharma Saudi Arabia and also served as a Financial Controller for GSK Consumer Healthcare Pakistan.

He has been with the company for more than 8 years, he joined in 2015 as part of Novartis Integration where he was handling the Commercial Finance matters of Consumer Healthcare business. Before joining Novartis, he has also worked for Johnson & Johnson Pakistan and PriceWaterhouseCoopers (PWC) on various managerial and advisory positions.

He played a pivotal role in the merger of GSK and Novartis consumer entities, creation and listing of new legal entity at Pakistan Stock Exchange, local manufacturing projects in Saudi Arabia, revamping Core Commercial Cycle (CCC); driving significant savings and efficiencies including re-designing route to market for Saudi business.



Syed Anwar Mahmood
Independent Director

Elected: 21 March 2022

Nationality: Pakistani

Years of Experience: 40 years of experience in various industries.

Education: Graduated with honours in Economics and later obtained a master's degree in the same discipline.

Syed Anwar Mahmood, who retired as a Secretary to the Government of Pakistan in 2008 after heading the Ministry of Health and the Ministry of Information & Broadcasting, now heads his own consultancy, media and government relations firm.

He joined the Central Superior Services (CSS) of Pakistan in November in 1971. After training at the Civil Services Academy, he was assigned various positions and responsibilities during which he earned varied experience both in media and management, including hands-on-experience of executing media and communications strategy for the Federal Government at the highest level.

He has served for nearly six years, spread over two terms, as the Federal Information Secretary and the government's chief spokesman. He has headed many media organizations as Chief Executive. He has been Chairperson of the Board of many organizations, including PTV, PBC, SRBC, APP.

Mr. Mahmood has also been Vice Chair of the NICVD and the National Institute of Health (NIH). He is presently also on the Board of Governors of two private sector Universities.

Profiles Of Board Members



Ms. Ayesha Aziz
Independent Director

Elected: 21 March 2022

Nationality: Pakistani

Years of Experience: 30+ years in financial services sector

Education: MBA (Institute of Business Administration, Karachi)

Professional Qualifications:
CFA Charterholder

Ayesha Aziz has more than 30 years of financial sector experience in leadership positions and is a qualified Chartered Financial Analyst (CFA).

Her area of expertise is strategy and finance engineering and her functional roles have been in Investment Banking, Treasury, Credit and Planning. As founding Managing Director of Pak Brunei Investment Company, Ms. Aziz helped position the company as a leading investment bank with a focus on project finance, SME and distress asset financing.

Over the course of her career, she oversaw the establishment of two new DFIs as well as non-banking finance companies for microfinance, asset management, Islamic finance, and SME leasing.

Apart from Haleon Pakistan, Ms. Aziz also serves on the Board of Engro Polymer and Chemicals Limited, KSB Pumps Company Limited and Alfalah Asset Management Ltd. She is the Managing Partner in White Clover Consulting which was established to develop and monetise green projects, apart from providing financial advisory services.



Mr. Oussama Abbas
Non-Executive Director

Elected: 21 March 2022

Nationality: French

Years of Experience: 25 years

Education: International Executive MBA (High Distinction) from the Louvain School of Management - Belgium (1999); Doctorate Degree, Faculty of Pharmacy - University Claude Bernard (Lyon - France); Second Degree Master - Focus in Galenic

(Formulation - Process - Production) - University Diploma of Pharmaceutical Management, Institute de la Pharmacie Industrielle de Lyon.

Oussama Abbas currently Vice president, Head of Quality & Supply Chain - Middle East & Africa (MEA), Consumer Health Supply Chain (CHSC), is an accomplished industrial senior executive of GSK with proven abilities in international pharmaceutical, biotech and animal healthcare. He also has solid experience in leading manufacturing plants of commercial and clinical supply-chain operations. He is deeply involved in corporate organizational changes with understanding of impact on other business functions.

He joined GSK Vaccines as Director, Secondary Manufacturability & Clinical Supply in May 2009, moved to Consumer Healthcare in 2016 as Global NPI Lead for Respiratory & Wellness portfolio and has grown through the system to his current position in Haleon as the Head of Quality & Supply Chain of MEA.



Ms. Sumru Atalay Besceli
Non - Executive Director

Elected: 15 November 2022

Nationality: Turkey

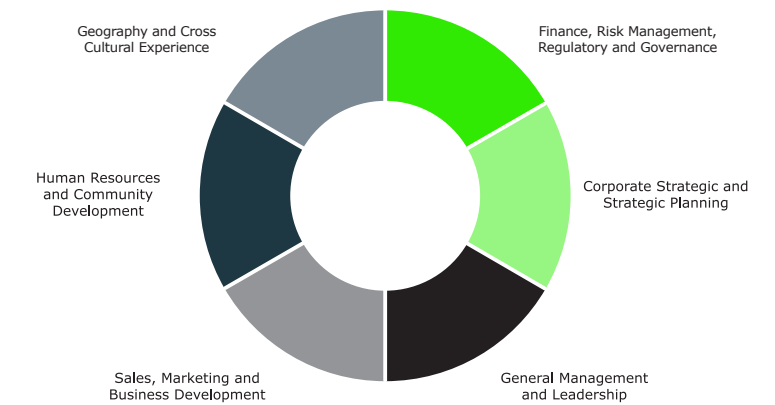
Years of Experience: over 25 years

Education: University of Istanbul, Economics (1996); Summit 2.0: Leader of Leaders by Harvard Business (2020); Certified as a potential BOD member by 'Women on Board'

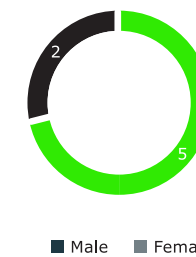
Program and mentored by Suzan Sabancı Dincer, Chairman of AkBank - 2016 and 2017; Common Purpose leadership program - 2012 and 2013.

Ms. Sumru Atalay Besceli is currently the General Manager of GSK Consumer Healthcare Turkey. She graduated from Istanbul University, Department of Economics in 1996. She started her career as a Financial Auditor at Ernst & Young LLP and went on to hold various managerial positions in Finance at The Coca-Cola Company between 2000-2006. Prior to her role in GSK, Sumru joined Doğadan, an affiliate company of the Coca-Cola Company in 2007 as Finance Director and later was appointed as General Manager in 2014 where she successfully led Company's growth and transformation vision both in Turkey and in international markets.

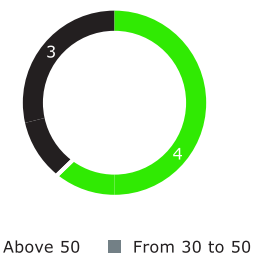
Board's Diverse Experience



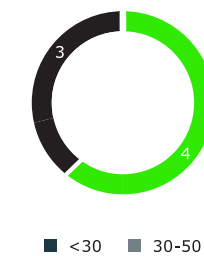
Diversity by Gender



Diversity by Age (No.)



Diversity by Experience (Years.)



Directors' Report

The Directors of your Company are pleased to present the Company's audited financial statements for the year ended December 31, 2023, in accordance with Section 223 of the Companies Act, 2017.

This Directors' Report has been prepared in accordance with section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019, as amended from time to time.

PRINCIPAL ACTIVITIES

The Company is engaged in the manufacturing, marketing and sale of consumer healthcare products. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. The registered office of the Company is situated at 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi.

Business / Economic Overview

In the year 2023, global economic slowdown and geopolitical tensions continued to pose external challenges and had a cascading effect on Pakistan as well. These factors put the country under severe economic stress with major balance of payment deficits resulting in, amongst other factors low foreign currency reserves, depreciating currency, and high inflation. In addition, internal factors, such as political uncertainty and ongoing security issues further contributed to the risks.

Amidst the turbulence, some indicators point towards a prospective path towards economic recovery. Large-scale manufacturing (LSM) output reached a 21-month high, with strong support coming from agriculture, petroleum products, apparel, and pharmaceutical sectors, in December 2023. The trend reflects possible turnaround in economic activities in fiscal year 2023-24 with political stability or lack of it being an important determinant.

Despite these positive developments, Pakistan's

economic recovery remains precarious. Lack of conducive policies to help pharmaceutical companies produce essential raw material of drugs or their components, as well as export, remains a major detriment to the growth prospects of the sector and to its contribution to the national economy.

Haleon Pakistan Limited, the largest consumer healthcare company in Pakistan, operates under a very clearly defined purpose - to deliver better everyday health with humanity. By launching innovative products, expanding our operational footprint and increasing exports, we aim to further enhance our role in the economy **as one of the top Fast Moving Consumer Healthcare (FMCH) companies in the country.**

Review of Operating Results

In the financial year under review, Haleon Pakistan delivered a strong financial performance with a growth of 15% in 2023, posting net profit after tax of Rs. 996 million amounting to an Earnings Per Share (EPS) of Rs. 8.51 (2022: Rs. 2.78).

With respect to our categories, the Over-the-counter (OTC) portfolio grew by 29% despite limited consumer spending. On the other hand, the Fast-Moving Consumer Goods (FMCG) segment demonstrated a positive trend of 13% on account of Oral Health. Total expenses to net sales ratio has **increased from 14% to 16% as compared to SPLY (Same Period Last Year)**. With interest rates remaining high, our Company was able to generate income from financial assets of Rs. 526 million in comparison to Rs.260 million in SPLY.

REASONS FOR NOT DECLARING DIVIDEND

Despite the implications of these challenging times and circumstances, your Company has delivered a strong performance in the year 2023. However, uncertain politico-economic situation prevalent in the country and challenges in sourcing imports had an impact on Company's profitability and remains a key risk. Your Company plans to secure better shareholders return through investment in additional best-in-class manufacturing facility at Jamshoro, capacity building of its core brands for both exports and local consumption, and introducing innovative products for our customers. We are hopeful that as the macroeconomic situation

improves, we will be able to deliver on our potential and justify increased investment in operational capacity, efficiency and outreach. Consequently, we decided to adhere to a prudent policy and dividend was not recommended for the year 2023.

HOLDING COMPANY

As at December 31, 2023, Haleon Netherlands B.V. (formerly known as GlaxoSmithKline Consumer Healthcare B.V.) held 100,423,259 ordinary shares of Rs. 10 each, representing 85.79% of the total shares of the Company.

PATTERN OF SHAREHOLDING

The Company's shares are traded on the Pakistan Stock Exchange Limited. The shareholding information as of December 31, 2023 and other related information is set out on page nos. 199 to 200 of the Annual Report.

CHAIRPERSON'S REVIEW

The Chairperson's message to the shareholders on page nos. 74 to 75 of the Annual Report contains information regarding:

- Board evaluation for the year 2023,
- Board committees which include the Board Audit Committee, Human Resources, Remuneration & Nominations Committee (HRR&NC), and Supply Chain Executive Committee (SCEC); and
- The culture of the Company.

The Directors of the Company endorse the contents of the same.

BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share after taxation was Rs. 8.51 as compared to Rs 2.78 earnings per share in 2022.

RESPONSIBLE BUSINESS - CORPORATE SOCIAL RESPONSIBILITY (CSR)

Being a responsible business is one of our strategic priorities. We bring this to life through three

interconnected focus areas: our commitment to making everyday health more inclusive, reducing our environmental impact, and operating with ethical, responsible, and transparent behaviour and standards of conduct.

During the period under report, the Company embarked on various initiatives as a part of its responsible business strategy which are detailed on page no. 228 of the Annual Report.



PEOPLE DEVELOPMENT AND SUCCESSION PLANNING

Haleon's new Global Leadership Standards launched in 2023 serve as a guide for nurturing Haleon Leadership behaviours in our key talent. The Haleon Leadership standards focus on 4 pillars and how our employees demonstrate behaviours to 'Drive Growth', 'Deeply Understand our Consumers & Customers', 'Build One Haleon' and 'Motivate & Unleash Potential'. Haleon's robust Talent Review and Succession Planning framework focuses on holding our talent to the highest standard of development and leadership abilities, matching the right talent with the right opportunities to ensure a challenging and engaging career path for our talent via internal movements, international and local secondments, and international assignments.

CONSUMER / PATIENT SAFETY

At Haleon, the health of consumers is a top priority for your Company; therefore, we are always seeking improvement opportunities in order to provide highest Quality products that are safe for use. Your Company is committed to safeguarding the people who use our products. Our effective Quality Management System (QMS) is crucially important, and covers our management responsibilities, expectations of quality, and documented policies and procedures.

We always follow our standards and procedures to ensure quality and compliance, and we understand why it's so important to follow them.

ENVIRONMENT, HEALTH, SAFETY & WELL-BEING:

Your Company has an established EHS framework of compliance describing our commitment, requirements and responsibilities for the health, safety and wellbeing of our people; contractors; protecting our assets and the environment by taking an enterprise view; and ensuring visible leadership commitment. We do this by embedding a strong safety culture throughout the business. We are committed to:

- providing and maintaining healthy and safe workplaces, plant, equipment and working conditions for the prevention of work-related injury, ill health, or damage to the environment.

- providing and maintaining a EHSW management systems which includes written standards (standards, guidelines, and tools) for all aspects of Haleon operations including contractor management.
- providing and maintaining a framework for setting meaningful environment, health, safety, and wellbeing (EHSW) targets and objectives to develop a zero-harm culture and benchmark reduction in reportable incidents with a priority on preventing significant events.
- fulfilling legal requirements and other requirements that govern our operations.
- identifying and mitigating or eliminating all workplace hazards, including psychosocial hazards, and reducing EHSW risks
- ensuring EHSW is integrated into all our business planning and decision-making processes.
- building culture and behaviors where leaders learn how to be an effective leader in health, safety & wellbeing.
- Ensure that our staff and contractors receive relevant EHSW risk-based training which includes hazard identification and how to assess risks.
- continual improvement of our management system to deliver better performance.
- Ensure that emergency response preparedness is in place and tested.

ETHICS, COMPLIANCE AND RISK MANAGEMENT

As a Company operating in a regulated industry and a high risk market, we are presented with several legal, regulatory, reputational, operational and strategic risks. We manage these risks using our internal methodology i.e. Internal Control Framework, which is based on recognized international risk management standards. The Ethics and Compliance function is responsible for supporting the development and implementation of practices that facilitate compliance with laws and global company policies. The Compliance function partners with the business to effectively manage risk.

This also involves simplifying controls, promoting the Company's Values and securing our Mission to make a positive impact on the lives of patients and consumers. The risks of the Company are managed through various compliance programmes specified below:

Compliance Risk Forum:

Our Compliance Risk Forum (CRF) previously known as Risk Management and Compliance Board is responsible to effectively identify, assess, mitigate, monitor and report major risks that the business may encounter. All critical business risk units are governed by the CRF, which promotes the 'tone from the top', establishes the culture regarding risk, and oversees internal controls. The CRF has formed a structure through which designated Functional Heads are responsible for identifying and treating significant risks and each Functional Head then performs a review of his/her respective key risks, takes corrective and preventative approach to ensure appropriate controls are in place and wherever gaps are identified, clear plans are assigned to address them. The Internal Audit and Compliance Function facilitates in instilling a risk - based approach to establishing a robust internal controls system. This eventually makes risk management an integral part of decision making and business operations.

Anti-Bribery and Anti-Corruption (ABAC) and Data Privacy:

The Company's ABAC programme is developed to help ensure that neither the Company nor its third parties indulge in corrupt practices, such as bribery, to obtain an advantage from public or private sector entities/ individuals. It reinforces its zero tolerance towards all forms of corruption and its commitment to maintaining accurate records of all business dealings. It also ensures that no undue influence is exerted in engagements, that no personal benefit is gained and that no corruption occurs. Corruption can include fraud, money laundering and tax evasion. Ultimately, the objective is to ensure business is conducted within the highest ethical framework to stay aligned with the Company's Values. Privacy is concerned with how we manage the personal information we hold on individuals – such as patients, healthcare professionals, consumers, employees and complementary workers. Personal information is any information that can identify, or reasonably be used to

identify someone. The Company has strict policies in place when it comes to Data Privacy and there is zero tolerance for data breaches.

Third Party Risk Management (TPRM) Programme:

To achieve our organizational objectives, we often work in partnership with third parties, who bring skill, expertise or scale to help us deliver our mission. We strive to conduct business only with those suppliers, distributors, equity stake holdings and other business partners / third parties who share our commitment to high ethical standards and operate in a responsible way. The Company has implemented a comprehensive Third-Party Risk Management (TPRM) programme to strengthen its management of risk. The aim is to ensure that all third parties are risk assessed against the enterprise-wide risks and accordingly, fully compliant contracts are entered into.

Written Standards:

Our written standards help us address the different risks we may face operating in a heavily regulated industry.

Speak Up Programme:

At Haleon, our culture revolves around doing what is right. This is why, we have a "Speak Up" programme in place helping to protect our people, our consumers and our reputation against any misconduct or unlawful conduct. The Company has strict policies in place against any kind of retaliation against the person raising the concern.

Governance of Legal Agreements (GOLA):

The Company's GOLA SOP ensures that Haleon Pakistan Limited's risks and liabilities are mitigated appropriately and that Haleon Pakistan Limited expectations and requirements from third parties (including their performance and compliance with Haleon policies) are clearly stated by documenting the rights and responsibilities of Haleon and each third party in a legally enforceable agreement.

RELATED PARTY TRANSACTIONS

The Company ensures compliance with Code of Corporate Governance for all the related party transactions. The details of these transactions are provided in note no. 36 of the annexed financial statements available at page no. 179 of this Annual Report.

AUDITORS

The Board of Directors and the Board Audit Committee have proposed the reappointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants for financial year ending 31 December 2024, at a mutually agreed fee.

VALUE OF INVESTMENTS OF PROVIDENT, GRATUITY AND PENSION FUNDS

The Company maintains retirement benefit plans for its employees. The value of investments of provident and gratuity funds as at 31 December 2023 was as follows:

Provident fund	Gratuity fund
Rs. 273 million	Rs. 233 million

CONTRIBUTION TO NATIONAL EXCHEQUER AND ECONOMY

Your Company made a total contribution of Rs 2,562 million to the National Exchequer by way of custom duties, income tax, sales tax and employees' tax during the year 2023.

Your Company's contribution through sales tax amounted to Rs. 826 million, income tax Rs. 998 million, customs duty Rs. 540 million and Rs. 197 million through employee related taxes.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors at Haleon have set up effective internal financial controls. The independent Internal Audit function of your Company regularly monitors the implementation of financial controls, whereas the Board Audit Committee reviews the effectiveness and adequacy of the internal control framework. Refer audit Committee report on page no. 88 of the Annual Report.

COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Strong governance and legal framework has been established at Haleon Pakistan, ensuring compliance with all applicable laws and regulations that is pivotal to achieve long term sustainable growth. The Board is well versed with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and has taken relevant steps to ensure compliance with the same along with Management. Please refer to the review report on the Statement of Compliance issued by the external auditors of the Company further to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

CAPITAL EXPENDITURE

The capital expenditure for the year 2023 amounted to Rs. 1,789 million. The expenditure was made mainly for expansion of capacity, increasing efficiency, and improving quality along with post-separation expenditure pertaining to new registered office.

This capital expenditure was on account of enhancement and insourcing of Panadol capacity at our Jamshoro site, coupled with capacity enhancement in CaC – 1000 PLUS for local and export requirements as per the plan. As far as the efficiency is concerned, capital expenditure undertaken will facilitate economies of scale and prevent any breakdown in future. The Company has also invested to improve quality and to cater to the requirements of regulatory authorities for future.

FUTURE OUTLOOK AND CHALLENGES

Looking ahead, the long-term business fundamentals remain unaltered, and pharmaceutical industry will continue to play a key role in supporting the economy of Pakistan. The concept of self-care is relatively new in the country and presents an opportunity where the population is looking for avenues that empower them to take better care of their everyday health. At the same time, there is a huge potential for growth in local manufacturing and export of healthcare products which remain unrealized. It is important to have favorable policies that can help to increase the export of pharmaceutical products from Pakistan to different

parts of the world. In addition, the recent announcement by the Government on deregulation will allow for adjustments in non-essential medicine prices, exempting them from the Drugs Act 1976, which will impact players in the pharma industry.

With expansion in the production capacity of Panadol, the Company will be able to ensure smooth supplies to meet the demand of Pakistan's largest pharmaceutical / Over-the-Counter medicine to the consumers in need. While growth and expansion are pivotal for business, Haleon Pakistan remains committed to make it possible for more people to practice better self-care.

REMUNERATION POLICY

The Company has a formal policy and transparent procedures for remuneration of its Directors in accordance with the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. The purpose of this procedure is to determine and recommend the remuneration of directors (both executive and non-executive directors including independent directors) to the Board, ensuring that the remuneration remains market-based in accordance with their experience.

The salient features of the policy and procedure are:

- Determining that the remuneration is by market benchmarking against other key players of Fast-Moving Consumer Healthcare Companies and other similar types of business and remuneration is not at a level that could be perceived to compromise the independence of the Directors.
- No Director is involved in deciding their own remuneration.
- Non-Executive Independent Directors are entitled to remuneration for their services, as decided by the Board, for attending Board and Committee meetings.
- A Director shall be provided or reimbursed all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company.

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

A detailed note on the remuneration of the Chief Executive Officer, Directors and Executives for the year 2023 are provided in note no. 35 of the annexed financial statements reproduced on page no. 178 of the Annual Report.

COMPOSITION AND COMMITTEES OF THE BOARD

The total number of Directors are seven (7) as per the following:

Male: 5 Female: 2

The composition of the Board as at December 31, 2023 is as follows:

Category	Name
Independent Directors	Mr. M. Z. Moin Mohajir Syed Anwar Mahmood Ms. Ayesha Aziz
Executive Directors	Mr. Farhan Muhammad Haroon Mr. Dilawar Meghani
Non – Executive Directors	Mr. Oussama Abbas Ms. Sumru Atalay Besceli

The Board's composition and the details of its committees are provided on Page 76 to 77.

ACKNOWLEDGMENT

On behalf of the Board of Directors, we extend our profound gratitude to all our employees, partners, shareholders, suppliers and stakeholders including the Government of Pakistan, whose support has played an integral part in the growth of Haleon. Together, we will continue to deliver health with humanity in Pakistan.

By the order of the Board

Sincerely,

Farhan Muhammad Haroon
Chief Executive Officer

Dilawar Meghani
Chief Financial Officer

Date: 5 March 2024

Chairperson's Review

I am pleased to present the Annual Report detailing the performance of Haleon Pakistan Limited ("Company") for the year ending December 2023, as required under section 192 of the Companies Act, 2017.

On behalf of the Board of Directors, I congratulate the Management of the Company for an exceptional financial performance in 2023, successfully navigating through the market volatility and economic challenges of the country. Pakistan faced unprecedented challenges during the year under review, due to political uncertainty, devastating floods and challenging economic environment, which, inter-alia, included huge balance of payment deficit, resulting in further depreciation of the Pakistani Rupee, impacting the industries dependent on imports. Profitability, in such circumstances, also remained constrained due to the limited pricing flexibility and reduced consumer spending.

However, with unwavering dedication and efforts of the team, the Company was able to deliver a growth of 15% in revenue and 300% in profit after tax over the last year resulting in significant increase of over three times in earning per share to Rs. 8.51/share.

Apart from commercial operations, your Company embarked on several initiatives to embed strong and responsible business governance which is fundamental to delivering sustainable above-market growth. In line with our focus towards transparency and disclosure of information for the stakeholders, Haleon Pakistan secured 3rd Position Award in the Corporate and Sustainable Report Awards 2023 of Pakistan, in the pharmaceutical category, announced by the joint ICAP/ICMA committee.

I would also like to appreciate the management on announcing foreign investment for the capacity enhancement of one of the leading Over-the-counter brands in Pakistan which is a testament to Haleon's core values of "Going Beyond" and "Keep it Human".

BOARD EVALUATION

The Board has opted for an in-house assessment with the support of the Secretary of the Human Resources Remuneration and Nomination Committee and the Company Secretary to evaluate the performance of the Board in 2023. After the completion of the evaluation, the future strategies and action plans were formulated to address the identified challenges / issues. Please refer to page no. 77 of the Annual Report for further details regarding the evaluation.

FINANCIAL REPORTING

The Board is fully aware of its responsibility and maintains a strong oversight, to provide a clear visibility of financial reports to stakeholders in accordance with the Financial Reporting framework applicable in Pakistan. Thus, the financial statements have been prepared in accordance with the applicable accounting and reporting standards and in compliance with the disclosure requirements of the Companies Act, 2017.

BOARD COMMITTEES

Your Company has three (3) committees, as stated below, to assist the Board for its optimal performance:

- Board Audit Committee
- Human Resource, Remuneration & Nomination Committee (HRRN&C); and
- Supply Chain Executive Committee (SCEC)

The terms of reference and details about the members of the above committees are provided on page nos. 87 and 91 respectively of the Annual Report.

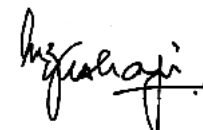
CULTURE OF THE COMPANY

As a driver of our culture, Haleon is a strong believer of putting people first. In this respect, the Company has articulated a set of leadership standards for Haleon that captures the expectations of leaders at Haleon. The Company's aim is to have people policies and initiatives that are designed to provide equal opportunities, create an inclusive culture, and support our purpose, strategy and long-term success.

It is imperative for the health of the culture and Company's performance to have engaged employees and to keep them up to date with Company strategy, performance, and progress. Every employee and complimentary worker are required to complete mandatory trainings on the Code of Conduct annually, as well as other trainings pertaining to 'Living Our Values'.

ACKNOWLEDGMENT

I wish to thank the Board of Directors for their commitment to delivering on our mission of health with humanity. The Board will continue to play its role to safeguard the interests for all stakeholders and accelerate long term value creation for the shareholders. Thank you to all employees, suppliers, customers and stakeholders for their professional excellence, transparency and responsible practices that has supported Haleon to emerge as one of the largest Fast Moving Consumer Healthcare Company in Pakistan.



M.Z. MOÏN MOÏAJIR
Chairperson

Date: 5 March 2024



Corporate Governance

ROLE OF BOARD OF DIRECTORS

The Board of Directors is responsible for governing the organization by establishing Board policies, setting goals, objectives and strategies. The Board exercises all powers granted to it by the Companies, Act 2017 with responsibility, diligence, and in compliance with the legal framework after due deliberations in its meetings. These include, but are not limited to, ensuring the Company's prosperity by collectively monitoring and directing the Company's affairs, whilst protecting the appropriate interests of its shareholders and stakeholders. The Board is responsible for the Company's system of internal controls, policy frameworks, corporate governance, risk assessments and ultimately accountable for reviewing its effectiveness. The Board is also accountable to the shareholders for ensuring that the Company is appropriately managed and achieves its business objectives. The Board remains committed to the highest standards of corporate governance and integrity.

Business is focused on an established framework which assists to deliver the main objectives of the Company i.e. increase growth, deliver results and simplify performance, as well as to create a long-term value for shareholders. At the Company, we have a Board that follows a coherent corporate governance framework with clearly defined responsibilities and accountabilities.

The Board of Directors meets approx. 4-5 times a year to consider the Company's financial performance, operating budgets, forecasts, business strategy, development plans, capital expenditure plans, assets disposal, major investments,

licensing decisions and evaluates and monitors the Company's performance. The Board comprises of seven (7) Directors, who actively ensure that all shareholders and stakeholder's interests are fully protected. There are five (5) non-executive directors on our Board, three (3) of whom are independent directors. In view of the Company's policy on Inclusion and Diversity and compliance with applicable law, the Company maintains female representation on the Board with two (2) Director being a female.

The Board also formulates corporate strategies and Company objectives. The Company pays bench-marked remuneration to the Non-Executive Directors for attending the meetings of the Company, which includes the Board Meetings and the meetings of the Board Committees. In order to adequately delegate, the Board has constituted Board Committees. Each Committee has its charter with goals and responsibilities. The Committees report on their activities and results to the Board.

The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the executive and operational management of the Company to the Chief Executive Officer's office and Management Team.

DECISIONS TAKEN BY THE BOARD

The Board has defined its policy of materiality and such matters are accordingly placed before the Board for its decision(s). The Board convenes at least 4-5 times in a year on a quarterly basis at a minimum where material decisions

are taken. In between, the Board is readily available for consultation and decisions for urgent matters circulated to them.

OUR BOARD COMPOSITION

There are five* (5) non-executive directors on our Board, three* (3) of whom are independent directors, out of which two (2) chair the Board Audit Committee and Human Resource, Remuneration and Nomination Committee. The Chairperson is also an Independent Director.

All Independent Directors have been appointed / elected in accordance with the requirements of Section 166 of the Companies Act, 2017 and all applicable law. The current Board composition reflects a good mix of experience, diversity in backgrounds, skills and qualifications, and comprises of individuals actively ensure that all shareholders and stakeholder's interests are fully protected.

Our Board composition is mainly governed by Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and other good corporate governance practices, ideologies available locally and internationally.

The Company values and ensures effective, efficient and independent decision making. The Board as a group includes competencies and diversity considered relevant to operations of a public limited company. Our Board comprises of members who have local and international experience, giving the Board a competitive edge for effectively managing the complexities of our business. Our Board of

Directors comprise of highly qualified professionals from varied disciplines, including pharmaceutical, finance, investment, financial institutions, and business management.

The composition of the Board and the names of Members of Board sub-committees are disclosed in the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Company on pages 129 to 131.

CHANGES IN THE BOARD COMPOSITION

There has been no change in the Board composition during the year 2023.

For further details regarding the above, please refer to pages 129 to 131 of this Report.

EVALUATION OF THE CHIEF EXECUTIVE OFFICER

The performance of the Chief Executive Officer is evaluated through the Company's internal performance evaluation system, which is based upon the Company's objectives. This is further deliberated upon by the Board.

ANNUAL EVALUATION OF THE BOARD AND ITS COMMITTEES

The Board of Directors act as governing trustees of the Company on behalf of the shareholders while carrying out the Company's mission and goals.

As per the requirements of Listed Companies (Code of Corporate Governance), 2019 and S.R.O 301(I)/2020 dated 9 April 2020, the

Chairperson of the Board of Directors opted for an in-house assessment with the support of the Secretary of the Human Resource Remuneration and Nomination Committee and the Company Secretary to evaluate the performance of the Board in 2023. Qualitative and quantitative criteria were used in the evaluation form as follows:

- Appropriate composition of the Board and its quality of skills.
- Compliance with all applicable law, particularly the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Memorandum and Articles of Association of the Company.
- Execution in supporting and upholding the Company's Values and Expectations
- Adherence to the Company's Code of Conduct.
- Advising the management on developing appropriate strategies and ensuring that operations are in line with the same.
- The effectiveness and efficiency of the operation of the Board and its committees.
- Oversight of the Financial Reporting Process, including Internal Controls.
- Contributions to ensure robust and effective risk management and monitoring the Company's performance against its objectives.
- Adequate and constructive execution of the Chairperson's role.

Furthermore, the criteria for this year were presented in simple language for the ease of the members of the Board. The evaluation was

conducted on a digital platform for the convenience of all Board members, as well as for the ease of computation of the outcomes, setting of future KPIs and metrics. Upon the completion of evaluation, the future strategies and action plans are formulated to address the identified challenges / issues were shared with the Chairperson and the members of the Board and with the SECP.

DIRECTORS' TRAINING(S)

The Board is kept up to date on legal, regulatory and governance matters through regular papers and briefings from the Company Secretary and presentations by internal and external advisers.

Directors are responsible for upholding the corporate governance and giving the Company a strategic direction. To optimize the effectiveness of the Board, it is pertinent for new members to learn the dynamics and operations of the Company.

The Company conducts various training programmes to make sure the Board is aligned with the Company's missions and governance.

Five out of seven (5/7) Directors on the Board have successfully completed the Directors' Training Programme certification from SECP approved institutions, as specified below.

- Mr. Farhan Muhammad Haroon
- Mr. M. Z. Moin Mohajir
- Mr. Dilawar Meghani
- Mr. Oussama Abbas
- Ms. Ayesha Aziz

All the other directors possess

sufficient skills and experience as prescribed by the Listed Companies (Code of Corporate Governance) Regulations, 2019 or have a similar certificate from a foreign institution. The Company Secretary also conducted a refresher training of the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the Board of Directors during Q3-2023, which also included the amendments to the same enacted during July 2023.

BOARD INDUCTION AND ORIENTATION

The Company Secretary assists the Chairperson in designing and facilitating individual induction programmes for new Directors. They are designed with the purpose of orienting and familiarizing new Directors with the industry the Company operates in, organisation, governance and objectives of the Company.

All new Directors receive a general induction from the Company Secretary, which includes their duties and responsibilities as a Director of a listed company, the Company's Corporate Governance structure and undertake training on the Company's Code of Conduct.

The induction programme for Executive Directors inter alia includes an explanation of the role of an Executive Director, if appropriate, building relationships with the Chairperson and the Board and

arranging to fill any capability gaps the new Director may have. The induction programme for Non-Executive Directors inter alia includes explanations of the Company's business and financial structure, the commercial and regulatory environment in which we operate, our competitors and an investor's perspective.

To ensure that our Board of Directors develop and maintain a greater insight and understanding of the business and key stakeholders, they:

- Are familiarised with the industry and the Company.
- Review the Board's operations, legal requirements and duties, committee structures and relevant charters.
- Peruse and understand the Board Chairperson and Committee Chairperson roles along with the CEO's roles and responsibilities.
- Are made aware of statutory director duties.
- Provided company policies for their review, including any policy that impact the directors such as conflict of interest, whistle blowing, health and safety, environment, corporate social responsibility.
- Review any recent investor presentations such as the corporate briefing sessions.
- Visit our business operations and different manufacturing sites, which are also a feature of the Directors' induction programme.
- Receive documents explaining the following:

- The Company's business and financial structure, the commercial and

regulatory environment in which we operate, our competitors and an investor's perspective.

- Role and responsibility of Directors under the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law.
- Investor relations and stakeholder reports to maintain awareness of investor and stakeholder views and competitors' performance and strategy.
- Directors and officers (D&O) insurance and indemnification documents.
- Yearly meeting schedules of the Company.
- Latest financial statements.
- Important minutes of past meetings.
- Major litigations status.

DIRECTORS' REMUNERATION POLICY

The Company has a formal policy and transparent procedures for remuneration of its Directors in accordance with the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. In view of its objectives, the Company operates an independent and transparent method to fix Directors' remuneration. The purpose of this procedure is to determine the remuneration of directors (both executive and non-executive directors including independent directors). HRR&NC recommends remuneration package of the Directors to the Board. The Company ensures that the remuneration of the Board of Directors remain market-

based in accordance with their experience.

The key element of determining the remuneration is by market benchmarking against other key players of Fast-Moving Consumer Healthcare Companies and other similar types of business and remuneration is not at a level that could be perceived to compromise the independence of the Directors. For the purposes of clarity, no Director is involved in deciding their own remuneration.

Non-Executive Independent Directors are entitled to remuneration for their services, as decided by the Board, for attending Board and Committee meetings. They are also entitled to reimbursement of expenses including boarding / lodging and travel expenses incurred in connection to attendance of the Board and its Committees meeting and Annual / Extraordinary General Meetings. Accordingly, such remuneration paid during the year is specified in Note No. 35 of the annexed financial statements.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

All foreign Directors on our Board are required submit relevant documents, including declarations and/or undertaking and any document required to facilitate security clearance undertaken by the Ministry of Interior. Relevant documents of all foreign directors are submitted to SECP within the prescribed time and further documents to assist the clearance from Ministry of Interior are made available as and when needed. All appointments of foreign Directors are subject to provision of

security clearance certificate from the Ministry.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

The Company strives to operate transparent, consistent and timely compliance with all prevailing laws and regulations of Pakistan. We take pride in proactively complying with many additional legal requirements which are not mandatory.

In addition to all the mandatory requirements of the laws and regulations of Pakistan, some examples are given below:

- The Listed Companies (Code of Corporate Governance) Regulations, 2019 encourages at least half of the directors on the Board of a Company to have completed the Directors' Training Programme trained by 30 June 2020. As at 31 December 2023, more than 70% of the Directors are trained through SECP approved institutions. The remaining Directors are either trained through a foreign institution or exempted.
- Reporting requirements enhanced to best practice guidelines issued by ICAP & ICMAP, SAFA and the Pakistan Stock Exchange's Top 25 Companies requirements.
- The Listed Companies (Code of Corporate Governance) Regulations, 2019 also

encourages at least one (1) female executive to complete the Directors' Training Programme in a year, which the Company has complied with in the year 2023 to ensure best practices in corporate governance, despite this being an encouraged stipulation of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

- The Company has had two (2) female directors on its Board prior to the Listed Companies (Code of Corporate Governance) Regulations, 2019 mandating female representation on boards. The Company has continued its commitment to inclusion and diversity and continues to have two (2) female directors on its Board.

OUR PURPOSE AND BEHAVIOURS

We are a world-leading company 100% focussed on everyday health. Our leading brands are built on science, innovation and human understanding and are trusted by millions of consumers globally. Our purpose is to deliver better everyday health with humanity, which is complemented by our behaviours of keep it human, do what matters most and go beyond. These are included in the Company's Code of Conduct and its training, which every employee and complementary worker is required to complete annually. As explained in our Code of Conduct, this is why we show up, every day, to always do the right

thing. With a restless energy to go beyond, to do what matters most and to keep it human.

INCLUSION & DIVERSITY POLICY

Inclusion and Diversity (I&D) continues to be a big priority for the Company, which has always prided itself on being an equal opportunities employer. The Company believes that I&D unleashes the enormous potential of its people, which in turn helps the Company to strengthen its ability to meet the needs of its consumers.

The Company believes that everyone has a part to play in creating a fair and inclusive work environment. Currently, the Company has 38% female representation within its workforce. In the year 2023, the Company accelerated its progress on I&D. One of the first steps the Company took during the year was to ensure the approval of the I&D Policy by the esteemed Board of Directors. Consequently, the Company took resolute measures to increase representation of females on the Company's Sales and Expert teams. The Company has aspirations to further accelerate their approach to I&D over the course of the year.

The Company has a zero-tolerance approach to harassment, bullying, unwelcome / unreasonable / offensive behaviour, and/ or discrimination of any kind. This policy is driven by home by several face to face awareness sessions further to the Women's Leadership Initiative, Protection against Harassment of Women at the Workplace Act, 2010 as well as the Company's Code of Conduct. The Company cascades

several e-learning modules to its employees as well on, covering its Code of Conduct, and on Inclusion and Diversity on an annual basis.

INCLUSION AND DIVERSITY ON THE BOARD AND C-SUITE EXECUTIVES

Conscious of its commitments as a modern employer, the Company pledges to do more in its approach to inclusion and diversity. The Board of Directors is certainly no exception to the same and takes a progressive approach to inclusion and diversity. The Company commits to provide equal opportunities across all boundaries of race, ethnicity, gender, religion and so on. Appointments on the Board are strictly based upon value addition and exclusive of any discriminatory elements. This is evidenced by female non-executive directors on the Board before female representation became mandatory by law, two female directors currently on the Board, a female former chairperson, and several c-suite female executives, including but not limited to, the Company Secretary and the Head of Internal Audit.

WOMEN EMPLOYED (PERMANENT / NON-CONTRACTUAL) AT C MINUS-1 LEVEL IN PERCENTAGE

38% of women are employed at a C Minus-1 level in the Company as of 31 December 2023.

POLICY OF RELATED PARTIES

The Company has a formal policy of Related Parties' Transactions which has been approved by the Board of Directors. The Policy covers the procedures with regard to Related

Party Transactions for reviewing, approving and ratifying related party transactions and in providing disclosures as required under section 208 of Companies Act 2017 and other applicable law. The Policy also covers all Related Party transactions between the Company and any of its related parties.

The Company maintains a party wise record of transactions and ensures that it includes the minimum information as prescribed by the law. All transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions. If the Company enters into a transaction or agreement which is not at arm's length, the Company must ensure that the terms are in the best interest of the Company. Further, where majority of Directors of the Company are interested, the transaction is referred to shareholders in a general meeting for ratification and approval.

Records of all related party transactions are placed before the Board Audit Committee on a quarterly basis. Upon recommendation of the Board Audit committee all related party transactions are placed before the Board of Directors for their review and approval.

Names of all such related parties along with whom the Company had entered into transactions during the year, along with the nature of their relationship and percentage holdings have been appropriately disclosed in Note No. 36 and detailed disclosure regarding related party transactions has been presented in Note No. 36 of the Financial Statements.

INSIDE INFORMATION REGISTER

In compliance with regulatory requirements, the Company ensures that it maintains an Inside Information Register, which is updated on a regular basis. For efficiency and ease, the Inside Information Register is managed digitally, in addition to being available in hardcopy form.

CONFLICT OF INTEREST AMONG BOARD MEMBERS

The Company has a clear policy on conflict of interests which are inter alia contained in the Code of Conduct duly approved by the Board of Directors. As per the Listed Companies (Code of Corporate Governance), 2019, every Director is required to bring to the attention of the Board complete details regarding any material transaction which has a conflict of interest for prior approval of the Board. The interested Directors neither participate in discussions nor vote on such matters. Further, complete details of all transactions with related parties are submitted to the Board Audit Committee which recommends them to the Board for approval in each quarter. These transactions are also fully disclosed in the annual financial statements of the company. All Directors are reminded of insider trading and avoid in the dealing of shares during the closed period every quarter.

The Board has been constituted in compliance with the provisions

of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance), 2019. The members of the Board, including Non-Executive and Independent Directors, exercise full independence and are expected to highlight and recuse themselves in case of any possible conflict of interest. All observations / suggestions of Board members during their proceedings are accordingly recorded.

POLICY FOR SAFEGUARDING OF RECORDS

Under the Company's Global Records Retention Policy and Schedule, all staff in all business units, regions, areas and functions must follow approved retention periods in managing their records. The Company's Global Records Retention Schedule applies to all media and formats.

The Company believes that documentation practices have a direct impact on product quality and consumer safety, and it implements the highest standards of record safeguarding through our document management and control policy. The Company has strict data lifecycle management guidelines in place which are implemented across all its activities and processes. These guidelines outline procedures for data approvals, use, access and retention as well as the use of third-party archive service. This helps ensure document accuracy, consistency, integrity, availability and legibility.

In line with regulatory requirements and the Code of Conduct, the Company ensures documentation practices meet its requirements for design, management and control

of instructions, reports and master documents. The Company also has checks in place that cover archiving requirements for all stored data, both physical and electronic.

The Company continues to invest in technology and software to ensure the safekeeping for documents which includes its contract management repository, and other forms of document management applications. This includes the running of software to delete data beyond its retention period in soft form as well. Further, Legal and Procurement have led the implementation of SAP Ariba in the Company to be used as a repository of contracts entered into with third parties.

OUR CORPORATE GOVERNANCE STATEMENT

The Company's governance structure operates from the Board of Directors and underpins its ability to deliver the Company's strategy and create long-term value and benefit for shareholders and stakeholders. The Company's Purpose and Values have always been a source of great pride for the Board and employees. It is a powerful force in attracting and retaining talented people who, as individuals, want to be part of a company that contributes meaningfully to society.

COMPLIANCE WITH BEST CORPORATE PRACTICES

The Company is fully compliant with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019. The Report issued by the auditors confirming the Listed Companies (Code of Corporate Governance)

Regulations, 2019 is contained on pages 128.

The Directors of the Company confirm compliance with the below mentioned:

- Financial statements accurately represent the current standing of the Company, its operations, cash flows and changes in equity.
- Books of accounts of the Company have been properly maintained.
- Internal control has been implemented and monitored by the Internal Audit function led by the Head of Internal Audit and supported by Ernst & Young, Pakistan.
- The Company has followed the International Financial Reporting Standards (IFRS) in preparation of financial statements.
- Departures from the IFRS, if any, have been adequately disclosed and explained throughout this Annual Report.
- There is no material departure from the best practices of corporate governance as per the Code of Corporate Governance.

COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Board is well versed with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and has taken relevant steps to ensure compliance with the same along with management. Please refer to the review report on the Statement of Compliance issued by the external auditors of the Company further to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

BRIEF ROLES AND RESPONSIBILITIES OF THE CHAIRPERSON

The Board of Directors has appointed a Chairperson from amongst non-executive directors. The Chairperson and the Chief Executive have separate and distinct roles. The Board has defined the respective roles and responsibilities of the Chairperson and Chief Executive Officer.

The Chairperson has all the powers vested in him under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and presides over all Board meetings. The primary role of the Chairperson is to ensure that the Board of Directors remains effective in its tasks of setting and implementing the Company's direction and strategy, entrusted with the overall supervision and direction of the Board's proceedings, and has the power to set the agenda, give directions and sign the minutes of the Board meetings. He is also responsible

for ensuring that the Board plays an effective role in fulfilling its responsibilities, besides assessing and making recommendations on the efficiency of the Committees and individual Directors in fulfilling their responsibilities and avoidance of conflicts of interests.

CHAIRPERSON'S SIGNIFICANT COMMITMENTS

The Chairperson's significant commitments during the year included:

- Effective conducting of meetings and decision making virtually as well as face to face.
- Maximising value and safeguarding of interests of shareholders.
- Focused attention to the intersection between the business and society in the face of country's economic hardship.
- Delivery of value by the Company to its customers.
- Monitoring the Company's supply of its products and ensuring access to of the same patients and consumers, all the more under difficult economic circumstances.
- Review of the Company's progress in strategic matters, risk management, technological advancements and financial performance.
- Working with the management to foster a conducive culture.
- The Chairperson's engagements other than with the Company have been disclosed on page no. 86 of this Report.

BRIEF ROLES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer performs his duties under the powers vested by the law and the Board, recommends and implements the business plans and is responsible for overall control and operation of the Company. The CEO of the Company is to whom all business and functional heads directly or indirectly report. He is responsible for presentation of the Company's aims and policies to the Government and all stakeholders.

The responsibilities of the Chief Executive Officer include:

- To plan, develop, implement and direct the organization's operational and fiscal function and performance.
- Act as a strategic partner by developing and implementing the Company's plans and programs.
- Analyze and make recommendation on the impact of long-range growth initiatives, planning, and introduction of new strategies and regulatory actions.
- Create, improve, implement and enforce policies and procedures of the organization that will improve operational and financial effectiveness of the company.
- Communicate effectively and establish credibility throughout the organization and with the Board of Directors as an effective developer of solutions to business challenges.

- Matters recommended and or reported by the Board Audit Committee and other committees of the Board.
- Improve the planning and budgeting process on a continual basis by educating departments and key members of corporate leadership.
- Provide strategic input and leadership on decision making issues affecting the organization; specifically relating to the evaluation of potential mergers, acquisitions or partnerships.
- Optimize the handling of banking relationships and work closely with CFO to foster and grow strategic financial partnerships.
- Work with the finance team to develop a solid cash flow projection and reporting mechanism, which includes setting a minimum cash threshold to meet operating needs.
- Report on governance, risk management and compliance issues.
- Evaluate the Company's financial, operational, and sales and marketing structures to plan for continual improvements and a continual increase of operating efficiencies.

PRESENCE OF THE CHAIRPERSON OF THE BOARD AUDIT COMMITTEE AND THE CHAIRPERSON OF THE BOARD AT THE AGM

In view of Company's priority of being transparent with all of its shareholders and stakeholders,

members of the Board, senior management, the Chairperson of the Board, Mr. M. Z. Moin Mohajir and the Chairperson of the Board Audit Committee, Ms. Ayesha Aziz were present at the Annual General Meeting of the Company held on 27 April 2023 and as well as at the Annual General Meeting held on 26 April 2024, in order to address all concerns and queries raised by shareholders.

EXTERNAL SEARCH CONSULTANCY - APPOINTMENT OF DIRECTORS

No external search consultancy has been used in the appointment of the Chairperson or a Non-Executive Director. The Company, however, relies upon PICG's databank to identify candidates holding relevant expertise, experience and skill set.

BOARD OF DIRECTORS MEETINGS

The Board has established a corporate governance framework with clearly defined responsibilities and accountabilities. The framework is designed to safeguard and enhance long-term shareholder value and to provide a platform to realize the Group's strategy through the Company's long-term priorities of Innovation, Performance and Trust, that is consistent with its Culture, Values and Expectations. For our Board to operate effectively and to consider key matters, Board Committees have been established as set out below.

Further, the Board of Directors calendar is approved annually, in which Board Meetings, Human Resource, Remuneration and Nomination Committee and the Board Audit Committee Meetings are scheduled for the upcoming year. Board Members are issued meeting notices within statutory timelines. The board folder is prepared with material and concise information and is sent to the Board for its consideration seven (7) days prior to the meetings, in compliance with the law.

The attendance of the members of the Board at board meetings and sub-committee meetings held in 2023 was as follows:

Attendance at the Board of Directors Meetings 2023

Name	Q4-2022 14 March 2023	Q1-2023 26 April 2023	Q2-2023 22 August 2023	Q3-2023 23 October 2023	Q4-2023 5 March 2024
Mr. M. Z. Moin Mohajir	Present	Present	Present	Present	Present
Syed Anwar Mahmood	Present	Present	Present	Present	Present
Mr. Farhan Muhammad Haroon	Leave of Absence	Present	Present	Present	Present
Mr. Oussama Abbas	Present	Present	Leave of Absence	Present	Present
Mr. Dilawar Meghani	Present	Present	Present	Present	Present
Ms. Ayesha Aziz	Present	Present	Present	Present	Present
Ms. Sumru Atalay Besceli	Present	Present	Present	Present	Present

Attendance at the Board Audit Committee Meetings 2023

Name	Q4-2022 14 March 2023	Q1-2023 26 April 2023	Q2-2023 22 August 2023	Q3-2023 23 October 2023	Q4-2023 5 March 2024
Ms. Ayesha Aziz (Chairperson)	Present	Present	Present	Present	Present
Mr. M. Z. Moin Mohajir	Present	Present	Present	Present	Present
Syed Anwar Mahmood	Present	Present	Present	Present	Present

Attendance at Human Resource, Remuneration and Nominations Committee Meetings 2023

Name	Q1-2023 13 March 2023	Q3-2023 20 November 2023
Syed Anwar Mahmood	Present	Present
Mr. M.Z. Moin Mohajir	Present	Present
Ms. Ayesha Aziz	Present	Present

Attendance at the Supply Chain Executive Committee Meeting 2023

Name	Q1-2023 23 May 2023	Q3-2023 19 December 2023
Mr. Oussama Abbas	Present	Present
Mr. Farhan Muhammad Haroon	Present	Present
Mr. Dilawar Meghani	Present	Present

BOARD MEETINGS HELD OUTSIDE PAKISTAN

No Board meetings were held outside Pakistan during the year.

OTHER DIRECTORSHIPS

Directors	Organizations
Mr. M.Z. Moin Mohajir	Loads Limited
Ms. Ayesha Aziz	White Clover Consulting (Private) Limited KSB Pumps Company Limited Engro Polymer and Chemicals Limited AlfalahGHP Investment Management Limited

BOARD COMMITTEES

The Board has formed the following Committees in line with best practices and requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019:

BOARD AUDIT COMMITTEE

The Board Audit Committee comprises of three (3) members, all of whom are Independent Directors including the Chairperson of the Board Audit Committee.

The Board Audit Committee comprises of two (2) members, who are Chartered Accountants, while one (1) member has a M.Sc. in Finance and Economics. The Board Audit Committee members have extensive experience in the fields of financial management, accounting, business, and economics.

The Board Audit Committee annually reviews the financial aspects and appropriateness of resources, the corporate accounting and financial reporting process, the effectiveness and adequacy of internal controls, the management of risks and the external and internal audit process.

The Head of Internal Audit reports to the Board Audit Committee and acts as the Secretary of the Board Audit Committee. The Internal Audit Function utilises the services of an independent audit firm to continuously examine Company's records and operations, ensuring fair financial reporting processes, compliance with applicable laws and adherence with internal control systems.

The Board Audit Committee meets once every quarter of the financial year. These meetings are held prior to the approval of the interim results

of the Company by its Board of Directors and after completion of external audit.

The Board Audit Committee held four (4) Meetings in 2023 and met once with the Head of Internal Audit and other members of the Internal Audit function without the CFO and the external auditors being present.

The Board Audit Committee also met the external auditors without the presence of the CFO and Head of Internal Audit.

Terms of Reference of the Board Audit Committee

The Company regularly monitors the implementation of financial controls, whereas the Board Audit Committee reviews the effectiveness of the internal control framework.

The Board Audit Committee terms of reference states the following:

- Determination of appropriate measures to safeguard the Company's assets;
- Review of annual and interim financial statements of the Company, prior to their approval by the Board focusing on:
 - Major judgemental areas;
 - Significant adjustment resulting from the audit;
 - Going concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards;
 - Compliance with these regulations and other statutory and regulatory requirements; and
 - All related party transactions.
- Review of preliminary announcements of results prior to external communication and

publications;

- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of management letter issued by the external auditors and management's response thereto;
- Ensure coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales. Receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- Review of the Company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the chief executive officer and to consider remittances of any matter to the external auditors or to any external body;
- Determining of compliance with relevant statutory requirements / regulations and identification of significant violations thereof;
- Review of arrangement for staff and management to report to the Committee in confidence, concerns,

if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

- Recommend to the Board the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board shall give due consideration to the recommendations of the Committee and where it acts otherwise it shall record the reasons thereof;
- Appointment and removal of the head of internal audit;
- Considering of any other issue or matter as may be assigned by the Board.

AUDIT COMMITTEE REPORT

It is the Company's pleasure to present the Audit Committee's report which records the Committee's activities during the year ended 31 December 2023.

COMPOSITION OF THE COMMITTEE

The Audit Committee of the Company comprises of three members, all of whom are Non-Executive and Independent Directors. All the Committee members are financially literate, who possess significant acumen related to finance, economics and business management. The names and profiles of the Committee members are given on Pages 24 of the Report.

The Committee met on four occasions during the year. The Committee also updated the Board on the work of the Committee and discussed some of the major challenges ahead. Meetings were also held with the External Auditors and Internal Auditors, and these provided

the Committee with assurances regarding the work carried out to help strengthen internal controls in the Company.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of the audit committee are mentioned in detail on page 87

FINANCIAL STATEMENTS

The Committee has concluded its annual review of the Company's performance, financial position and cash flows during 2023, and reports that

- The financial statements of the Company for the year ended December 31, 2023, have been prepared on a going concern basis under requirements of the Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the state of affairs of the Company, results of operations, profits, cash flows and changes in equity of the Company and its subsidiaries for the year under review.
- The auditors have issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP.
- Appropriate accounting policies have been

consistently applied, which have been appropriately disclosed in the financial statements.

- The Chief Executive Officer, one director and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by Chief Executive Officer and Chief Financial Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- All related party transactions have been reviewed by the Committee prior to approval by the Board.
- Statement of Compliance with the Code of Corporate Governance has also been reviewed and certified by the External Auditors of the Company.
- Understanding and compliance with the codes

and policies of the Company has been affirmed by the members of the Board, the management and employees of the Company. Equitable treatment of shareholders has also been ensured.

- Trading and holding of Company's shares by Directors & Executives or their spouses and dependent children were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction, which were notified by the Company Secretary to the Board. All such holdings have been disclosed in the Pattern of Shareholding. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

INTERNAL AUDIT AND RISK MANAGEMENT

Risk Management continues to be an area of significant focus for

the Committee. During 2023, the Committee engaged with the Chief Executive Officer and Chief Financial Officer on the risk management systems and processes in place across the Company and obtained satisfactory assurances. The Committee reviewed the significant risks highlighted for key functions during the year and reports that:

- The Company has developed a mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Committee for information and review.
- The Company's approach towards risk management has been disclosed in the Risk and Opportunity section of this Report.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function.
- The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company

and shareholders' wealth, through assurances provided by internal audit function.

- The Internal Audit function has carried out its assignments in accordance with annual audit plan approved by the Audit Committee. The Committee has reviewed material Internal Audit findings, taken appropriate actions where necessary or brought the matters to the Board's attention where required.
- The Committee has provided proper arrangement for staff and management to report to the Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman of the Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives including a reliable financial reporting system.

EXTERNAL AUDIT

- The external auditors M/s KPMG Taseer Hadi and Co., Chartered Accountants

have been engaged as the external auditors of the Company since 2023 and have completed their audit assignment and review of the Statement of Compliance with the Regulations. They shall retire on the conclusion of the 9th Annual General Meeting.

- The external auditors were allowed direct access to the Committee and also met the Committee once a year without the presence of the management, where significant issues in relation to the financial statements and external audit were discussed in detail. The Committee has discussed the audit process and the observations, if any, of the auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.
- The Committee facilitates coordination between the internal and external audit of the Company to ensure they contribute effectively towards the achievement of company's objectives and to promote a transparent financial reporting mechanism. All internal audit reports were made available for review to the external auditors during the year.
- The Company does not obtain any non-audit services from M/s KPMG Taseer Hadi and Co., Chartered Accountants.
- Being eligible, M/s KPMG Taseer Hadi and Co., Chartered Accountants have offered themselves to be

reappointed as auditors for the financial year 2024.

- The Committee has recommended the appointment of M/s KPMG Taseer Hadi and Co., Chartered Accountants as external auditors of the Company for the year ending December 31, 2024.

ANNUAL REPORT 2023

- The Company has issued a comprehensive Annual Report 2023, which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses information and explanation of an in depth understanding about the management style, governance, the policies set in place by the Company, overview of its value creating business model, discloses matters related to long term sustainability and presents fairly the performance during the year, and future prospects to various stakeholders of the Company.
- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Committee believes that the Annual Report 2023 has been prepared on the basis and guidelines of International Integrated Reporting Framework and various other reporting criteria as applicable on the Company.

COMPLIANCE WITH THE

LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Company has complied with the mandatory requirements specified under the Regulations. The Committee would like to state that:

- The Company has issued a Statement of Compliance with the Regulations which has also been reviewed and certified by the external auditors of the Company.
- They have reviewed the effectiveness of the Internal Audit and Compliance function.
- The Company's Code of Conduct has been disseminated across the organization.
- The Committee also reviewed the preliminary announcements of results prior to publication.

The Committee believes that it has carried out responsibilities to the full, in accordance with the Terms of Reference approved by the Board and as stipulated under the Regulations.

Ayesha Aziz Chairperson Audit Committee

HUMAN RESOURCE, REMUNERATION AND NOMINATION COMMITTEE

The Company has established the HRR&N Committee in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The HRR&N Committee assists the Board in fulfilling its responsibilities in the review, formulation,

recommendation and implementation of Human Resource policies and the appointment and remuneration of the CEO, CFO, Company Secretary, and Head of Internal Audit. It also considers and approves recommendations on matters related to succession planning of CEO, CFO, Company Secretary, and Head of Internal Audit and ensuring proper compensation to the Company's employees. The HRR&N Committee meets at least once in a year.

Terms of Reference of the Human Resource, Remuneration and Nomination Committee

This Committee shall conduct its activities ensuring the achievement of its objectives & scope of work as set out above and to this end shall have the following specific responsibilities:

- Satisfy itself and report to the Board that the Company's leadership development, talent planning, organization structure and compensation policies are consistent with the Company's objectives and strategies as approved by the Board.
- Ensure supply of high calibre talent at senior management position to lead the business now and into the future.
- Ensure adequate training and development of senior employees with the skill and knowledge to effectively perform their duties.
- Establish achievement of high-performance culture and employee engagement that will drive the organizational success.
- Ensure that the management remains committed to

adequate talent management.

- Coordinate with the majority shareholders and recommend to the Board the selection, evaluation, compensation, authorities, and accountabilities of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit.
- In respect of other direct reports of the CEO, the Committee will approve the appointment and compensation and will inform the Board accordingly.
- Ensure that an adequate succession plan of the CEO and other senior executives remains in place.
- Satisfy itself that the CEO has a process in place for performance assessment including business ethics and code of conduct for all employees.
- Schedule formal meetings with the direct reports of the CEO.
- Review the annual increment of staff including any bonus and recommend the same to the Board.
- Evaluation and selection of potential candidate(s) as Director(s) of the Board.

**Updated and recommended by HRR&N Committee members and approved in the Board Meeting held on 9 February 2022.*

SUPPLY CHAIN EXECUTIVE COMMITTEE

The Supply Chain Executive Committee comprises of three (3) members of the Board. The purpose of this committee is to

explore significant Supply Network opportunities and facilitate a smooth Integration process.

DIRECTORS' TRAINING PROGRAM ATTENDED BY FEMALE EXECUTIVES AND HEAD(S) OF DEPARTMENT AND/OR EXEMPTIONS

The Company has successfully complied with the encouraged requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding training of at least one head of department and one female executive every year. Ms. Marrium Ahmed has successfully completed the Director Training Program in the year 2023.

MANAGEMENT COMMITTEE

The Management Committee comprises of twelve (12) senior members of the Company's Leadership Team who are external facing and who meet and discuss significant business plans, issues, progress and updates of their respective functions. Significant matters to be put forth in the Board as per the Listed Companies (Code of Corporate Governance) Regulations, 2019 are also discussed for onward approval. The Management Committee meets once very quarter.

The role of the Management Committee is to review, implement and monitor:

- Business risks.
- Business strategy.
- Business plans.
- Issues pertaining to respective functions.
- Improvements to policies/procedures.

Composition of The Management Committee

**Mr. Farhan
Muhammad Haroon**
Chief Executive Officer

**Mr. Dilawar
Meghani**
Chief Financial Officer

Mr. Ameer Taimur Zaid
Pakistan E2E SC and
Jamshoro Site Lead

**Ms. Mashal
Mohammad**
Legal Director and
Company Secretary

Ms. Marrium Ahmed
Compliance and
Internal Audit Lead

Ms. Sadaf Malik
Head of
Corporate Affairs



Composition of The Management Committee

Ms. Ensherah Khan
Head of HR

Mr. Mazhar Shams
Head of Regulatory Affairs

Mr. Salman Altaf
Marketing Director

Syed Abrar Ali
Sales Director

Mr. Khurram H. Khan
Head of Commercial Excellence

Mr. Faisal Rafiq
Head of Expert



Calendar of Major Financial Events

Held in Calendar 2023

Q4-2022	Q1-2023	AGM-2022	Q2-2023	Q3-2023	Corporate Briefing Session 2023
14 March 2023	26 April 2023	27 April 2023	22 August 2023	23 October 2023	23 November 2023

Financial Calendar 2024

Q4-2023	Q1-2024	AGM-2023	Q2-2024	Q3-2024	Corporate Briefing Session 2024
5 March 2024	25 April 2024	26 April 2024	22 August 2024	24 October 2024	21 November 2024

* Approved by the Board of Directors in their meetings held on 5 March 2024.

COMMUNICATION OF FINANCIAL RESULTS

Periodic financial statements of the Company were circulated to Directors duly endorsed by the CEO and the CFO. Half-yearly and annual financial statements were initialled by the external auditors their presentation to the Board Audit Committee and the Board of Directors for approval.

Furthermore, quarterly unaudited financial statements of the Company along with Director's Review, were approved, published and circulated to shareholders on a timely basis. Half-yearly financial statements were subjected to a limited scope review by the statutory auditors. This annual financial statement has been audited by the external auditors and approved by the Board and will be presented to the shareholders at the AGM for approval. The said financial statements have been circulated on PUCARS well within the statutory prescribed timelines and posted on the Company's website accordingly.



WHISTLE BLOWING / SPEAK UP POLICY

The Company has global procedures on reporting misconduct and safeguarding people who report these concerns. We believe that ethical business conduct is the responsibility of everyone working for and on behalf of the Company. It is the foundation for building trust in the Company and protects its license to operate. The Company expects everyone to live its Values and Expectations, speak up if they have any concerns, engage appropriately with stakeholders and respect human rights. The Company also extends these ethical expectations to the third parties it works with.

REPORTING AND INVESTIGATING CONCERNS

The Company encourages people to speak up if they have any concerns relating to unethical conduct etc or if they simply want to ask a question about how to apply the Company's Code of Conduct. Anyone within or outside the Company can raise concerns or speak to an independent third party through our integrity lines, confidentially or anonymously if they prefer. The Company takes every reported concern very seriously and each complaint is reviewed to understand whether a formal investigation is warranted. If investigations show that an employee has breached Company policies, appropriate disciplinary action is taken.

ZERO TOLERANCE FOR RETALIATION

At the Company, anyone can report concerns without fear of reprisal. The Company prohibits retaliation against anyone who raises, or reports concerns and will take disciplinary action up to and including dismissal (in accordance with local labour laws) against any employee who threatens or engages in retaliation, bullying and/or harassment of someone who has reported, or is considering reporting, a concern in good faith. Similarly, we will report an agency worker who retaliates against anyone raising a report or concern to the worker's employment agency and terminate their assignment with the Company.

The Company treats all questions and issues confidentially, where possible, while investigating fairly, cooperating with governments and complying with legal obligations. When someone reports a concern in good faith, the Company will support that individual.

All Company employees are required to promptly raise concerns of possible misconduct, potential conflicts, or known breaches of the Company's Code of Conduct, and other Company policies and procedures. Further, any suspected violations of country laws and regulations must also be reported. Contingent workers working on behalf of the Company are also required to report misconduct concerns, with 'Speak Up' integrity line information provided in the Company's Code of Conduct.

SPEAK UP INSTANCES DURING THE YEAR

During 2023, there were no instances that qualified as that of material nature.

DISASTER RECOVERY MECHANISM

The Company has an effective disaster recover mechanism in place to ensure a smooth and expeditious transition to a backup mode of operations to minimize any disruption to the business.

IT Continuity Plan Key objectives:

- Identify IT Recovery Team roles and responsibilities and to identify escalation and disaster recovery steps.
- To have continuity procedures in place for core IT Infrastructure including WAN & LAN.
- To highlight application recovery procedures for all major applications critical to business continuity.
- To list backup retention policies and information on critical storage locations for backup tapes and servers.
- To list ITCP review results and details of testing schedules.

IT Continuity Team - Key responsibilities include:

- To restore, maintain and secure the critical business systems of the Company.
- Establish and maintain regular progress reporting for duration of incident.
- Take ownership of IT continuity plan (maintain, review and update).
- Prepare ITCP outcome report.
- Key responsibility is to ensure that the IT Escalation Process is adhered to.
- The IT continuity coordinator of the Company will inform the respective BU Head of IT who will then escalate the incident to the Area IT Head or his designated area IT staff. The Area IT Head and the International IT point of contact will decide on whether to record the incident in the IT Escalation database.

BUSINESS CONTINUITY PLANNING

The Company routinely monitors the compliance of external manufacturing suppliers to identify and manage risks in our supply base in case of any natural calamity or force majeure. Where practical, the Company minimizes its dependence

on single sources of supply for critical items. Where alternative sourcing arrangements are not possible, our inventory strategy aims to protect the supply chain from unanticipated disruption.

The Company has always used effective crisis management and business continuity planning to provide for the health and safety of our people and to minimise impact to us, by maintaining functional operations following a natural or man-made disaster, or a public health emergency. A corporate policy requires each business and functional area head to ensure effective crisis management and business continuity plans are in place that include authorised response and recovery strategies, key areas of responsibility and clear communication routes, before any business disruption occurs. Corporate Security supports the business by coordinating crisis management and business continuity training; facilitating simulation exercises; assessing our preparedness and recovery capability; and providing assurance oversight of our central repository of plans supporting our critical business processes.

The above enabled the Company to swiftly deploy technology to ensure business continuity and to offset the disruptions caused by the COVID-19 induced lockdown. The Company acted with speed and agility to ensure the continual movement of our supply chain, balanced with the safety of its workforce. Keeping in view the proactive approach of the Company regarding its advanced business continuity planning, its responsibility as a diligent corporate citizen, and our consumer focused approach, the Company ensured access of its OTC medicines and products to Consumers through the year. Progress was, and continues to be, monitored weekly in a Crisis Management Team meeting consisting of the Company's leadership team and regular updates were provided to the Board of Directors. The disruption brought about by COVID-19 also had the Company implement a flexible way of working for employees with office-based roles called 'Performance by Choice', which enabled employees to perform their best based on their role, team, and personal circumstances.

Performance And Position



Analysis Of Financial And **Non-Financial Performance**

Non-Financial Performance

Bring differentiated, high-quality and needed healthcare products	Balanced business growth	Focusing on three priorities – Innovation, Performance and Trust.
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Strategy

We invest in scientific and technical excellence to develop and launch a pipeline of new products that meet the needs of the patients, payers and customers.	Putting our values and expectations at the heart of everything we do, we become a high performing team.	We aim to achieve industry leading growth by investing effectively in our business and ensuring the quality and reliable supply of our products.
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Capital

Manufactured Capital	Human and Intellectual Capital	Intellectual Capital
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Strategy

Market share, Ranking as per IQVIA.	Market share, Channel Share and Innovation Sales	Employee Engagement
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Analysis

The Company continuously monitors all KPIs to ensure that its objectives are being achieved.

Financial Performance **at a Glance**

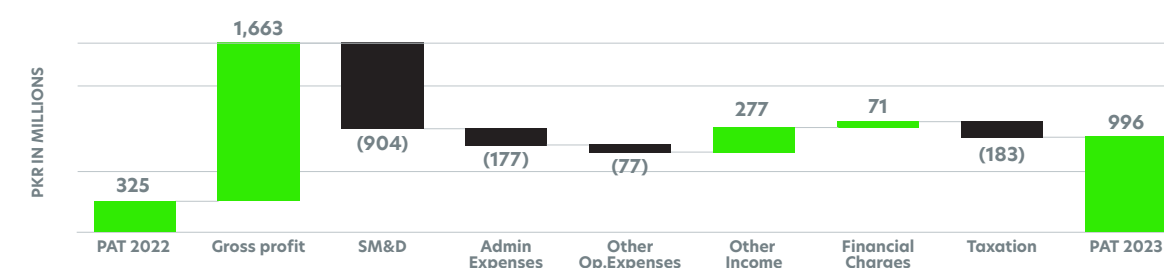
Rupees in millions

	2023	2022	2021	2020	2019	2018	2017
Net Sales	31,610	27,507	24,163	19,846	16,317	14,875	8,298
Gross Profit	6,449	4,785	6,685	5,328	4,986	4,404	3,101
Operating Profit	2,082	1,299	3,103	1,832	1,892	1,688	1,179
Profit Before Tax	1,846	993	3,016	1,774	1,700	1,463	1,171
Taxation	(851)	(667)	(882)	(512)	(442)	(388)	(464)
Profit after taxation	996	325	2,134	1,262	1,258	1,075	707
Earnings per share Rs.	8.51	2.78	18.23	10.78	10.74	9.18	7.39
Dividend per share	-	-	-	5.00	5.00	5.00	5.00
Return on equity	12.41%	4.62%	31.78%	24.44%	27.94%	28.02%	30.77%
Market capitalisation	19,783	19,185	28,217	31,035	30,015	31,182	30,986
Paid-up Capital	1,171	1,171	1,171	1,171	1,171	1,171	956

Explanation of negative change in performance

As evident from above, the Company experienced negative changes in terms of performance over the past six years in 2022 mainly due to increase in raw material prices because of supply challenges in the market coupled with devaluation of Pak Rupee. In 2023, with rigorous efforts, the Company was able to overcome the cost pressures, reporting a GP% of 20.4%, increase of 3.0% vs SPLY in 2023. With rigorous efforts, the Company was able to overcome the cost pressures, reporting a GP% of 20.4%, increase of 3.0% vs SPLY in 2023.

Statement of Profit or loss Varince Analysis - PKR in millions



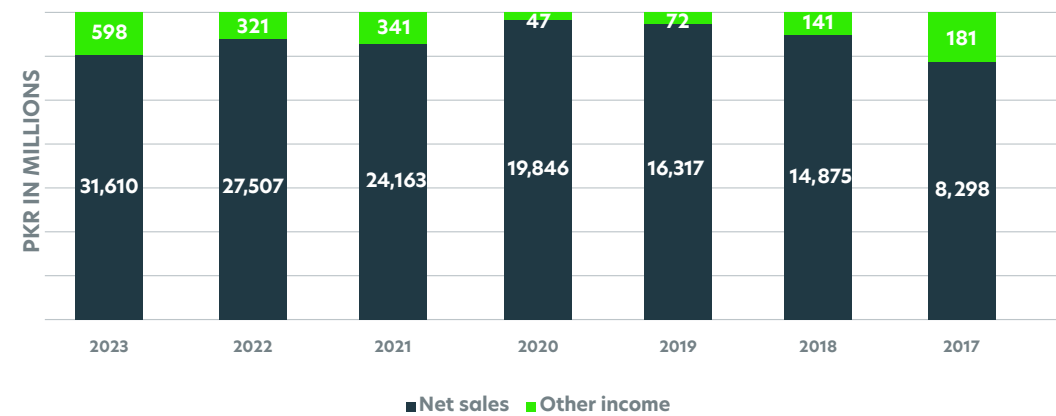
Key Operating Financial Data & Ratios

Rupees in millions

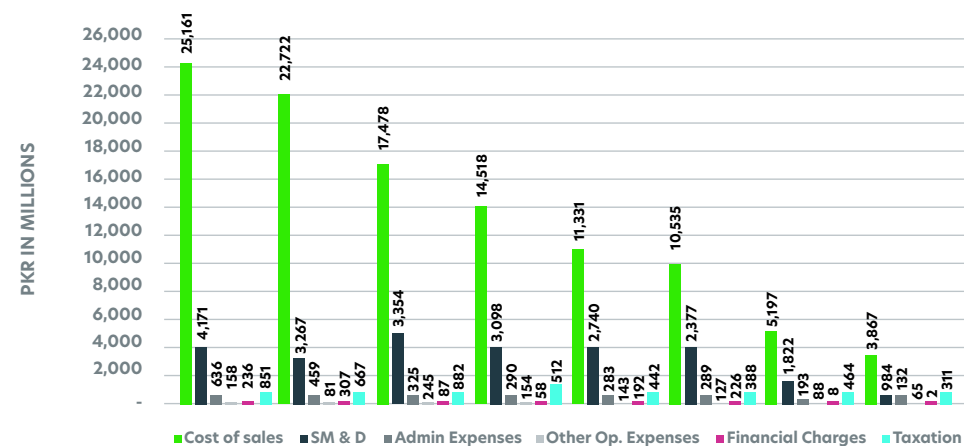
Statement of Financial Position	2023	2022	2021	2020	2019	2018	2017
Assets employed							
Fixed Assets - property, plant and equipment	5,398	3,990	3,706	3,493	2,915	2,650	125
Intangible assets	154	128	128	128	128	128	-
Deferred taxation	-	-	-	-	-	-	8
Long-term loans and deposits	43	34	18	17	17	11	1
Net current assets	3,094	3,250	3,157	1,765	1,628	1,174	2,183
	8,689	7,401	7,010	5,404	4,687	3,962	2,316
Less: Non-Current Liabilities							
Staff retirement benefits - Staff gratuity	138	106	97	88	54	38	20
Deferred taxation	335	134	197	152	131	90	-
Lease liabilities	193	119	-	-	2	-	-
	666	359	294	240	187	127	20
Net assets employed / Shareholders fund	8,023	7,042	6,715	5,164	4,501	3,835	2,297
Financed by							
Issued, subscribed and paid-up capital	1,171	1,171	1,171	1,171	1,171	1,171	956
Reserves	6,852	5,871	5,544	3,993	3,330	2,664	1,341
Shareholders' Equity	8,023	7,042	6,715	5,164	4,501	3,835	2,297

Rupees in millions Turnover and profit	2023	2022	2021	2020	2019	2018	2017
Net sales	31,610	27,507	24,163	19,846	16,317	14,875	8,298
Gross profit	6,449	4,785	6,685	5,328	4,986	4,404	3,101
Operating profit	2,082	1,299	3,103	1,832	1,892	1,688	1,179
Profit before taxation	1,846	993	3,016	1,774	1,700	1,463	1,171
Taxation	(851)	(667)	(882)	(512)	(442)	(388)	(464)
Profit after taxation	996	325	2,134	1,262	1,258	1,075	707
EBTIDA	2,488	1,659	3,405	2,101	2,146	1,899	1,202
Cash Dividend including bonus shares	-	-	-	585	585	585	478
Sales per employee	66	58	53	40	33	31	132

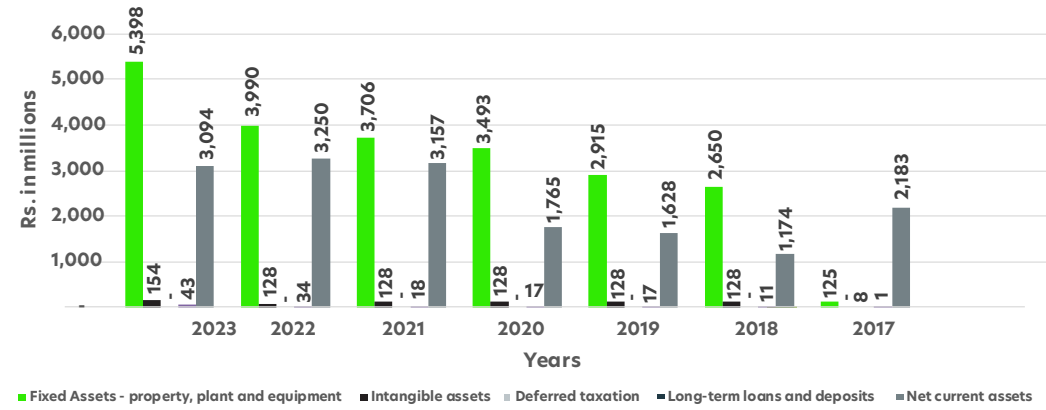
Net Sales Vs Other Income



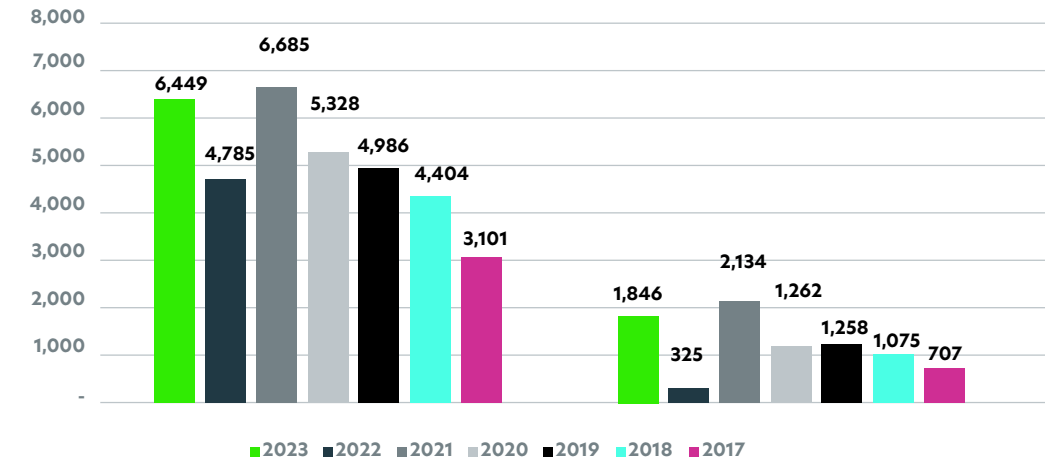
Statement of Profit or Loss - Expenses



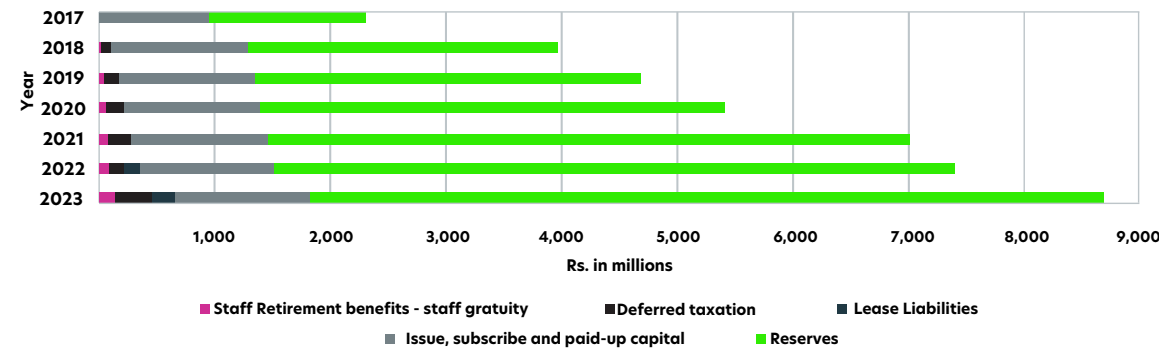
Statement of financial position - Assets employed



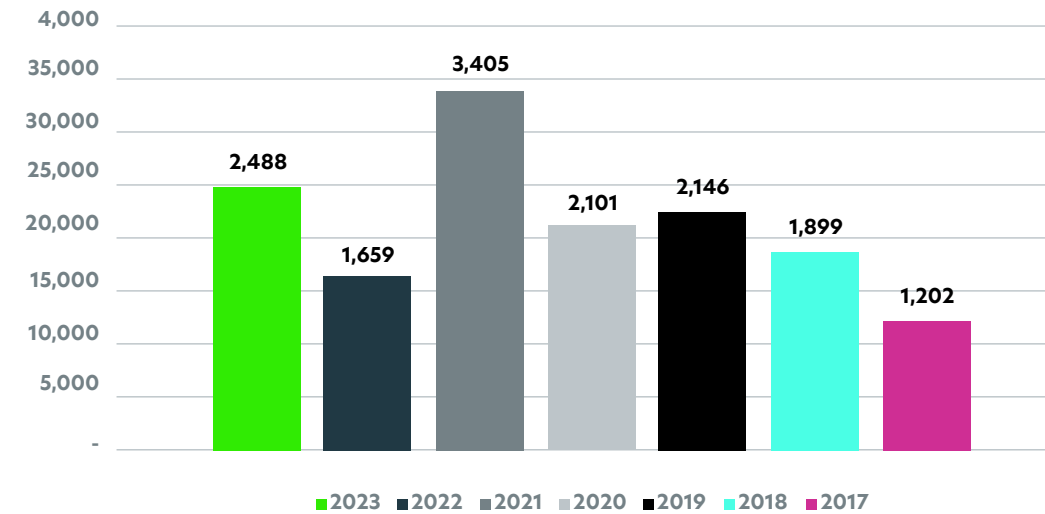
Gross Profit Vs Profit after taxation



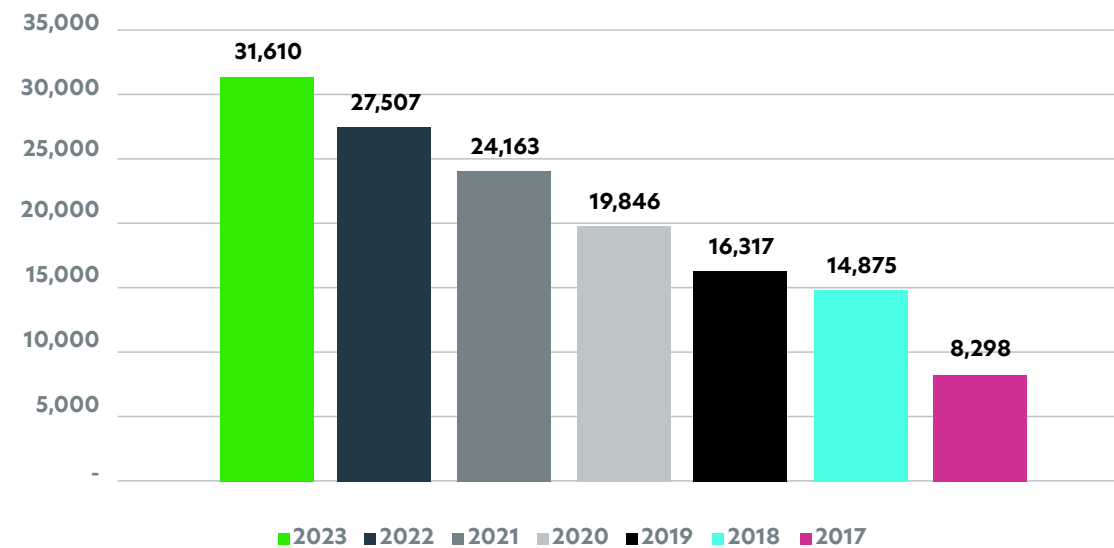
Statement of financial position - Non Current Liabilities & Shareholder's equity



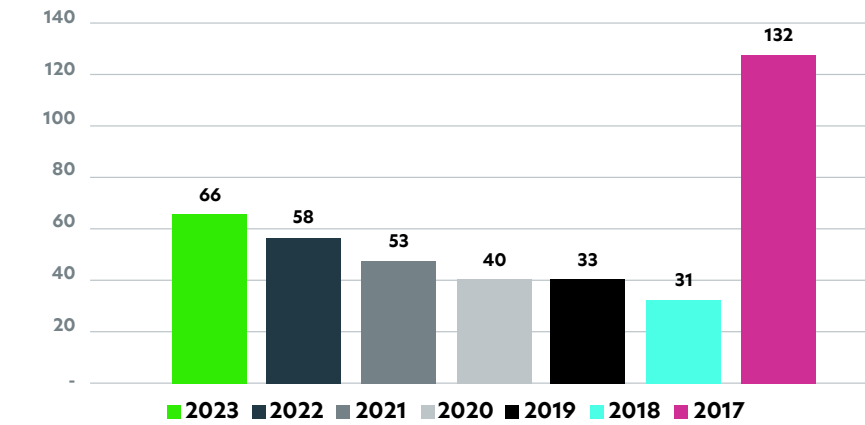
EBTIDA - Rs in Million



Net Sales - Rs in Million



Sales Per Employee - Rs in million



Cashflows		2023	2022	2021	2020	2019	2018	2017
Operating Activities	Rs. in million	2,076	974	1,594	2,914	1,334	(426)	559
Investing Activities	Rs. in million	(1,191)	(221)	(322)	(814)	(487)	(223)	72
Financing Activities	Rs. in million	(39)	(405)	(82)	(82)	(83)	(78)	-
Changes in Cash equivalents	Rs. in million	846	348	1,190	2,018	764	(727)	631
Cash & equivalents - Year end	Rs. in million	4,282	3,436	3,088	1,898	(120)	(884)	1,302

Financial Highlights		2023	2022	2021	2020	2019	2018	2017
Cash dividend per share (Rs)	Rupees	-	-	-	5.0	5.0	5.0	5.0
Bonus shares	%	-	-	-	-	-	-	-
Market value per share - year end	Rupees	169.01	163.90	241.06	265.13	256.42	266.39	324.29
Market value per share - high	Rupees	199.07	274.99	295.85	330.03	353.53	529.00	365.00
Market value per share - low	Rupees	120.00	163.00	210.00	199.56	164.10	258.00	100.63
Market capitalization	Rs.in million	19,783	19,185	28,217	31,035	30,015	31,182	30,986

Profitability Ratios		2023	2022	2021	2020	2019	2018	2017
Profit before tax ratio	%	5.84	3.61	12.48	8.94	10.42	9.83	14.11
Gross Yield on Earning Assets	%	12.29	7.49	5.99	1.51	2.98	8.76	8.14
Gross Spread ratio	Times	0.15	0.07	0.32	0.24	0.25	0.24	0.23
Cost / Income ratio	Times	0.70	0.75	0.56	0.66	0.63	0.63	0.64
Return on Equity / return on shareholders fund	%	12.41	4.62	31.78	24.44	27.94	28.02	30.77
Return on Capital employed	%	11.46	4.40	30.45	23.35	26.83	27.12	30.51
Gross Profit ratio	%	20.40	17.40	27.67	26.85	30.56	29.61	37.37
Net Profit to Sales	%	3.15	1.18	8.83	6.36	7.71	7.22	8.52
EBITDA Margin to Sales	%	7.87	6.03	14.09	10.59	13.15	12.77	14.48
Operating leverage ratio	Times	4.0	-4.2	3.2	-0.1	1.2	0.5	0.7
Return on assets ratio	%	5.46	2.16	15.39	11.50	14.00	13.51	17.88
Ownership ratio	%	43.97%	46.76%	48.43%	47.06%	50.10%	48.21%	58.09%

Investment / Market Ratios		2023	2022	2021	2020	2019	2018	2017
Earnings per share (EPS)	Rupees	8.51	2.78	18.23	10.78	10.74	9.18	7.40
Price Earnings ratio	Times	19.86	58.96	13.22	24.59	23.88	29.02	43.88
Price to Book ratio	Times	2.51	2.77	4.28	6.16	6.86	8.41	13.49
Dividend Yield ratio (%)	%	-	-	-	1.89	1.95	1.88	1.54
Dividend Payout ratio	Times	-	-	-	0.46	0.47	0.54	0.68
Dividend Cover ratio	Times	-	-	-	2.16	2.15	1.84	1.48
Break-up Value per share - (no revaluation or investment impact)	Rupees	67.23	59.07	56.28	43.02	37.36	31.67	24.04

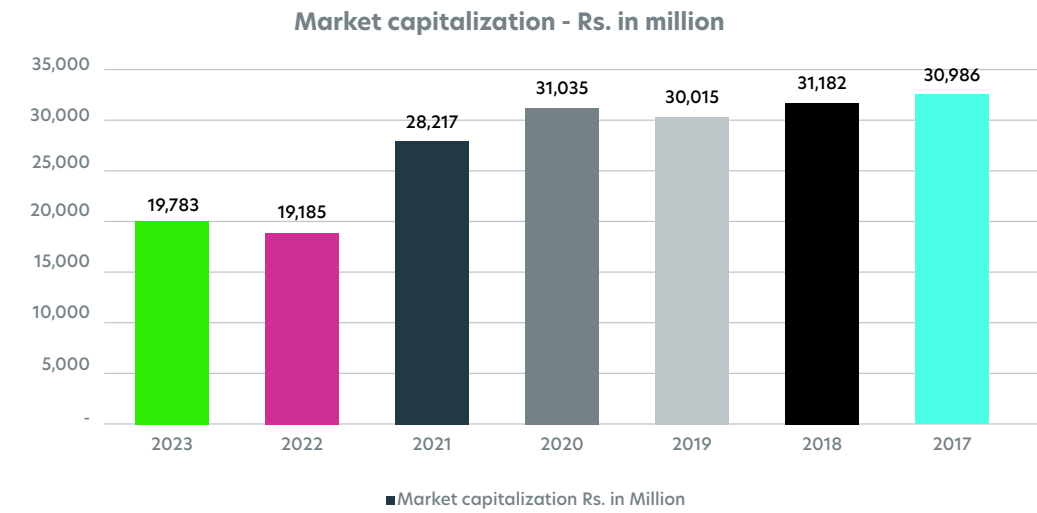
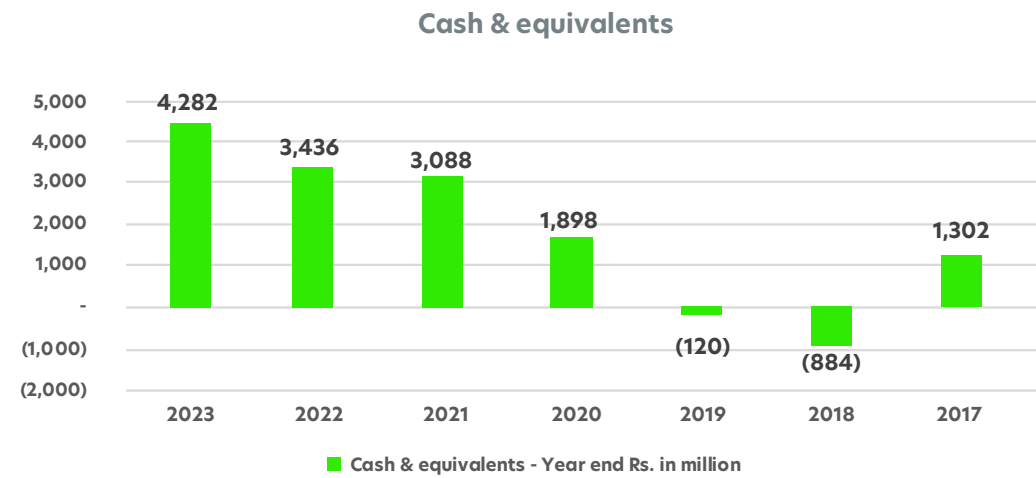
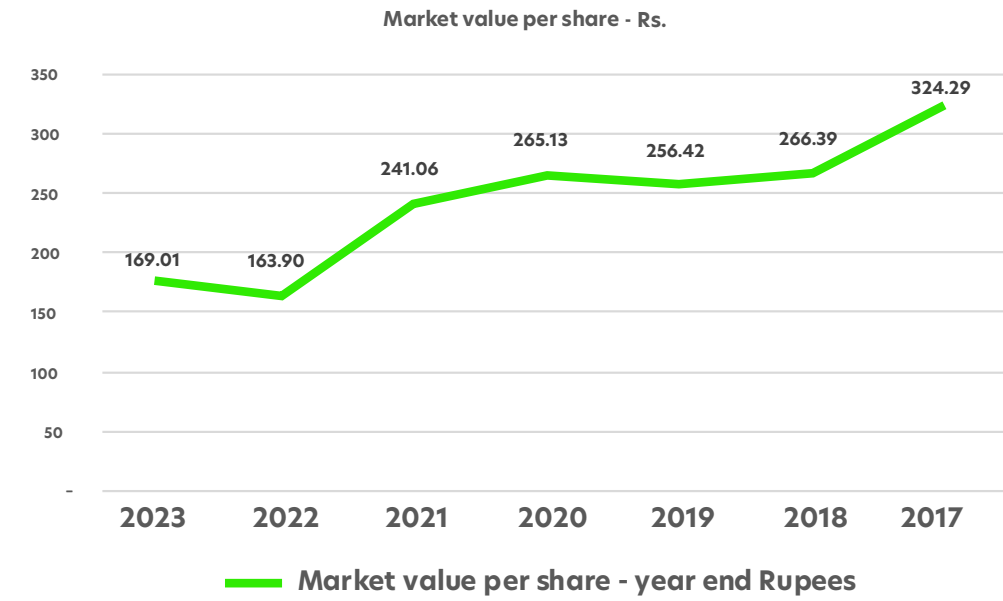
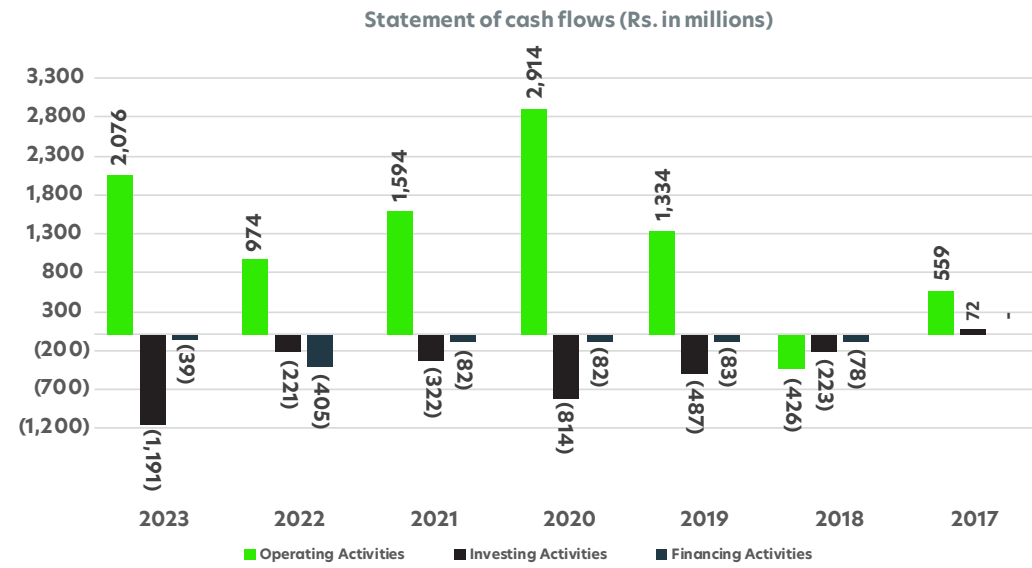
Capital Structure Ratios		2023	2022	2021	2020	2019	2018	2017
Earning assets to total assets ratio	%	23.47	23.07	23.10	19.43	7.16	8.89	32.9
Net assets per share	Times	62.85	57.09	54.85	42.07	36.85	31.67	41.2
Debt to Equity ratio	Times	-	-	-	-	0.03	0.24	-
Financial leverage ratio	Times	0.03	0.02	-	0.00	0.18	0.43	-
Weighted average cost of debt	%	0%	0%	0%	0%	11%	6%	0%
Interest Cover ratio	Times	-	-	-	66.63	15.65	11.18	281.0

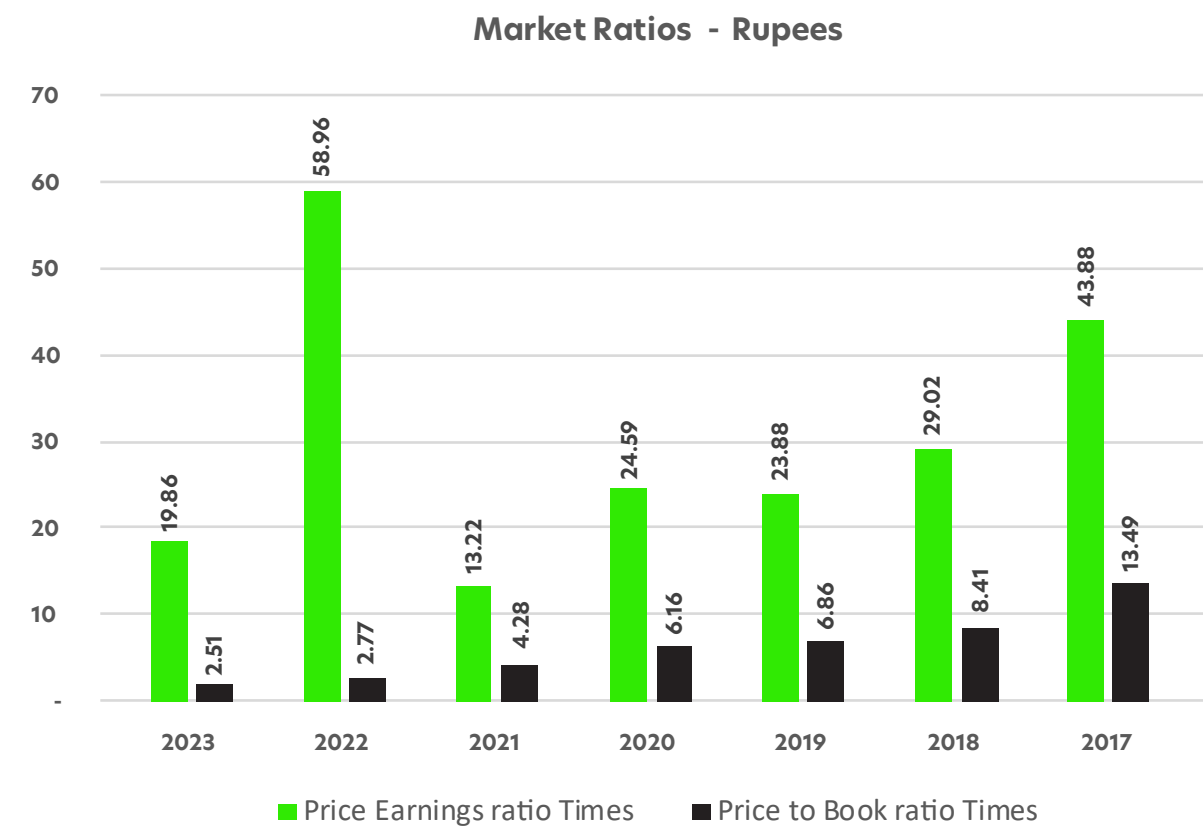
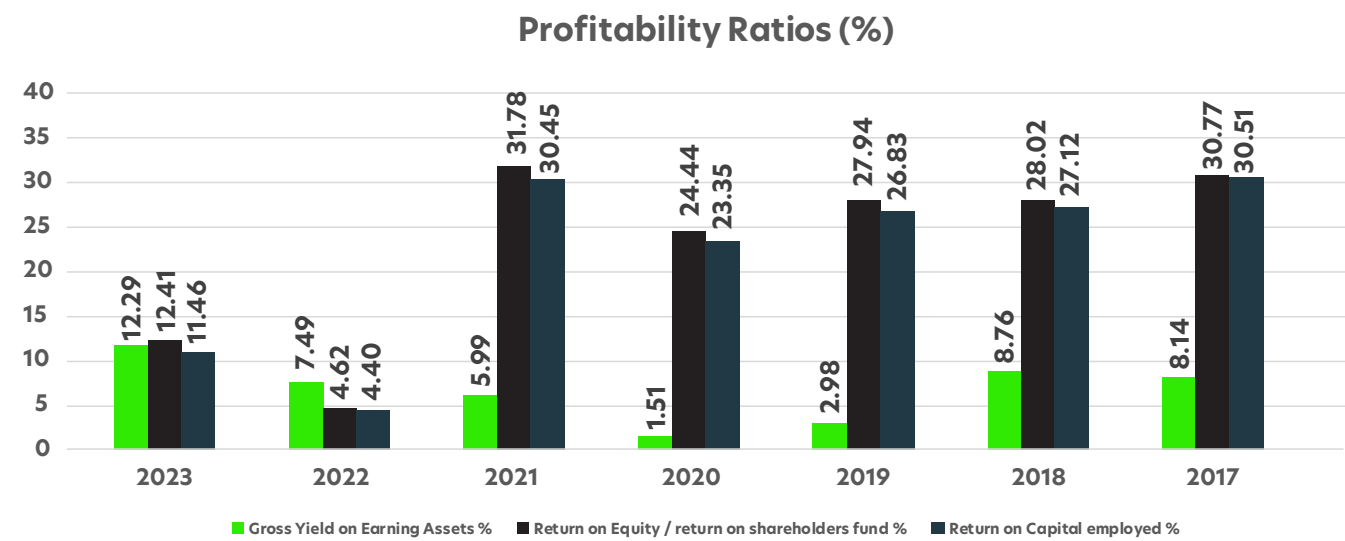
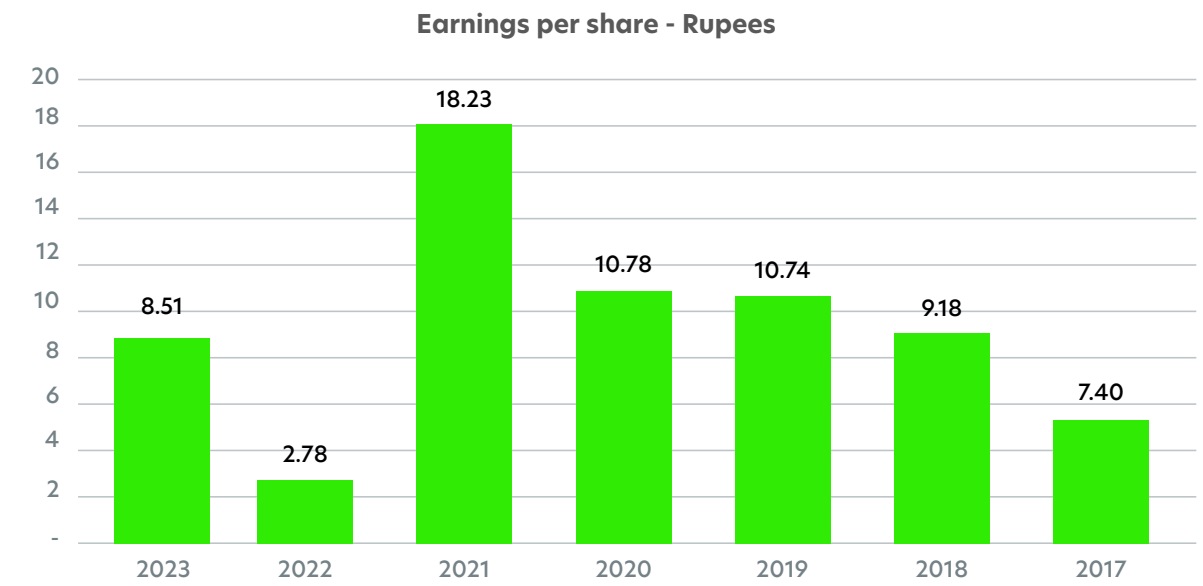
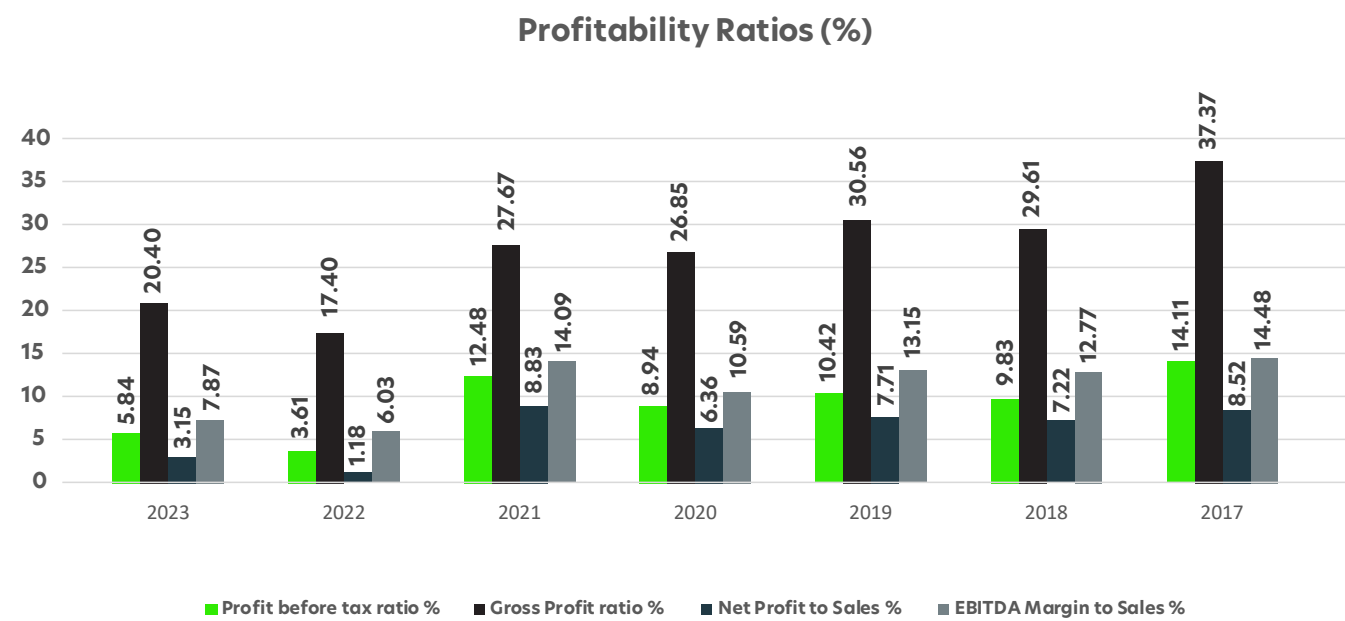
Liquidity Ratios		2023	2022	2021	2020	2019	2018	2017
Advances to Deposits ratio	Times	2.7	4.2	5.9	11.4	5.1	3.4	23.5
Current ratio	Times	1.32	1.42	1.46	1.32	1.38	1.29	2.3
Quick / Acid test ratio	Times	0.74	0.81	0.87	0.78	0.72	0.72	1.8
Cash to Current Liabilities	Times	0.45	0.45	0.47	0.38	0.15	0.18	0.8
Cash flow from Operations to Sales (%)	%	6.57	3.54	6.60	14.68	8.17	(2.86)	6.7

Activity / Turnover Ratios		2023	2022	2021	2020	2019	2018	2017
Inventory turnover ratio	Times	4.9	5.2	5.0	5.0	4.4	6.8	7.5
No. of Days in Inventory	Days	75	71	74	73	83	55	49
Debtor turnover ratio	Times	50.7	31.7	27.3	25.8	20.1	29.0	28.3
No. of Days in Receivables	Days	8	12	14	15	19	13	13
Creditor turnover ratio	Times	14.3	16.2	19.4	20.0	15.4	17.1	14.3
No. of Days in Creditors	Days	26	23	19	19	24	22	26
Total Assets turnover ratio	Times	1.73	1.83	1.74	1.81	1.82	1.87	2.1
Fixed Assets turnover ratio	Times	5.9	6.9	6.5	5.7	5.60	5.61	66.5
Operating Cycle	Days	57	60	69	69	78	46	36

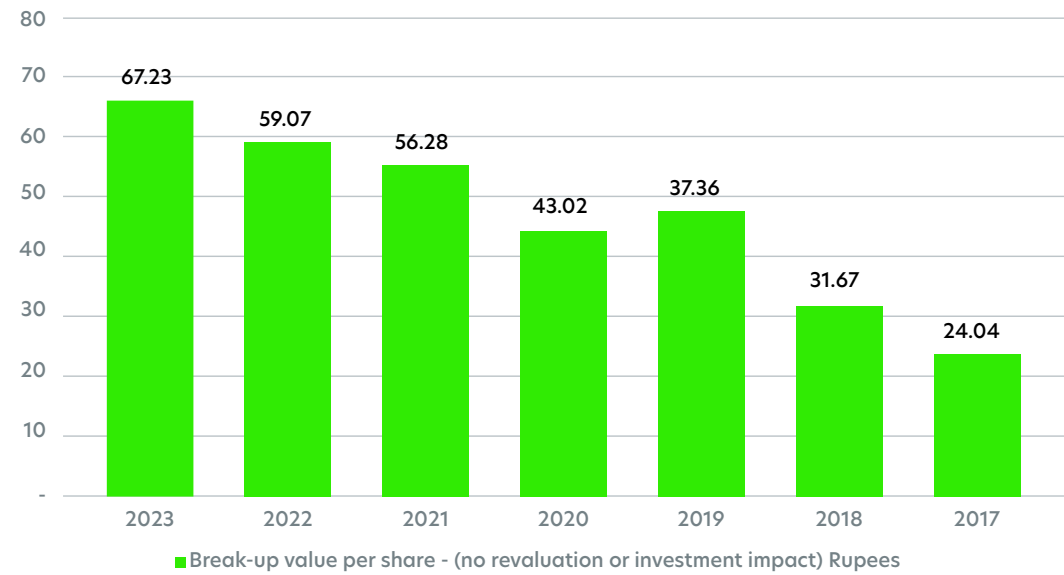
Methods and assumptions used in compiling the indicators.

Financial indicators are computed using formulae which are widely used in the industry and are relevant to different stakeholders such as shareholders, bankers and regulators. The data used is generated through our internal management information systems, together with audited financial statements.

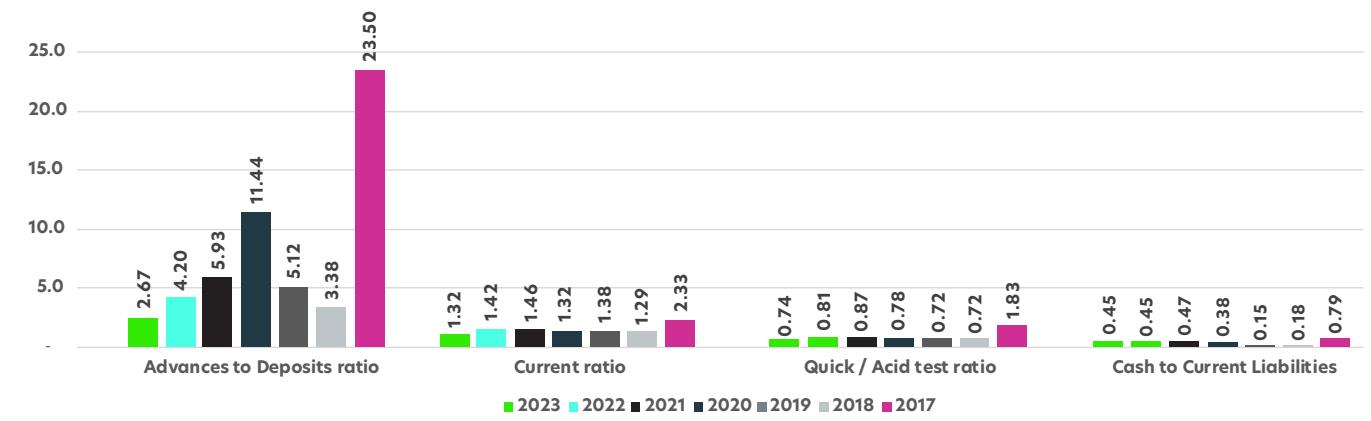




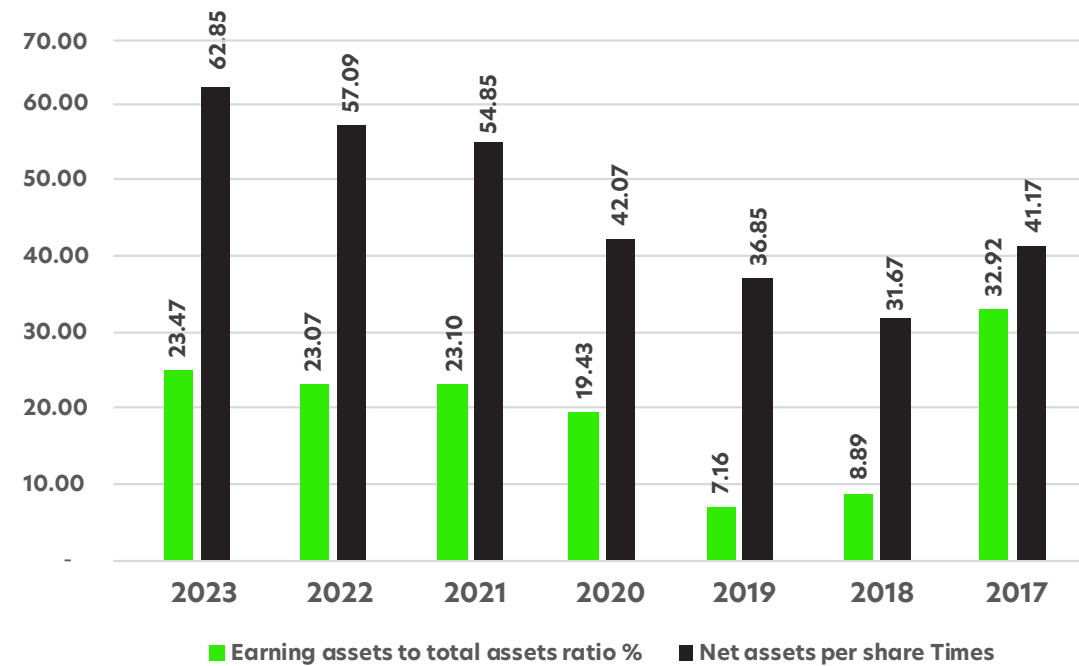
Break-up Value - Rupees



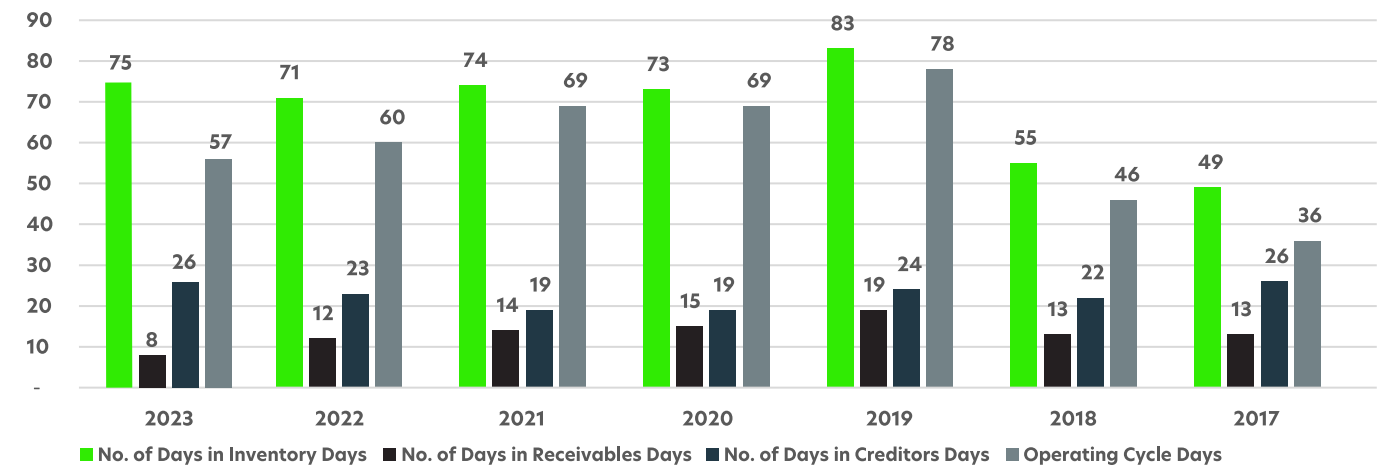
Liquidity Ratios - Times



Capital Structure Ratios



Activity Ratios - Days



Comments On Financial Ratios

PROFITABILITY RATIOS

Profitability ratios of the Company have improved versus last year mainly due to growth in FMCG and OTC portfolio. This was partially mitigated through continued cost pressure in 2023 coupled with devaluation of Pak Rupee playing a significant role.

Gross profit margin at 20.4% improved by 3.0% versus last year however, still lower by 7.3% versus 2021. The same is reflected in profit before tax ratio growing by 2% versus last year and lower by 5.7% versus 2021.

LIQUIDITY RATIOS

The Company has a good liquidity position as of December 2023 with cash and cash equivalent of Rs. 4,282 million showing sufficient funds to meet its investment and operational cash requirement. However, despite this, the current ratio versus last year fell 1.42 times to 1.32 times due to higher current liabilities.

Quick/ Acid test ratio was in line with current ratio, fell from 0.81 times to 0.74 times reflecting significant cash held up in inventory, which increased by 20% versus last year. Cash to current liabilities remained at the same level.

ACTIVITY / TURNOVER RATIOS

Inventory turnover ratio stood 4.9 versus 5.2 in 2022 and inventory days was maintained at 75 days vs 71 days in 2022 reflecting inventory in line with higher cost, despite being 20% higher versus last year.

Debtor days increased from 8 days to 12 days mainly on account of higher sales versus last year despite trade debt managed at the same level as last year.

Creditor days increased from 23 days to 26 days and credit turnover ratio decreased from 16.2 to 14.3.

Resultantly, operating cycle was maintained at 57 days in 2023 vs 60 days in 2022.

Fixed Asset turnover decreased from 6.9 to 5.9 in 2023 mainly due to significant increase in fixed asset to increase and improve efficiency.

INVESTMENT / MARKET RATIOS

Earnings per share increase to Rs. 8.51 from Rs. 2.78 in 2022 as a result of improved profitability as mentioned in profitability analysis.

Price Earnings ratio has decreased to 19.86 in 2023 from 58.96, mainly due to increase in earnings per share.

Dividend yield ratio is 0% in current year due to non-declaration of dividend.

Dividend pay-out ratio is 0% in current year due to non-declaration of dividend.

Break-up value per share has increased to Rs. 67.23 in 2023 from Rs. 59.07 in 2022 due to increase in total equity by Rs. 955 million as compared to prior year.

Market capitalisation has increased to Rs. 19,783 million in 2023 from Rs. 19,185 million in 2022 due to increase market price from Rs. 163.9 to Rs. 169.0 in 2023.

CAPITAL STRUCTURE ADEQUACY ANALYSIS

Total equity has increased by 14% to Rs. 8,023 million comprising of share capital amounting to Rs. 1,170.55 million which consist of issues share capital of 117,054,508 share of Rs. 10.00 each. Haleon Netherlands B.V and its nominees is the major shareholder of the Company, having 100,423,259 shares being 85.79% of total paid-up capital.

Comments On Financial Statements

STATEMENT OF PROFIT OR LOSS

SALES

2023 faced a lot of challenges in respect to global economic slowdown and geopolitical tensions impacting consumer spending. Despite these challenges, the Company managed to achieve a growth of 15% in overall sales as compared to last year with core business (excluding toll and exports) showing growth of 26%, based on increase in OTC and FMCG portfolio by 29% and 13% respectively.

COST OF SALES

Cost of sales of the Company increased primarily on account of price increases of major APIs causing the profitability to deteriorate. Rest of the increase is attributed to inflation and currency devaluation.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses during the year increase by 28% which is mainly attributable to significant increase in petroleum prices amidst inflationary environment in the country.

ADMINISTRATIVE EXPENSES

The increase in administrative expenses of 38% is mainly driven by higher resource cost and new registered office expenses.

OTHER CHARGES

Increase in other charges during the current year by 95% is primarily on account of increase in statutory charges (WPPF, WWF and CRF) which is in line with the increase in profitability of the Company.

STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

Property, plant and equipment have witnessed an increase over prior year on account of capacity expansion, increasing efficiency through economic of scale and improving quality along with the post-separation expenditure pertaining to new register office. This capital expenditure was on account of enhancement and insourcing of Panadol capacity at our Jamshoro site, coupled with capacity enhancement in CaC – 1000 PLUS for local and requirements as per the plan.

CURRENT ASSETS

The increase in current assets can be substantiated by the increase in inventories levels amounting to Rs. 886 million which is mainly due to the cost increases of major APIs. The Company's cash and cash equivalent has increased by 772 million, refunds due from Government and Taxation - payments less provision have cumulatively increased by 365 million.

CURRENT LIABILITIES

Current liabilities are depicting an increase of 25% which is mainly attributable to higher accrued liabilities.

EQUITY

Equity increased from prior year primarily due to allocation of total comprehensive income for the year.

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

Company's cash flows increased significantly versus last year mainly on account of higher profitability and efficient working capital management.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities have increased from prior year primarily due to increase in capital expenditure.

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash outflow from financing activities have decreased as compared to same period last year.

Quarterly Analysis

For the year ended December, 2023

	Q1	Q2	Q3	Q4	Total
Revenue from contracts with customers - net	7,820,947	7,841,482	8,053,365	7,893,982	31,609,776
Cost of sales	(6,169,094)	(6,618,374)	(6,455,526)	(5,918,103)	(25,161,097)
Gross profit	1,651,853	1,223,108	1,597,839	1,975,879	6,448,679
Selling, marketing and distribution expenses	(935,320)	(968,204)	(1,080,517)	(1,186,806)	(4,170,847)
Administrative expenses	(138,871)	(124,024)	(113,656)	(259,497)	(636,048)
Other operating expenses	(41,072)	(20,140)	(44,641)	(51,869)	(157,722)
Other income	165,564	138,876	107,691	185,905	598,036
Operating profit	702,154	249,616	466,716	663,612	2,082,098
Financial charges	(234,050)	8,456	50,943	(61,314)	(235,965)
Profit before taxation	468,104	258,072	517,659	602,298	1,846,133
Taxation - net	(164,965)	(248,147)	(203,368)	(234,067)	(850,547)
Profit after taxation	303,139	9,925	314,291	368,231	995,586

Comments on Quarterly analysis

Looking at the overall market conditions, the Company managed to achieve 15% growth as compared to last year which was supported by the increase in OTC and FMCG portfolio sales by 29% and 13% respectively.

In terms of quarters, Sales during the third quarter was 25.5% (highest) but remained evenly distributed throughout the year, whereas profits were made throughout the year and the profit for Q4 was 37% (highest). Gross profit made during the year was majorly earned in Q4 which contributed 30.6%. In the financial year 2023, Haleon Pakistan delivered a strong financial performance despite economic stress in Pakistan with major balance of payment deficits resulting in, amongst other factors low foreign currency reserves, depreciating currency, and high inflation.

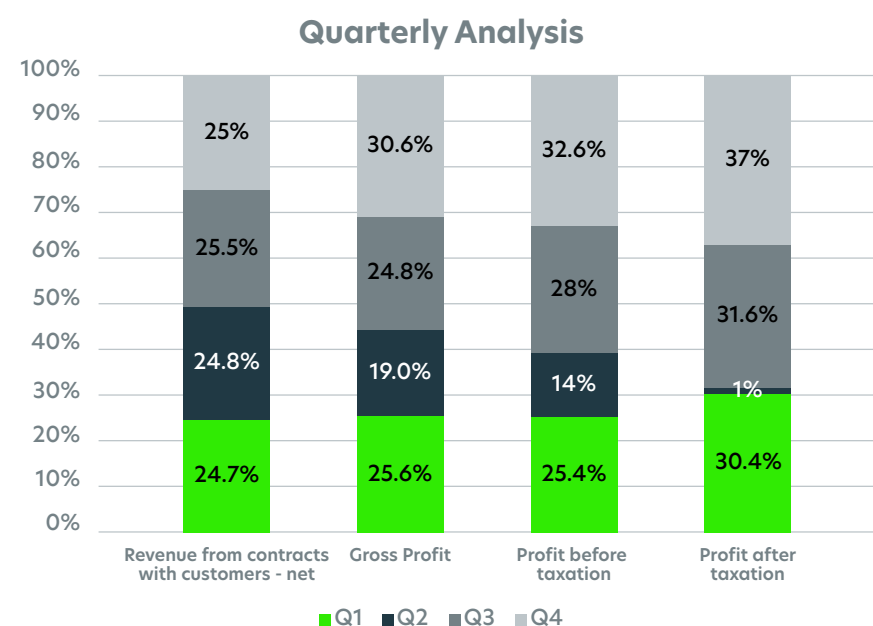
Analysis of Variation in Interim Results and Final Accounts

The revenue reported in H2 - 2023 was higher as compared to revenue reported in H1-2023. The core business in H1 2023 (excluding toll) grew by 19% versus the same period last year (SPLY). Total expenses to net sales ratio in the H1 2023 decreased from 15% to 14% as compared to SPLY (Same Period Last Year). Furthermore, the adverse exchange rate fluctuation in Q1 2023 was normalized in Q2 2023 because of some stability in the PKR to USD parity. The Company was able to generate income from financial assets Rs. 265 million in comparison to Rs. 121m for SPLY due to higher monetary policy rate.

In terms of categories, for H1 2023 Oral Healthcare registered a growth of 21%, while OTC category registered a growth of 18% as compared to the corresponding period last year.

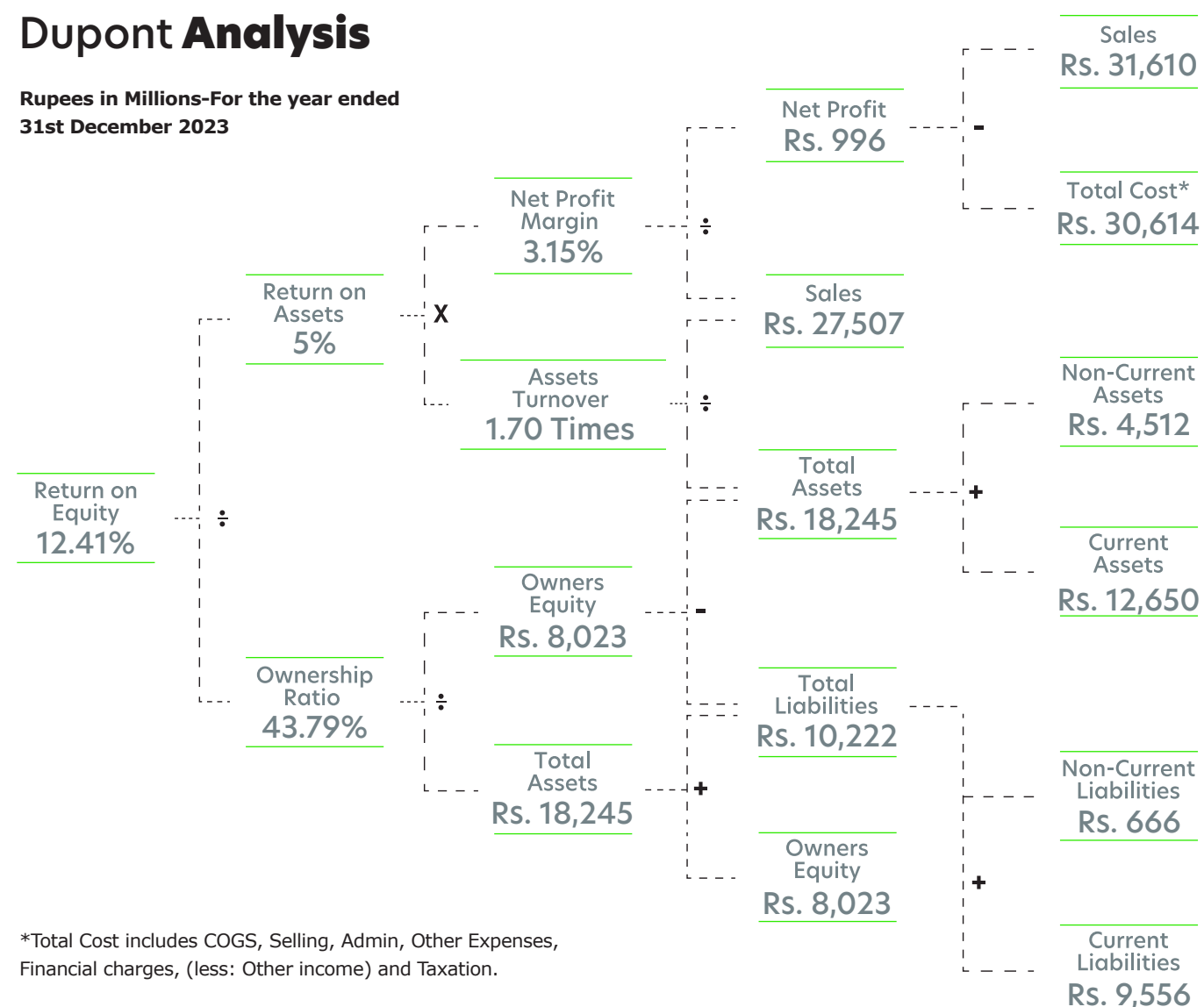
Whereas in full year 2023, Haleon Pakistan delivered a strong financial performance with a growth of 15%, posting net profit after tax of Rs. 996 million amounting to an Earnings Per Share (EPS) of Rs. 8.51 (2022: Rs. 2.78).

With respect to our categories, for the year 2023 the Over-the-counter (OTC) portfolio grew by 29% despite limited consumer spending. On the other hand, the Fast-Moving Consumer Goods (FMCG) segment demonstrated a positive trend of 13% on account of Oral Health. Total expenses to net sales ratio has increased from 14% to 16% as compared to SPLY (Same Period Last Year). With interest rates remaining high, our Company was able to generate income from financial assets of Rs. 526 million in comparison to Rs.260 million in SPLY.



Dupont Analysis

Rupees in Millions-For the year ended
31st December 2023



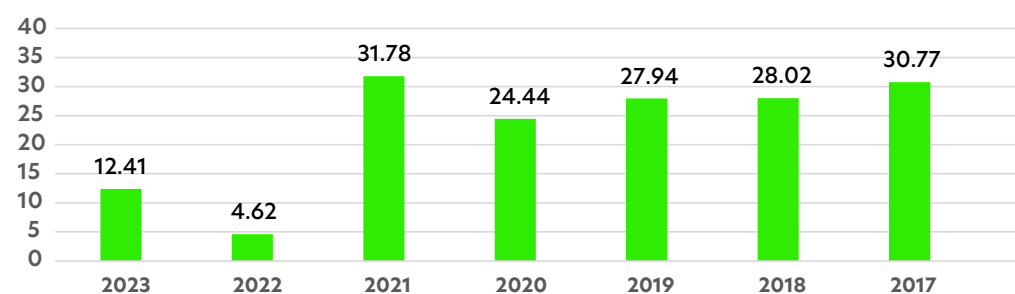
*Total Cost includes COGS, Selling, Admin, Other Expenses, Financial charges, (less: Other income) and Taxation.

Comments on Duopont Analysis

The Company's Return on Equity increased by 168% majorly due to higher profits.

Graphical Presentation

Return on equity



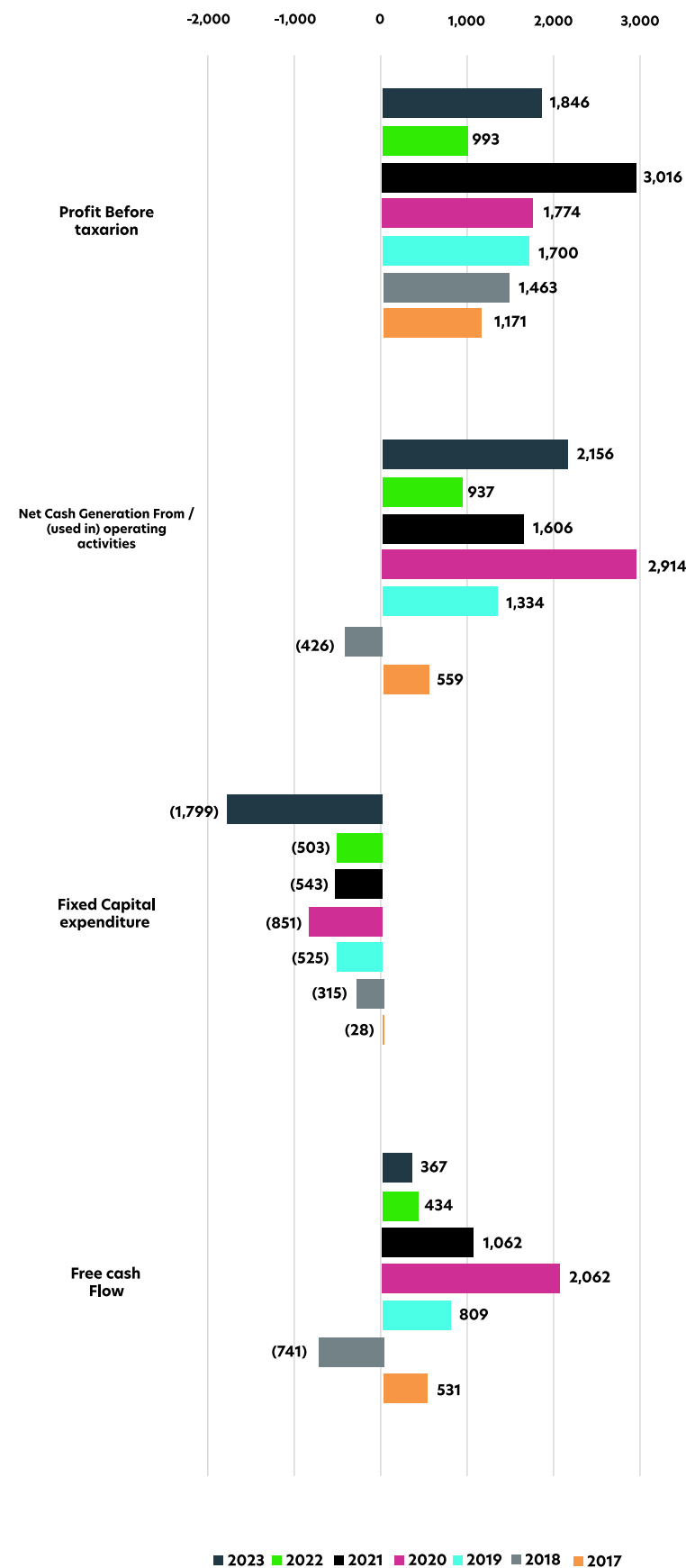
Free Cash Flows

	December 31,						
	2023	2022	2021	2020	2019	2018	2017
	Rupees in '000						
Profit before taxation	1,846,133	992,791	3,016,104	1,774,292	1,699,778	1,462,692	1,170,839
Adjustment for non-cash items:							
Depreciation and amortization	433,012	332,722	301,237	268,412	231,401	210,635	22,965
Operating assets written off	-	-	-	-	-	-	1,642
Interest expense	35,810	5,655	159	37,067	123,894	143,996	-
Gain on disposal of operating assets	(31,620)	(18,925)	(707)	(1,526)	(7,907)	(2,414)	(2,511)
Interest income	(526,225)	(260,240)	(191,947)	(32,091)	(19,147)	(61,985)	(105,970)
Provision for slow moving, obsolete and damaged stock and stock written-off	150,258	117,649	172,854	197,658	130,631	114,025	4,340
Provision against advances	-	84,099	-	-	-	-	-
(Reversal) / allowance for impairment of trade debts	(10,768)	4,592	-	3,706	23,929	23	158
(Reversal) / provision for impairment on operating assets	(27,000)	27,000	-	-	22,500	-	-
Provision for staff retirement benefits	127,754	102,508	90,619	77,061	67,944	57,046	9,107
	151,221	395,060	372,215	550,287	573,245	461,326	(70,269)
Working capital changes	1,285,654	634,442	(868,382)	1,334,414	(165,330)	(1,411,637)	(264,856)
Staff retirement benefits paid	(119,868)	(86,548)	(78,328)	(60,898)	(61,189)	(52,738)	(7,492)
Mark-up paid	-	-	(2,769)	(59,863)	(140,971)	(139,780)	-
Income taxes paid	(998,369)	(982,452)	(832,340)	(624,481)	(565,409)	(743,789)	(268,656)
Decrease in long-term loans to employees	(3,122)	1,674	1,591	1,334	(3,233)	(1,841)	(216)
Increase in long-term deposits	(6,041)	(17,889)	(2,360)	(1,574)	(3,106)	-	-
	158,254	(450,773)	(1,782,588)	588,932	(939,238)	(2,349,785)	(541,220)
Net cash generated from / (used in) operating activities	2,155,608	937,078	1,605,731	2,913,511	1,333,785	(425,767)	559,350
Fixed capital expenditure	(1,789,030)	(503,448)	(543,264)	(851,268)	(524,793)	(314,786)	(28,388)
Free cash flows	366,578	433,630	1,062,467	2,062,243	808,992	(740,553)	530,962

Comments on Free Cash Flows

Company's free cash flows decreased slightly versus last year mainly on account of higher fixed capital expenditure. Furthermore, investment in working capital also impacted the cash flows.

Free Cash Flows



Direct Cashflow

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	31,379,892	28,204,167
Cash paid to suppliers / service providers	(26,309,224)	(24,428,960)
Cash paid to employees	(1,818,662)	(1,573,783)
Payment of indirect taxes and other statutory duties	(58,176)	(158,158)
Staff retirement benefits paid	(119,868)	(86,548)
Mark-up paid	-	-
Income taxes paid	(998,369)	(982,452)
Net cash generated from operating activities	2,075,593	974,266
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(1,789,030)	(503,448)
Proceeds from disposal of operating assets	85,908	37,881
Interest received	512,127	244,240
Net cash used in investing activities	(1,190,995)	(221,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(526)	(395,851)
Lease rental paid	(38,100)	(9,000)
Net cash used in financing activities	(38,626)	(404,851)
Net increase in cash and cash equivalents	845,972	348,088
Cash and cash equivalents at the beginning of the year	3,435,873	3,087,785
Cash and cash equivalents at the end of the year	4,281,845	3,435,873

Horizontal Analysis

Statement of Financial Position Analysis	2023	2022	2021	2020	2019	2018*	2017
Share Capital and Reserves	13.9	4.9	30.0	14.7	17.4	67.0	43.9
Non Current Liabilities	85.4	22.1	22.8	28.5	46.6	552.0	128.5
Current Liabilities	24.8	11.7	23.1	29.7	7.6	143.8	30.3
Total Equity and Liabilities	21.1	8.6	26.4	22.2	12.9	101.2	38.2
Non Current Assets	34.8	7.8	5.9	18.9	9.7	1,983.7	(10.6)
Current Assets	16.0	8.9	36.5	23.9	14.7	35.2	40.9
Total Assets	21.1	8.6	26.4	22.2	12.9	101.2	38.2

Statement of Profit or Loss Analysis	2023	2022	2021	2020	2019	2018*	2017
Net sales	14.9	13.8	21.8	21.6	9.7	79.3	54.4
Cost of sales	10.7	30.0	20.4	28.1	8.2	101.5	34.4
Gross profit	34.8	(28.4)	25.5	6.9	13.2	42.0	105.6
Selling, marketing and distribution expenses	27.7	(2.6)	8.2	13.1	12.2	34.0	85.1
Administrative expenses	38.4	41.3	12.2	2.3	(1.9)	49.7	46.2
Other operating expenses	95.5	(67.0)	58.5	8.2	12.1	43.8	35.8
Other operating income	86.1	(5.9)	627.6	(34.5)	(49.3)	(22.0)	(65.8)
Operating profit	60.2	(58.1)	69.4	(3.2)	12.1	43.2	37.5
Financial charges	(23.0)	251.0	50.6	(69.8)	(14.8)	2,676.1	423.2
Profit before taxation	86.0	(67.1)	70.0	4.4	16.2	24.9	36.8
Taxation	27.4	(24.3)	72.1	15.8	13.9	(16.4)	49.4
Profit after taxation	205.9	(84.8)	69.1	0.4	17.0	52.0	29.6

*The Horizontal analysis for 2018 numbers includes the entire business of GSK OTC (Private) Limited as it stood merged with and into GSK Consumer Pakistan Healthcare Limited with effect from January 1, 2018.

Comments on Horizontal Analysis - Statement of Financial Position

Shareholders' Equity	Non-Current Liabilities	Current Liabilities	Non-Current Assets	Current Assets
Share capital and Reserves increased by 13.9% as compared to 4.9% last year. The increase is mainly attributable to higher sales which has resulted in an increase in profit after tax and other comprehensive income.	Non-current liabilities have increased by 85.4% as a result of increase in lease liabilities pertaining to new registered office of Rs. 74m and deferred taxation of Rs. 201m.	Current liabilities are depicting an increase of 24.8% in normal course of business.	Non-current assets have drastically increased versus last year showing a growth of 34.8% vs 7.8% in 2022. This is mainly on account of higher capital expenditure for capacity expansion and to generate efficiency coupled with new registered office expenditure. It also includes project based capital expenditure pertaining to CAC-1000 capacity enhancement and Panadol enhancement and insourcing.	The increase in current assets can be substantiated by the increase in Stock levels amounting to Rs. 0.9 billion in line with higher cost and Rupee devaluation. Rest can be attributed to increase in cash and cash equivalent.

Comments on Horizontal Analysis - Statement of Profit Or Loss

Sales	Cost of Sales	Selling, marketing & distribution expenses	Administrative expenses
Looking at the overall market conditions, the Company managed to achieve a growth of 15% in overall sales as compared to last year with core business (excluding toll and exports) showing growth of 26%, based on increase in OTC and FMCG portfolio by 29% and 13% respectively.	Cost of sales of the Company increased primarily on account of price increases of major APIs causing the profitability to deteriorate. Rest of the increase is attributed to inflation and currency devaluation.	Selling, marketing and distribution expenses during the year increase by 28% which is mainly attributable to significant increase in petroleum prices amidst inflationary environment in the country.	The increase in administrative expenses of 38% is mainly driven by higher resource cost and new registered office expenses.
Other operating expenses	Other income	Financial Charges	Taxation
Increase in other charges during the current year by 95% is primarily on account of increase in statutory charges (WPPF, WWF and CRF) which is in line with the increase in profitability of the Company.	A significant increase in other income is mainly improved liquidity position of the Company thus generated income from financial assets.	The decrease of Rs. 73 million is lower exchange loss which is in line with Rupee devaluation during the year.	Increase in tax expense during the current year by 27% is primarily on account of increase in profitability of the Company.

Vertical Analysis

Statement of Financial Position Analysis	2023	2022	2021	2020	2019	2018*	2017
Share Capital and Reserves	44.0	46.8	48.4	47.1	50.1	48.2	58.1
Non Current Liabilities	3.7	2.4	2.1	2.2	2.1	1.6	0.5
Current Liabilities	52.4	50.9	49.4	50.8	47.8	50.2	41.4
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Non Current Assets	30.7	27.6	27.8	33.2	34.1	35.1	3.4
Current Assets	69.3	72.4	72.2	66.8	65.9	64.9	96.6
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Profit and Loss Analysis (%)	2023	2022	2021	2020	2019	2018*	2017
Net sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(79.6)	(82.6)	(72.3)	(73.2)	(69.4)	(70.4)	(62.6)
Gross profit	20.4	17.4	27.7	26.8	30.6	29.6	37.4
Selling, marketing and distribution expenses	(13.2)	(11.9)	(13.9)	(15.6)	(16.8)	(16.4)	(22.0)
Administrative expenses	(2.0)	(1.7)	(1.3)	(1.5)	(1.7)	(1.9)	(2.3)
Other operating expenses	(0.5)	(0.3)	(1.0)	(0.8)	(0.9)	(0.9)	(1.1)
Other operating income	1.9	1.2	1.4	0.2	0.4	1.0	2.2
Operating profit	6.6	4.7	12.8	9.2	11.6	11.4	14.2
Financial charges	(0.7)	(1.1)	(0.4)	(0.3)	(1.2)	(1.5)	(0.1)
Profit before taxation	5.8	3.6	12.5	8.9	10.4	9.8	14.1
Taxation	(2.7)	(2.4)	(3.6)	(2.6)	(2.7)	(2.6)	(5.6)
Profit after taxation	3.1	1.2	8.8	6.4	7.7	7.2	8.5

*The Horizontal analysis for 2018 numbers includes the entire business of GSK OTC (Private) Limited as it stood merged with and into GSK Consumer Pakistan Healthcare Limited with effect from January 1, 2018.

Comments on Vertical Analysis - Statement of Financial Position

Shareholders' Equity	Non-Current Liabilities	Current Liabilities	Non-Current Assets	Current Assets
Share capital and Reserves have increased versus last year however, as a Percentage of total equity and liabilities have decreased from 46.8% in 2022 to 44.0% at the close of 2023 owing lower profits generated for the year coupled with significant increase in trade and other payables.	Non-current liabilities as a percentage of total equity and liabilities have increased by 1.3% due to increase in lease liabilities pertaining to new registered office of Rs. 74m and deferred taxation of Rs. 201m.	Current liabilities slightly increased from 50.9% to 52.4% in 2023 owing to higher trade and other payable thus improving the working capital position of the Company.	Non-current assets as a percentage of total sales have slightly increased by 3.1% on account higher capital expenditure, in line with Company's strategic plan.	Current assets despite increasing by 16% on balance sheet has decreased by 3% as a % of total assets mainly due to accelerated growth in PPE for business expansion, in line with strategic plan.

Comments on Vertical Analysis - Statement of Profit Or Loss

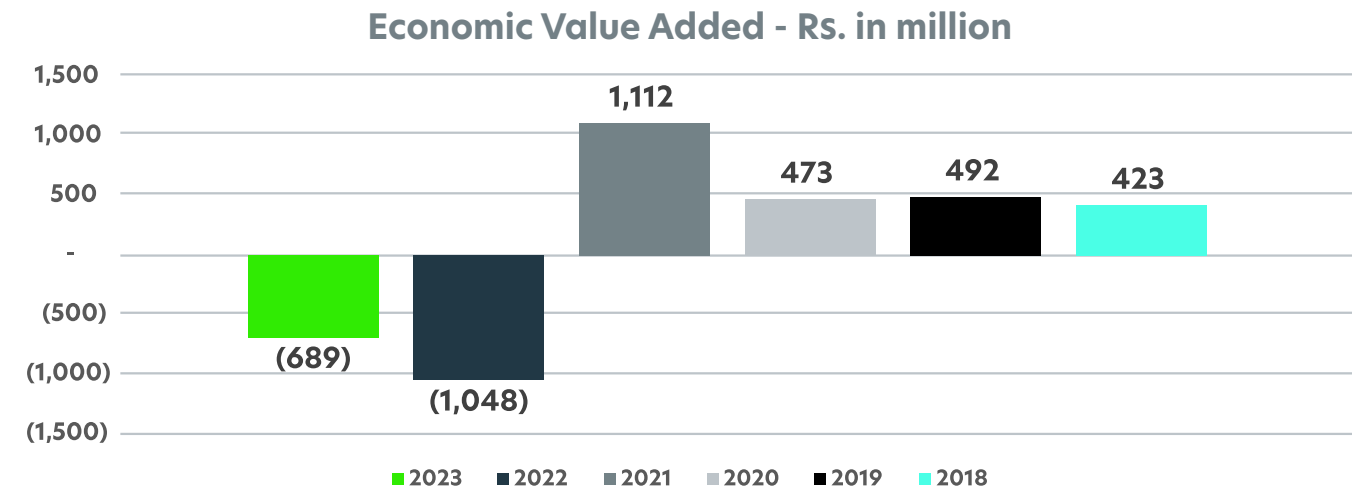
Gross profit	Operating Profit
The overall turnover increased by 15% with core business showing growth of 29% led to higher Gross profit margin versus last year i.e. 20.4% in 2023 vs 17.4% in 2022. Despite the economic challenges, the Company was able to manage growth in FMCG and OTC portfolio with Oral care and Pain relief being the key segment respectively. However, with global economic slowdown pushed raw material upward, thus increase increasing cost of business, augmented with Pak Rupee devaluation.	Operating profit margin increased from 4.7% in 2022 to 6.6% in 2023 which in line with higher gross profit margin. However, this was partially impacted by higher selling, marketing and distribution cost mainly due to higher petroleum prices.

Statement Of Value Added



Economic Value Added

	2023	2022	2021	2020	2019	2018
Net Operating Profit After Tax (NOPAT) - Rs. In million	996	325	2,134	1,262	1,258	1,075
Capital Invested (Share capital and reserves) - A	8,023	7,042	6,715	5,164	4,501	3,835
Weighted Average Cost of Capital - % - B	21.00%	19.50%	15.22%	15.27%	17%	17%
A*B	1,685	1,373	1,022	789	765	652
Economic Value Added	(689)	(1,048)	1,112	473	492	423





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Chartered Accountants
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Independent Auditor's **Review Report** on the **Audit of the Financial Statements**

To the members of Haleon Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Haleon Pakistan Limited** (the Company) for the year ended 31 December 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2023.

KPMG Taseer Hadi & Co.
Chartered Accountants

Place: Karachi
Date: 12 March 2024
UDIN: CR202310102VKbrYq4uC

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Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Haleon Pakistan Limited Year ended 31 December 2023

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('Regulations') in the following manner:

1. The total number of Directors are seven (7) with the following diversity:

- | | |
|-----------|----------|
| a. Male | Five (5) |
| b. Female | Two (2) |

2. The composition of the Board is as follows:

Category	Name
Independent Directors	• Syed Anwar Mahmood
	• Mr. M. Z. Moin Mohajir (Chairperson)
	• Ms. Ayesha Aziz
Executive Directors	• Mr. Farhan Muhammad Haroon (CEO)
	• Mr. Dilawar Meghani (CFO)
Non-Executive Directors	• Mr. Oussama Abbas
	• Ms. Sumru Atalay Besceli
Female Directors	• Ms. Sumru Atalay Besceli
	• Ms. Ayesha Aziz

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.

4. The Company has prepared and adopted a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of the particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ('Act') and these Regulations.

7. The meetings of the Board were presided over by the Chairperson and in his absence, by a Director elected by the Board for this purpose. The Board has complied with requirements of the Act and the Regulations with respect to the frequency, recording and circulating minutes of the meetings of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Six out of seven of the Board members have attained training under the Directors' Training Program either from a local or a foreign institution and one director meets the exemption criteria as provided in the Regulations. During the year, the Board arranged Directors' Training Program for Ms. Marrium Ahmed (Compliance and Internal Audit Lead).

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Chief Financial Officer and Chief Executive Officer have duly endorsed the financial statements before obtaining the approval of the Board.
12. The Board has formed committees comprising of members specified below:

a) Board Audit Committee

- i. Ms. Ayesha Aziz - Chairperson
 ii. Mr. M. Z. Moin Mohajir
 iii. Syed Anwar Mahmood

b) Human Resource, Remuneration and Nomination Committee

- i. Syed Anwar Mahmood - Chairperson
 ii. Mr. M. Z. Moin Mohajir
 iii. Ms. Ayesha Aziz

c) Supply Chain Executive Committee

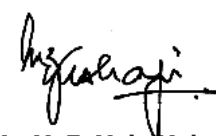
- i. Mr. Oussama Abbas - Chairperson
 ii. Mr. Farhan Muhammad Haroon
 iii. Mr. Dilawar Meghani

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the said committee for compliance.
14. The frequency of the meetings (quarterly / half yearly / yearly) of the committees were as per the following:
- a) Board Audit Committee - Quarterly
 b) Human Resource, Remuneration and Nomination Committee - Quarterly
 c) Supply Chain and Executive Committee - 1st and 3rd Quarter
15. The Board has outsourced the internal audit function to Ernst & Young Ford Rhodes, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanations with respect to compliance with non-mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 is specified below:

S. No.	Requirement	Explanation	Regulation No.
1.	The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Terms of Reference for Risk Committee are covered by the Board of Directors and the Compliance Risk Forum** which meets quarterly to review the effectiveness of the Company's risk management procedures and timely appraises the Board with results.	30

**For Further Details Regarding the Compliance Risk Forum (formerly known as the Risk Management Compliance Board), please refer to page no. 58 of the Annual Report.



Mr. M. Z. Moin Mohajir
Chairperson



Mr. Farhan Muhammad Haroon
Chief Executive Officer

Karachi
5 March 2024



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Independent Auditor's Report

To the members of Haleon Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Haleon Pakistan Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



KPMG Taseer Hadi & Co.

Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Revenue Recognition</p> <p>Refer notes 3.15 and 22 to the financial statements.</p> <p>The Company is engaged in the manufacturing, marketing and sale of pharmaceutical and other consumer health products. The Company recognized net revenue of Rs. 31.609 billion from the sale of these products for the year ended 31 December 2023.</p> <p>Revenue recognition includes determination of sales prices in accordance with the regulated price regime of the Government and transfer of control of products sold to customers.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk of misstatement, consequently requiring significant time and audit efforts.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of pricing mechanism of Drug Regulatory Authority of Pakistan (DRAP). Tested on sample basis, selling prices of regulated pharmaceutical products to ensure compliance with the pricing policies of DRAP; - Obtained an understanding of the Company's process with respect to revenue recognition and tested design and operating effectiveness of controls relevant to such process; - Inspected contracts to obtain an understanding of contract terms particularly relating to timing and the customer's acceptance of the products and assessing the Company's accounting policies for recognition of revenue with reference to the requirements of the prevailing accounting standards; - Performed substantive audit procedures including analytical procedures and test of details over revenue transactions alongwith review of related supporting documents, including dispatch-related documents and customer acknowledgement, on test basis; - Compared a sample of revenue transactions recorded around the year end and post year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; - Compared a sample of sales return subsequent to the year end with the credit notes, customer correspondence and other underlying documentation to assess revenue recognized during the year was not overstated; - Performed journal entry testing using a risk-based criterion, on a sample basis, relating to revenue transactions recorded by the Company and reviewed underlying documentation and business rationale of such journal entries; and - Assessed the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.

S. No. Key audit matter

2. Valuation of Stock-in-trade

Refer notes 3.4 and 7 to the financial statements relating to valuation of stock-in-trade.

As at December 31, 2023, the stock-in-trade balance (net of provision for slow moving, obsolete and damaged stock) amounted to Rs. 5,414.71 million, which is 30% of total assets.

We identified valuation of stock-in-trade as a key audit matter as it represents a significant portion of Company's total assets and it requires management judgement with respect to standard costs (including capitalization of variances), determination of net realizable value and determination of obsolescence of inventories.

How the matter was addressed in our audit

Our audit procedures amongst others, included the following:

- Obtained an understanding of policies and procedures followed by the Company with respect to valuation of inventories;
- Assessed appropriateness of the Company's accounting policies for valuation of inventories and compliance of those policies with the accounting and reporting standards as applicable in Pakistan;
- Obtained working of variances recorded by management and tested the amounts, which were incurred and retained to actualize the standard cost of inventories at year end;
- We tested the design, implementation and operating effectiveness of the Company's controls in place over the standard costing process;
- Obtained an understanding and assessed reasonableness of management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis;
- Compared the NRV, on a sample basis, to the carrying value of inventories to assess whether any adjustments were required to carrying value of inventories in accordance with the policy;
- Tested provision recorded for obsolete inventory to ensure that it was as per the policy of the Company; and
- Assessed the adequacy of related financial statement disclosures in accordance with the applicable financial reporting framework.

Other information

Management is responsible for the other information. The Other Information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 March 2023.

The engagement partner on the audit resulting in this independent auditor's report is Moneeza Usman Butt.

Date: 12 March 2024
Karachi
UDIN: AR2023101022CuVahRwD



KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Financial Position

AS AT DECEMBER 31, 2023

		2023	2022
	Note	----- Rupees in '000 -----	----- Rupees in '000 -----
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,397,852	3,989,754
Intangible assets	5	153,554	127,674
Long-term loans to employees	6	9,117	5,995
Long-term deposits		34,360	28,319
		5,594,883	4,151,742
Current assets			
Stores and spares		171,325	143,019
Stock-in-trade	7	5,414,709	4,528,669
Trade debts	8	610,335	635,519
Loans and advances	9	346,055	418,682
Trade deposits and prepayments	10	129,606	99,756
Interest accrued		31,325	17,227
Refunds due from Government - Sales Tax		156,733	144,373
Other receivables	11	239,814	531,826
Taxation - payments less provision		1,268,100	915,200
Investment at amortised cost	12	1,001,651	965,302
Bank balances	13	3,280,194	2,508,361
		12,649,847	10,907,934
Total assets		18,244,730	15,059,676
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	14	1,170,545	1,170,545
Reserves	15	6,852,221	5,871,410
		8,022,766	7,041,955
Liabilities			
Non-current liabilities			
Employee benefit obligations	16	137,512	106,371
Deferred taxation	17	335,297	133,798
Lease liabilities	18	193,432	119,164
		666,241	359,333
Current liabilities			
Trade and other payables	19	7,997,717	6,102,666
Unclaimed dividend		12,849	13,375
Unpaid dividend	20	1,506,338	1,506,338
Current portion of lease liabilities	18	38,819	36,009
		9,555,723	7,658,388
Total liabilities		10,221,964	8,017,721
Total equity and liabilities		18,244,730	15,059,676
Contingencies and commitments			
	21		

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

Chief Financial Officer

Director

Chief Executive Officer

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2023

		2023	2022
	Note	----- Rupees in '000 -----	----- Rupees in '000 -----
Revenue from contracts with customers - net	22	31,609,776	27,507,212
Cost of sales	23	(25,161,097)	(22,721,799)
Gross profit		6,448,679	4,785,413
Selling, marketing and distribution expenses	24	(4,181,615)	(3,260,501)
Administrative expenses	25	(636,048)	(461,605)
Reversal / (allowance) for impairment of trade debts	8.3	10,768	(4,592)
Other expenses	26	(157,722)	(80,681)
Other income	27	598,036	321,299
Operating profit		2,082,098	1,299,333
Financial charges	28	(235,965)	(306,542)
Profit before taxation		1,846,133	992,791
Taxation - net	29	(850,547)	(667,380)
Profit for the year		995,586	325,411
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to statement of profit or loss:			
Remeasurement of employee benefit obligations	16.1.8	(18,354)	1,932
Impact of taxation	17.1	3,579	(560)
		(14,775)	1,372
Total comprehensive income		980,811	326,783
----- Rupees -----			
Earnings per share - basic and diluted	30	8.51	2.78

The annexed notes from 1 to 46 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended December 31, 2023

	Note	2023	2022
----- Rupees in '000 -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	3,202,993	2,059,481
Staff retirement benefits paid		(119,868)	(86,548)
Income taxes paid		(998,369)	(982,452)
(Increase) / decrease in long-term loans to employees		(3,122)	1,674
Increase in long-term deposits		(6,041)	(17,889)
Net cash generated from operating activities		2,075,593	974,266
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(1,789,030)	(503,448)
Proceeds from disposal of operating assets		85,908	37,881
Interest received		512,127	244,240
Net cash used in investing activities		(1,190,995)	(221,327)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(526)	(395,851)
Lease rental paid		(38,100)	(9,000)
Net cash used in financing activities	33	(38,626)	(404,851)
Net increase in cash and cash equivalents		845,972	348,088
Cash and cash equivalents at beginning of the year		3,435,873	3,087,785
Cash and cash equivalents at end of the year	32	4,281,845	3,435,873

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

Statement of Changes in Equity

For the year ended December 31, 2023

	Share capital	Capital reserves		Revenue reserve	Total
		Reserve arising under the Scheme of Arrangement	Reserve arising on amalgamation under the Scheme of Merger	Unappropriated profit	
----- Rupees in '000 -----					
Balance as at January 01, 2022	1,170,545	101,914	728,726	4,713,987	6,715,172
Total comprehensive income					
Profit for the year	-	-	-	325,411	325,411
Other comprehensive income	-	-	-	1,372	1,372
	-	-	-	326,783	326,783
Balance as at December 31, 2022	1,170,545	101,914	728,726	5,040,770	7,041,955
Total comprehensive income					
Profit for the year	-	-	-	995,586	995,586
Other comprehensive loss	-	-	-	(14,775)	(14,775)
	-	-	-	980,811	980,811
Balance as at December 31, 2023	1,170,545	101,914	728,726	6,021,581	8,022,766

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

Notes to the Financial Statements

For the year ended December 31, 2023

1. THE COMPANY AND ITS OPERATIONS

1.1 Haleon Pakistan Limited (the Company) was incorporated in Pakistan as a public unlisted company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on March 31, 2015 principally to effect the demerger of consumer healthcare business of GlaxoSmithKline Pakistan Limited (GSK Pakistan) under a Scheme of Arrangement (the Scheme), which was approved by the Honourable High Court of Sindh (SHC) and its order was submitted to the Registrar of Companies on April 01, 2016. The Company is engaged in manufacturing, marketing and sale of consumer healthcare products. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. During the year, the Company has changed its registered office to 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, 75600, with effect from February 09, 2023.

The Company is a subsidiary of Haleon Netherlands B.V. In pursuant of the demerger of the consumer healthcare business from GlaxoSmithKline plc, UK on July 18, 2022, to Haleon plc, an independent listed Company (listed on London Stock Exchange and New York Stock Exchange), the ultimate parent Company has changed from GlaxoSmith Kline plc to Haleon plc. Name of the Company has changed to Haleon Pakistan Limited from GlaxoSmith Kline Consumer Healthcare Pakistan Limited effective from January 03, 2023.

1.2 Due to the pending transfer of marketing authorisations and certain permissions for Over the Counter (OTC) products of the Company with Drug Regulatory Authority of Pakistan (DRAP), GlaxoSmithKline Pakistan Limited, for and on behalf of the Company is engaged in the procurement, manufacturing and managing the related inventory and receivable balances pertaining to such products against a service fee charged by GlaxoSmithKline Pakistan Limited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act, differ from the requirements of IFRS, the provisions of and directives issued under the Act, have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest thousand unless otherwise indicated.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant which have been disclosed in the relevant notes to the financial statements are:

- i) Impairment of intangible assets (note 3.2 and note 5);
- ii) Provision for employee benefit obligations (note 3.8 and note 16);
- iii) Residual value, useful lives and impairment of property, plant and equipment (note 3.1 and note 4);
- iv) Impairment of non-financial assets (note 3.13);
- v) Provision for obsolete and slow moving stock-in-trade (note 3.4 and note 7);
- vi) Allowance for impairment of trade debts (note 3.12.4 and note 8); and
- vii) Taxation (note 3.16, note 17 and note 29).

2.5 Application of new standards, amendments and interpretations to the published approved accounting standards

2.5.1 Changes in accounting standards, interpretations and pronouncements

New amendments / interpretations to existing standards, interpretations and forthcoming requirements

The following amendments to published standards are mandatory for the financial year beginning on 1 January 2023 and are relevant to the Company.

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 Presentation of Financial Statements require entities to disclose their material rather than their significant accounting policies.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendments added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors.

The following new standards and amendments are effective for the period beginning 1 January 2023, however they are not relevant to the entity's operations:

	Effective from accounting period beginning on or after
- IFRS 17 Insurance Contracts	January 01, 2023
- International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)	May 23, 2023

2.5.2 Amendments to IFRS that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2024:

Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The above standards and interpretations are not expected to have any material impact on the Company's financial statements in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented:

3.1 Property, plant and equipment

3.1.1 Operating assets

Operating assets are stated at cost less accumulated depreciation / amortisation and accumulated impairment, if any.

Depreciation is charged using the straight line method whereby the carrying value of an asset less estimated residual value, if not insignificant, is written-off over its estimated remaining useful life. Cost of leasehold land is amortised over the period of the lease.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the year in which they are incurred.

Gains and losses on disposal of fixed assets are included in the Statement of Profit or Loss and Other Comprehensive Income during the year in which the asset is disposed off.

Depreciation methods, useful lives and residual values of each item of operating assets that is significant in relation to the total cost of the asset are reviewed and adjusted, if appropriate, annually.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment, if any. It consists of expenditure incurred and advances made in respect of items of property, plant and equipment in the course of their acquisition, construction and installation. Transfers are made to the relevant category of assets when assets are available for intended use.

3.2 Intangible assets

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method.

Development costs that are directly attributable to the design and testing of identifiable, controlled development project of an intangible asset are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available;
- and the expenditure attributable to the intangible asset during its development can be reliably measured. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount

of the identifiable assets acquired and the liabilities assumed. After initial recognition, it is carried at cost less accumulated impairment, if any. Goodwill is assessed annually for impairment.

3.3 Stores and spares

These are valued at lower of cost, determined using weighted average method, and net realisable value, less provision for obsolete items, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

3.4 Stock-in-trade

These are stated at lower of cost and net realisable value. Cost is determined using first-in first-out method.

Cost of raw and packing materials comprise of purchase price including directly related expenses less trade discounts, if any. Cost of work-in-process and finished goods include cost of raw and packing materials, direct labour and related production overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less necessary costs to be incurred to make the sale. Provision is made for slow moving and expired stock-in-trade where considered necessary.

Stock-in-transit is carried at accumulated cost incurred upto reporting date.

3.5 Trade debts

Trade receivables are initially measured at the original invoice amount and subsequently measured at amortised cost less allowances for expected credit losses which are measured at an amount equal to lifetime expected credit losses.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost / amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of bank balances in current, savings and deposit accounts, other short-term highly liquid investments with original maturities of upto three months, short-term borrowings under running finance and book overdraft, if any.

3.7 Share capital

Ordinary shares are classified as equity and are recognised at their face value. Transaction costs directly attributable to the issue of shares are shown in equity as a deduction, net of tax, from the proceeds.

3.8 Employee benefit obligations

3.8.1 Defined benefit plan

The Company operates an approved funded gratuity plan (the Plan) for its permanent employees. Gratuity is based on employees' last drawn salary. Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the Plan.

Provision is made to cover the obligation under the scheme on the basis of actuarial recommendation. The actuarial valuations is carried out using the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in Other Comprehensive Income. The amount recognised in the statement of financial position represents the present value of defined benefit obligation

3.8.2 Defined contribution plan

The Company also operates approved contributory provident fund for all its permanent employees. Equal monthly contributions are made both by the Company and the employee at the rate of 10% per annum of the basic salary. Company's contribution is charged to the Statement of Profit or Loss and Other Comprehensive Income.

3.9 Compensated absences

The Company provides for compensated absences of its non-management employees on un-availed balance of leave in the period in which the leaves are earned.

3.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

The amount recognised as provision is the best estimate of consideration required to settle the present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation.

3.11 Share-based payments

Cash-settled share-based payments provided to employees are recorded as liability in the statement of financial position at fair value over the period the services are received.

3.12 Financial assets and liabilities

3.12.1 Initial recognition

All financial assets and financial liabilities are initially measured at their fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Financial assets and liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction cost are expensed out in the statement of profit or loss.

These are subsequently measured at fair value or amortised cost as the case may be. The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instruments.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

3.12.2 Classification

(i) Financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost ("AC").

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

(ii) Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost ("AC").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or the Company has opted to measure them at FVTPL.

3.12.3 Subsequent measurement

(i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are measured at fair value, with gains or losses arising from changes in fair value recognised in Other Comprehensive (Loss) / Income.

(ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are carried at amortised cost using the effective interest method, and in the case of financial assets, less any impairment.

Gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when financial instrument are derecognised or impaired or through the amortisation process.

(iii) Financial assets and liabilities at FVTPL

Realised and unrealised gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in Other Comprehensive (Loss) / Income.

3.12.4 Impairment of financial assets

For financial assets measured at amortised cost, recognition of impairment is based on expected credit loss (ECL) model. The Company measures loss allowance of an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company recognises lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The gross carrying amount of a financial asset is written-off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.12.5 Derecognition

(i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit or Loss and Other Comprehensive Income.

3.12.6 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the Statement of Financial Position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.13 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, stock-in-trade and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, assets or cash-generating units are tested for impairment. Cash-generating units to which goodwill is allocated are tested for impairment annually. Where the carrying values of assets or cash-generating units exceed the estimated recoverable amount (being higher of value in use and fair value less costs to sell), these are written down to their recoverable amount and the resulting impairment is charged to the Statement of Profit or Loss and Other Comprehensive Income.

Impairment is reversed only if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised carrying value does not exceed the carrying value that would have existed, had no impairment been recognised, except impairment of goodwill which is not reversed.

3.14 Business combination

Business combinations generally are accounted for using acquisition method of accounting in accordance with the requirements of IFRS 3 'Business Combinations'. The Company follows predecessor's accounting method for business combination falling under common control which are out of scope of IFRS-3 'Business Combinations'.

3.15 Revenue recognition

Revenue represents net invoice value (i.e. list price after the deduction of discounts, pricing allowances and customer rebates). Revenue includes variable consideration.

Revenue from contract with customers is recognised at amounts that reflect the consideration that the Company /expects to be entitled to in exchange for transferring control of goods to a customer. Revenue is measured at the fair value of the consideration received or receivable.

Variable consideration arises on the sale of goods because of discounts and allowances given and accruals for estimated future returns and rebates. Discounts can either be on-invoice or off-invoice whilst allowances and rebates are generally off-invoice. The discounts, allowances and rebates are recognised as a deduction from revenue at the time that the related revenue is recognised or when the Company has committed to pay the consideration, whichever is later. The assumptions used in estimation are based on known facts with a high level of accuracy. The differences between actual amounts settled and the estimated accrued amounts are recognised as a change in management estimate in the subsequent reporting period.

3.16 Taxation

Income tax expense comprises current and deferred tax. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

3.16.1 Current

The charge for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax or alternate corporate tax as applicable, after taking into account tax credits and rebates available, if any.

3.16.2 Deferred

Deferred tax is recognised using balance sheet method for all temporary differences at the reporting date arising between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits and taxable temporary differences will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits and taxable temporary differences will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The effect of deferred taxation of the portion of the income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of The Institute of Chartered Accountants of Pakistan.

3.17 Foreign currency transactions and translation

Foreign currency transactions are recorded into Pakistan Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currency are translated into Pakistan Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are taken to the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

3.18 Dividend

Dividend distribution to the Company's shareholders and appropriations to / from reserves is recognised in the period in which these are approved.

3.19 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM) who is responsible for allocating resources and assessing performance of the operating segments. The Management has determined that the Company has a single reportable segment as the CODM views the Company's operations as one reportable segment.

3.21 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The right-of-use asset (ROUA) is initially measured at cost which includes amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset.

ROUA is subsequently measured at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit or Loss and Other Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company has elected to apply the practical expedient not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

		2023	2022
4. PROPERTY, PLANT AND EQUIPMENT	Note	----- Rupees in '000 -----	-----
Operating assets	4.1	3,831,912	3,029,675
Capital work-in-progress	4.4	1,362,737	809,487
Right-of-use assets - Office premises	4.6	203,203	150,592
		5,397,852	3,989,754

4.1 Operating assets

	Leasehold land	Building / Improvements on leasehold land and building	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Total
----- Rupees in '000 -----							
Net carrying value year ended December 31, 2023							
Opening net book value	5,535	643,621	1,890,923	52,093	248,545	188,958	3,029,675
Additions (at cost)	-	153,196	455,449	209,648	249,830	167,657	1,235,780
Disposals							
- Cost	-	(19,608)	-	(9,170)	(94,448)	(4,934)	(128,160)
- Accumulated depreciation	-	2,672	-	3,250	65,636	2,314	73,872
Impairment charge reversal	-	(16,936)	-	(5,920)	(28,812)	(2,620)	(54,288)
Depreciation charge - (Note 4.7)	-	18,270	-	6,055	-	2,675	27,000
Closing net book value	5,234	759,567	2,158,748	215,054	385,262	308,047	3,831,912
Gross carrying value at December 31, 2023							
Cost	7,646	946,964	3,232,217	340,134	601,119	521,800	5,649,880
Accumulated depreciation	(2,412)	(187,397)	(1,073,469)	(125,080)	(215,857)	(213,753)	(1,817,968)
Accumulated impairment	-	-	-	-	-	-	-
Net book value	5,234	759,567	2,158,748	215,054	385,262	308,047	3,831,912
Depreciation rate per annum	4%	2.5% to 10%	5% to 25%	10%	25%	10% to 33.33%	
Net carrying value year ended December 31, 2022							
Opening net book value	5,836	669,740	1,962,544	77,935	188,714	186,232	3,091,001
Additions (at cost)	-	17,266	98,778	129	140,480	52,773	309,426
Disposals							
- Cost	-	-	-	-	(49,752)	-	(49,752)
- Accumulated depreciation	-	-	-	-	30,796	-	30,796
Impairment charge	-	(18,270)	-	(6,055)	-	(2,675)	(27,000)
Depreciation charge - (Note 4.7)	(301)	(25,115)	(170,399)	(19,916)	(61,693)	(47,372)	(324,796)
Closing net book value	5,535	643,621	1,890,923	52,093	248,545	188,958	3,029,675
Gross carrying value at December 31, 2022							
Cost	7,646	813,376	2,776,768	139,656	445,737	359,077	4,542,260
Accumulated depreciation	(2,111)	(151,485)	(885,845)	(81,508)	(197,192)	(167,444)	(1,485,585)
Accumulated impairment	-	(18,270)	-	(6,055)	-	(2,675)	(27,000)
Net book value	5,535	643,621	1,890,923	52,093	248,545	188,958	3,029,675
Depreciation rate per annum	4%	2.5% to 10%	5% to 25%	10%	25%	10% to 33.33%	

4.2 Details of assets sold during the year ended 31 December 2023, having net book value in excess of Rs. 500,000:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
----- Rupees in '000 -----							
Building and improvements on leasehold land	9,473	1,787	7,686	7,729	43	Tender	GlaxoSmithKline Pakistan Limited
"	2,862	191	2,671	2,683	12	Tender	"
"	1,621	108	1,513	1,520	7	Tender	"
"	1,867	334	1,533	1,541	8	Tender	"
"	2,182	145	2,037	2,045	8	Tender	"
"	900	60	840	844	4	Tender	"
Office Equipment	1,200	320	880	900	20	Tender	"
"	717	125	592	604	12	Tender	"
Furniture and fixtures	5,040	1,344	3,696	3,780	84	Tender	"
"	2,059	549	1,510	1,544	34	Tender	"
"	698	122	576	588	12	Tender	"
Vehicles	15,600	11,700	3,900	3,900	-	Company Policy	Farhan Muhammad Haroon (Executive)
"	7,636	835	6,801	6,046	(755)	"	Aziz Ahmed (Ex-Executive)
"	4,245	1,526	2,719	3,793	1,074	"	Muhammad Faisal (Ex-Executive)
"	2,926	503	2,423	2,535	112	"	Muzna Hussain (Ex-Executive)
"	2,799	918	1,881	2,498	617	"	Mariam M Maqsood (Ex-Executive)
"	2,797	2,098	699	699	-	"	Rizwan Riazuddin (Executive)
"	2,685	1,091	1,594	1,530	(64)	"	Muhammad Mohsin (Executive)
"	2,647	1,985	662	662	-	"	Sajid Iqbal (Executive)
"	2,379	1,784	595	861	266	"	Khalid Khan (Executive)
"	2,299	1,724	575	1,397	822	"	Muhammad Farrukh Kazi (Ex-Executive)
"	2,148	1,611	537	537	-	"	Aamir Altaf (Executive)
"	1,940	889	1,051	3,111	2,060	Tender	Toyota Western Motors
"	1,940	889	1,051	3,108	2,057	Tender	Toyota Western Motors
	80,660	32,638	48,022	54,455	6,433		
December 31, 2022	32,542	15,290	17,252	21,850	4,598		

4.3 Particulars of immovable assets of the Company are as follows:

Location	Address	Usage of immovable property	Total area
Jamshoro	Sandoz Nagar, Petaro Road, Jamshoro	Factory	4 acres and 1 ghunta

		2023	2022
	Note	----- Rupees in '000 -----	
4.4 Capital work-in-progress			
Opening balance		809,487	615,465
Additions during the year		1,789,030	503,448
Transfers during the year		(1,235,780)	(309,426)
Closing balance	4.5	1,362,737	809,487
4.5 As at December 31, capital work-in-progress represents:			
Civil works		97,845	120,494
Plant and machinery		1,013,727	469,676
Others		251,165	219,317
		1,362,737	809,487

		2023	2022
	Note	----- Rupees in '000 -----	
4.6 Right-of-use assets - Office premises			
Opening net book value		150,592	-
Additions during the year		-	158,518
Impact of reassessment		79,368	-
Depreciation charge	4.7	(26,757)	(7,926)
Closing net book value		203,203	150,592
Depreciation rate per annum		10%	20%

4.7 Depreciation charge relating to property, plant and equipment for the year has been allocated as follows:

		2023	2022
	Note	----- Rupees in '000 -----	
Cost of sales	23	303,135	272,123
Selling, marketing and distribution expenses	24	51,377	32,655
Administrative expenses	25 & 4.71	78,500	27,944
		433,012	332,722

4.7.1 This includes depreciation charge relating to right-of-use assets - Office premises amounting to Rs. 26.76 million (2022: Rs. 7.93 million).

5. INTANGIBLE ASSETS

		2023	2022
	Note	----- Rupees in '000 -----	
Goodwill	5.1	127,674	127,674
Asset under development	5.2	25,880	-
		153,554	127,674

5.1 Goodwill

This represents intangible acquired by the Company under the Scheme of Merger which comprise of goodwill that had arised on the business acquisition of Novartis Pharma (Pakistan) Limited (NPPL) by GlaxoSmithKline OTC (Private) Limited (GSK OTC), which is the difference between the purchase consideration and the fair value of assets acquired.

The recoverable amount of goodwill is the higher of value-in-use and fair value less cost to sell. Value-in-use is calculated as the net present value of the projected cash flows of the Cash Generating Unit (CGU) to which the asset belongs, discounted at risk-adjusted discount rate.

Details relating to the discounted cash flow model used in the impairment test are as follows:

Valuation basis	Value-in-use
Key assumptions	Sales growth and discount rate.
Determination of assumptions	Growth rates are internal forecasts of sales and margins based on both internal and external market information and past performance. Cost reflects past experience, adjusted for inflation and expected changes. Discount rate is primarily based on weighted average cost of capital.
Terminal growth rate	4.0%
Period of specific projected cash flows	5 years
Discount rate	21.00%
Sales growth rate	11.00%

The valuation indicates sufficient headroom such that a 1% change in the terminal growth and discount rate has not resulted in an impairment of the intangible.

5.2 Asset Under Development

SLIMS (Smart Laboratory Management System) is a Laboratory Management Solution which helps in streamlining and organizing laboratory operations. It's an automated system that manages the complex data centrally and ensures efficient tracking of quality control samples in simplified manner.

		2023	2022
	Note	----- Rupees in '000 -----	
6. LONG-TERM LOANS TO EMPLOYEES			
Secured - considered good	6.1	13,331	10,448
Recoverable within one year	9	(4,214)	(4,453)
		9,117	5,995

6.1 These loans have been given in accordance with the terms of employment for staff welfare, purchase of motor car, motor cycle and for the purpose of house relocation and are repayable in 18 to 60 equal monthly installments. These loans are interest free. All loans are secured against the retirement fund balances.

7. STOCK-IN-TRADE

		2023	2022
	Note	----- Rupees in '000 -----	
Raw and packing materials [including in transit Rs. 817.77 million (2022: Rs. 453.86 million)]		2,876,812	2,115,690
Work-in-process		35,464	50,787
Finished goods		2,707,617	2,484,675
	7.1 & 7.2	5,619,893	4,651,152
Less: Provision for slow moving, obsolete and damaged stock-in-trade	7.3	(205,184)	(122,483)
		5,414,709	4,528,669

7.1 Detail of stock-in-trade held with third parties is as follows:

		2023	2022
For use in third party manufacturing			
Roomi Enterprises (Private) Limited		342,153	173,032
Pharmatec Pakistan (Private) Limited		132,567	110,569
Stock-in-trade held at third party warehouse			
Emirates Supply Chain Services (Private) Limited		698,158	649,238
Connect Logistics (Private) Limited		1,517,071	1,287,978
Burma Oil Mills		318,898	70,666
Glaciers (Private) Limited		478,527	399,427

7.2 Stock-in-trade include items costing Rs. 467.61 million (December 31, 2022: Rs. 810.62 million) valued at net realisable value of Rs. 361.34 million (December 31, 2022: Rs. 440.34).

7.3 Provision for slow moving, obsolete and damaged stock-in-trade

		2023	2022
	Note	----- Rupees in '000 -----	
Balance at the beginning of the year		122,483	148,089
Provision for the year	23	140,652	99,326
Written-off against provision		(57,951)	(124,932)
Balance at end of the year		205,184	122,483

8. TRADE DEBTS

		2023	2022
Trade debts	8.1	630,000	665,952
Less: Allowance for impairment of trade debts	8.3	(19,665)	(30,433)
		610,335	635,519

8.1 These include Rs. 161.35 million (2022: Rs. 280.39 million) receivable from NPPL against toll manufacturing and sale of goods.

8.2 The ageing analysis of trade debts past due but not impaired is as follows:

	2023		2022	
	----- Rupees in '000 -----			
	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss
- Current	586,661	1,404	556,481	4,860
- Less than 30 days	18,199	18	12,862	923
- 31 to 60 days	-	-	37,726	3,963
- 61 to 90 days	130	16	31,044	7,232
- 91 to 365 days	11,059	4,276	6,554	1,471
- Over 1 year	13,951	13,951	21,285	11,984
	630,000	19,665	665,952	30,433

		2023	2022
	Note	----- Rupees in '000 -----	
8.3 Allowance for impairment of trade debts			
Balance at the beginning of the year		30,433	30,852
(Reversal) / allowance for impairment of trade debts	8.4	(10,768)	4,592
Trade debts written-off against provision		-	(5,011)
Balance at end of the year		19,665	30,433

8.4 There was a specific provision booked against a customer of Rs. 4.59 million, which was recovered during the year. Also, the receivable balance as at December 31, 2023 has decreased resulting in reversal of provision against trade debts.

9. LOANS AND ADVANCES - CONSIDERED GOOD

		2023	2022
	Note	----- Rupees in '000 -----	
Current portion of long-term loans to employees	6	4,214	4,453
Advances to:			
- employees		18	503
- suppliers		185,892	168,698
- against letter of credit		240,030	329,127
		425,940	498,328
Provision against advances	23	(84,099)	(84,099)
		346,055	418,682

		2023	2022
	Note	----- Rupees in '000 -----	
10. TRADE DEPOSITS AND PREPAYMENTS			
Deposits - considered good		50,158	31,073
Prepayments		79,448	68,683
		129,606	99,756
11. OTHER RECEIVABLES			
Due from associated companies	11.1	140,815	53,649
Others	11.4	98,999	478,177
		239,814	531,826
11.1 Due from associated companies - considered good			
GlaxoSmithKline Consumer Healthcare Saudi Limited		14,020	-
Haleon CH SARL		29,069	-
Haleon (UK) Trading Limited		8,581	8,581
GlaxoSmithKline Kenya Limited		5,120	6,474
GlaxoSmithKline Consumer Healthcare Export Limited		84,025	38,594
		140,815	53,649

11.2 The maximum aggregate amount due from associated companies at the end of any month during the year was Rs. 140.82 million (2022: Rs. 295.06 million).

11.3 As at December 31, the age analysis of these related parties receivables are:

		2023	2022
	Note	----- Rupees in '000 -----	
- Up to 3 months		132,234	53,649
- Over 1 year		8,581	-
		140,815	53,649

11.4 This includes media rebates and receivable from Novartis Pharma (Pakistan) Limited amounting to Rs. 24.42 million (2022: Rs. 116.06 million) and Rs. 40.37 million (2022: Rs. 116.77 million) respectively.

12. INVESTMENT AT AMORTISED COST

This represents Treasury Bills (T-bills) which are held with Company's banker for safe custody. The yield on T-bills are 21.03% to 21.80% (2022: 15.57% to 16.97%) per annum. These T-bills have maturity dates of January 11, 2024 to February 22, 2024.

		2023	2022
	Note	----- Rupees in '000 -----	
13. BANK BALANCES			
With banks:			
- in savings accounts	13.1	2,900,439	2,498,902
- in current accounts [including foreign currency account Rs. 3.47 million (2022: Rs. 2.82 million)]		379,755	9,459
		3,280,194	2,508,361

13.1 As at December 31, 2023, the rate of mark-up on savings accounts were 20.50% (2022: 14.5%) per annum.

13.2 As at December 31, 2023, the facility for running finance available from a bank amounted to Rs. 1.98 billion (2022: Rs. 1.84 billion). Rate of mark-up is one/three month KIBOR plus 0.3% to 1% (2022: one/three month KIBOR plus 0.3% to 1%) per annum. The arrangement is secured by a Stand-by Letter of Credit issued by the Company's parent.

13.3 As at December 31, 2023, the facility for corporate credit cards for travel and entertainment expenditure amounted to Rs. 50 million (2022: Rs. 50 million). The arrangement is secured by a Stand-by Letter of Credit issued by the Company's parent.

14. SHARE CAPITAL

Authorised share capital

	2023	2022		2023	2022
	----- Number of shares -----		Note	----- Rupees in '000 -----	
	200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000	2,000,000
Issued, subscribed and paid-up capital					
	10,000	10,000	Ordinary shares of Rs. 10 each fully paid in cash	100	100
	95,540,183	95,540,183	For consideration other than cash under the Scheme of Arrangement	955,402	955,402
	21,504,325	21,504,325	For consideration other than cash under the Scheme of Merger	215,043	215,043
	117,054,508	117,054,508		1,170,545	1,170,545

14.1 As at December 31, 2023, Haleon Netherlands B.V. and its nominees held 100,423,259 shares (2022: 100,423,259 shares).

14.2 The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

		2023	2022
	Note	----- Rupees in '000 -----	
15. RESERVES			
Capital reserves:			
- Reserve arising under the Scheme of Arrangement	1.1	101,914	101,914
- Reserve arising on amalgamation under the Scheme of Merger	15.1	728,726	728,726
Revenue reserve - unappropriated profit		6,021,581	5,040,770
		6,852,221	5,871,410

15.1 This represents reserve arising from merger of GSK OTC with and into the Company effective from January 01, 2018.

16. EMPLOYEE BENEFIT OBLIGATIONS

16.1 Funded gratuity scheme

16.1.1 The Company operates an approved funded gratuity scheme for its permanent employees. Actuarial valuation of the Plan is carried out every year and the latest actuarial valuation was carried out as of December 31, 2023 using the Projected Unit Credit Method.

16.1.2 Plan assets held in trust are governed by local regulations which mainly include; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the trust deed. Responsibility for governance of the Plan, including investment decisions and contribution schedules, rests with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

16.1.3 Details of the Plan as per the actuarial valuation are as follows:

		2023	2022
	Note	----- Rupees in '000 -----	
16.1.4 Statement of financial position reconciliation			
Present value of defined benefit obligation	16.1.5	370,880	270,350
Fair value of plan assets	16.1.6	(233,368)	(163,979)
Deficit		137,512	106,371

		2023	2022
	Note	----- Rupees in '000 -----	
16.1.5 Movement in the present value of defined benefit obligation			
Balance at January 1		270,350	220,160
Benefits paid during the year		(15,949)	(30,281)
Current service cost		50,805	43,271
Interest cost		40,989	28,735
Re-measurement loss / (gain) on obligation		24,685	(5,793)
Balance transferred from GSK Pakistan Funds - net		-	14,258
Balance at December 31		370,880	270,350
16.1.6 Movement in the fair value of plan assets			
Balance at January 1		163,979	122,916
Contributions made during the year		53,775	43,487
Benefits paid during the year		(15,949)	(30,281)
Interest income		25,232	17,460
Re-measurement gain / (loss) on assets		6,331	(3,861)
Balance transferred from GSK Pakistan Funds - net		-	14,258
Balance at December 31		233,368	163,979
16.1.7 Expense recognised in the statement of profit or loss			
Current service cost		50,805	43,271
Net interest cost		15,757	11,275
		66,562	54,546
16.1.8 Remeasurements recognised in other comprehensive loss / (income)			
Remeasurement loss on obligation arising due to change in:			
Experience adjustment - loss		36,328	7,667
Demographic assumptions - loss		-	221
Financial assumptions gain		(11,643)	(13,681)
Re-measurement (gain) / loss on plan assets		(6,331)	3,861
		18,354	(1,932)

	2023	2022
	----- Rupees in '000 -----	
16.1.9 Net recognised liability		
Balance at January 1	106,371	97,244
Expense recognised in statement of profit or loss	66,562	54,546
Contribution made to the Plan during the year	(53,775)	(43,487)
Remeasurements gain / (loss) recognised in other comprehensive income	18,354	(1,932)
Balance as at December 31	137,512	106,371

16.1.10 Detail of plan assets

Plan assets of the Company comprise of the following:

	Note	2023		2022	
		Rupees in '000	%	Rupees in '000	%
- Pakistan investment bonds		32,139	14%	39,878	24%
- Regular income certificates		-	0%	31,388	19%
- Defence saving certificates		36,226	15%	32,412	20%
- Special saving certificates		-	0%	9,364	6%
- Term finance certificates		-	0%	-	0%
- Bank balances		53,622	23%	27,977	17%
- Market treasury bills		62,295	27%	5,404	3%
- Others	16.1.10.1	49,086	21%	17,556	11%
		233,368	100%	163,979	100%

16.1.10.1 This includes investments in equity instruments.

	2023	2022
	----- Rupees in '000 -----	
	%	%
16.1.11 Significant actuarial assumptions		
Discount rate	16.00	14.50
Future salary increases	16.00	14.50

16.1.12 Mortality was assumed to be based on SLIC (2001-05) Ultimate mortality tables rated down one year.

16.1.13 In case of the funded plans, investment positions are managed within an Asset-Liability Matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

16.1.14 The Company's gratuity expense for the year ending December 31, 2024 is expected to be Rs. 83.80 million.

16.2 Sensitivity analysis of the Company for actuarial assumptions

The Gratuity scheme exposes the entity to the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what is assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
		----- Rupees in '000 -----	
Discount rate as at 31 December 2023	1%	(26,848)	30,654
Future salary increases	1%	22,769	(20,480)
Discount rate as at 31 December 2022	1%	(20,120)	23,383
Future salary increases	1%	17,445	(15,346)

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

16.3 Remeasurement of defined benefit obligation and plan assets

	2023	2022
Experience adjustment - loss on obligation (as percentage of plan obligation)	9.80%	2.84%
Financial assumptions - gain on obligation (as percentage of plan obligation)	(3.14%)	(5.06%)
(Gain) / Loss on plan assets (as percentage of plan assets)	(2.71%)	2.35%

16.4 The weighted average duration of approved funded gratuity scheme for its permanent employees is 7.72 years. (2022: 8.0 years).

16.5 Expected maturity analysis of undiscounted retirement benefit plan of the Company:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Total
----- Rupees in '000 -----					
At December 31, 2023	43,248	50,513	180,033	650,300	924,094
At December 31, 2022	25,430	38,047	140,600	391,226	595,303

17. DEFERRED TAXATION

	December 31, 2023			December 31, 2022		
	Opening liability / (asset)	Charge / (reversal)	Closing liability / (asset)	Opening liability / (asset)	Charge / (reversal)	Closing liability / (asset)
----- Rupees in '000 -----						
Deferred tax liability on taxable temporary differences						
- Accelerated tax depreciation and amortisation	333,632	159,182	492,814	276,613	57,019	333,632
- Right-of-use assets - Office premises	48,701	29,421	78,122	-	48,701	48,701
	382,333	188,603	570,936	276,613	105,720	382,333
Deferred tax asset on deductible temporary differences						
- Allowance for impairment of trade debts	(9,842)	2,282	(7,560)	(8,807)	(1,035)	(9,842)
- Lease liabilities	(50,183)	(39,108)	(89,291)	-	(50,183)	(50,183)
- Provision against advances	(27,198)	(5,135)	(32,333)	-	(27,198)	(27,198)
- Provision for slow moving, obsolete and damaged inventories	(40,419)	(39,602)	(80,021)	(42,945)	2,526	(40,419)
- Employee benefit obligations	(17,201)	(9,233)	(26,434)	(27,759)	10,558	(17,201)
- Minimum tax credit	(103,692)	103,692	-	-	(103,692)	(103,692)
	(248,535)	12,896	(235,639)	(79,511)	(169,024)	(248,535)
	133,798	201,499	335,297	197,102	(63,304)	133,798

17.1 Charge of deferred tax has been allocated to the statement of profit or loss and other comprehensive income as follows:

	Note	2023	2022
----- Rupees in '000 -----			
- taken to profit or loss for the year	29	205,078	(63,864)
- taken to other comprehensive (loss) / income being tax impact of remeasurement gain on staff retirement benefits		(3,579)	560
		201,499	(63,304)
18. LEASE LIABILITIES			
Liability against office premises subject to lease	18.1	232,251	155,173
Less: Current portion shown under current liabilities		(38,819)	(36,009)
	18.2	193,432	119,164
18.1 As at January 1			
Additions		-	158,518
Impact of reassessment		79,368	-
Interest on lease liabilities		35,810	5,655
Payments		(38,100)	(9,000)
As at December 31		232,251	155,173

18.2 The future payments of lease liabilities are as follows:

	2023		2022	
	Future minimum lease payments	Principal repayments	Future minimum lease payments	Principal repayments
----- Rupees in '000 -----				
Not later than one year	41,910	38,819	38,100	36,009
Later than one year but not later than five years	213,955	119,574	180,010	119,164
Later than five years	289,907	73,858	-	-
	545,772	232,251	218,110	155,173

19. TRADE AND OTHER PAYABLES

		2023	2022
	Note	----- Rupees in '000 -----	
Trade creditors		1,088,390	1,088,788
Bills payable:			
- Associated companies	19.1	249,082	469,719
- Others		409,472	202,427
Accrued liabilities		4,955,791	3,026,483
Liability for share based compensation plan	19.2	145,095	22,475
Contract liabilities	19.3	806,270	927,899
Taxes deducted at source and payable to statutory authorities		78,739	38,762
Workers' Welfare Fund		56,808	154,459
Workers' Profits Participation Fund	19.4	101,945	53,673
Central Research Fund		20,573	6,255
Payable to provident fund		-	4,901
Book overdraft		-	37,790
Others		85,552	69,035
		7,997,717	6,102,666
19.1	Bills payable include payable to the following associated companies:		
	Haleon UK Trading Services Limited	52,092	163,865
	Haleon CH SARL	172,648	287,063
	Haleon (UK) Trading Limited	23,578	18,791
	GlaxoSmithKline Limited	764	-
		249,082	469,719

19.2 Liability For Share Based Compensation Plan

As at December 31, 2023 Company had share-based compensation plans in the form of cash settled shares. These are granted every year and are payable upon completion of three years of qualifying period of service. These are linked with the share value of ultimate parent company, Haleon PLC UK.

Total expense arising from share base transaction amounts to Rs.122.69 million (2022: Rs. 66.26 million)

A summary of the status of cash settled share based plan as at December 31, 2023 and 2022 and changes during the years ended on these dates is presented below:

		2023	2022
		----- Number of shares -----	
Outstanding at January 1		182,216	175,051
Awarded		113,824	154,870
Forfeit		(7,104)	-
Vested		(34)	-
Exercised		(68)	(147,705)
Outstanding at December 31		288,834	182,216

The corresponding number of shares are reflected at an equivalent number of Haleon Plc shares swapped by virtue of demerger of the consumer healthcare business from GlaxoSmithKline plc, UK on July 18, 2022, to Haleon plc, an independent listed Company (listed on London Stock Exchange and New York Stock Exchange) as a result of change in ultimate parent Company from GlaxoSmith Kline plc to Haleon plc.

19.3 This represents advance from customers and accrual for returns & allowances amounting to Rs. 237.1 million (2022: Rs. 492.17 million) and Rs. 569.17 million (2022: Rs. 435.73 million) respectively. All the advances from customers included in the contract liabilities balance at the beginning of the year were converted into revenue during the year.

		2023	2022
	Note	----- Rupees in '000 -----	
19.4 Workers' Profits Participation Fund			
Opening balance liability		53,673	137,265
Allocation for the year	26	100,193	53,673
Payment to the fund		(51,921)	(137,265)
Closing balance liability		101,945	53,673

20. UNPAID DIVIDEND

This represents final dividend for the years ended December 31, 2018, December 31, 2019, and December 31, 2020 which remained unpaid to the Company's shareholders. This pertains to the Company's foreign shareholder Haleon Netherlands B.V. (formerly known as GlaxoSmithKline Consumer Healthcare B.V.), which remained unpaid due to non-registration of shares with the State Bank of Pakistan (SBP). During the year 2022, the Company received the approval from SBP for registration of 78,918,934 shares and subsequently, the Company transferred the dividend amount of Rs. 355.14 million for the year 2017 to GlaxoSmithKline Consumer Healthcare B.V. (now known as Haleon Netherlands B.V.) on 25 February 2022. Further, the registration of 21,504,325 shares belonging to GlaxoSmithKline Consumer Healthcare B.V. (now known as Haleon Netherlands B.V.) are still in the process of registration with SBP.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 Income tax

21.1.1.1 GlaxoSmithKline OTC (Private) Limited (now merged with Haleon Pakistan Ltd) received a notice issued under section 161(1A) / 205 of the Income tax Ordinance, 2001 (The Ordinance) for Tax Year 2017 (Financial Year 2016) whereby the authorities alleged that the Company did not deduct / withhold / collect tax on certain expenses and intended to recover Rs. 19.35 million along with default surcharge of Rs. 2.32 million. Subsequent to the show cause notice, the authorities passed the order dated January 30, 2019, raising demand of Rs. 4.43 million (inclusive of default surcharge Rs. 0.44 million and penalty Rs. 0.36 million). Against the order, the Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who, vide his order dated June 22, 2021, has set aside the proceedings for re-examination of the issues.

21.1.1.2 As a result of monitoring proceedings of withholding taxes for Tax Year 2017 (Financial Year 2016), the Assessing Officer (AO) has issued order and raised the demand of Rs.15.04 million (inclusive of default surcharge of Rs. 2.69 million and penalty of Rs. 1.12 million) on account of non-withholding of tax on certain expenses including meeting and symposia under section 156 of the Ordinance. The CIR(A), through his order dated October 31, 2019, has confirmed demand related to travelling and legal & professional expenses whereas the demand related to publication & subscription, advertisement, vehicle running expenses and fixed asset has been set-aside or deleted by CIR(A). The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication.

21.1.1.3 The AO amended the assessment of the Company for Tax Year 2019 (Financial Year 2018) and passed an order under section 122(5A) of the Ordinance raising demand of Rs. 80.45 million. Such demand is on account of Apportionment of various expenditures, non-declaration of FTR receipts of imports, Intercompany loan of Rs. 1,000 million added back, stock written off and provision for obsolete stock. The Company filed appeal against the said order before Commissioner Inland Revenue Appeals [CIR(A)] and has also obtained stay order from Honorable Sindh High Court against any recovery proceedings.

The CIR(A), through his order dated November 18, 2021, remanded back the proceedings to AO on all the issues except provision for obsolete stock, intercompany loan and stock written off. Against the order of the CIR(A), the Company has filed an appeal before ATIR which is pending for hearing.

21.1.1.4 During the year, the Company received an amended assessment order under section 122(5A) of the Ordinance for Tax Year 2017 (Financial Year 2016) raising demand of Rs. 392 million. Such alleged demand was on account of various inadmissible expenditures including Shared Service Cost, Trade discounts and Exchange Loss. The Company filed an appeal against the said order before the CIR(A), who via order dated August 08, 2023, has given favourable decision on all grounds except exchange loss having tax impact of Rs.0.35 million. The Company as well as Tax Department have filed appeals before Appellate Tribunal Inland Revenue [ATIR] which is pending for adjudication.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence, no provision has been made in respect of the aforementioned tax demands.

21.1.2 Sales tax

21.1.2.1 The Assistant Commissioner Inland Revenue passed the order dated July 04, 2019 demanding sales tax of Rs. 5.76 million (inclusive of default surcharge of Rs. 0.63 million and penalty of Rs. 0.24 million) relating to inadmissibility of input tax in tax periods from July 2018 to December 2018. The Company has filed an appeal against the said order before the CIR(A) which is pending adjudication.

21.1.2.2 During the year ended December 31, 2020, AO raised a demand of Rs. 190.56 million (including default surcharge of Rs. 92.96 million and penalty of Rs. 4.65 million) in respect of the year ended December 31, 2016. Such demand is on account of non-withholding of Sindh Sales Tax on certain transactions under various heads of expenses such as transport, advertisement and third-party manufacturing services. The Company filed an appeal against the said order before CIR(A) and also obtained stay order from Honorable Sindh High Court against any recovery proceedings.

21.1.2.3 During the year, the AO passed an order and raised demand of Rs 95.8 million (including penalty of Rs. 4.6 million) in respect of tax periods from July 2021 to June 2022 allegedly on account of incorrect input tax claimed on exempt supplies as well as apportionment of input tax claimed. The company has filed appeal against the said order before CIR(A) who via his order dated February 15, 2023 has annulled the assessment and rescinded the demand as well as the levy of penalty/default surcharge. Tax Department has filed an appeal against the said order of CIR(A) before ATIR.

21.1.2.4 Moreover, the AO passed another order, dated September 07, 2023, and raised demand of Rs. 286.8 million (including penalty of Rs 13.6 million) in respect of tax periods from July 2021 to March 2023 [which inadvertently includes 12 months of earlier order]. The CIR(A), vide his order dated November 08, 2023, has annulled the assessment and rescinded the demand as well as the levy of penalty/ default surcharge. Tax Department has filed an appeal against the said order of CIR(A) before ATIR.

The management is confident that the ultimate decisions in the above cases will be in favour of the Company, hence, no provision has been made in respect of the aforementioned tax demands.

21.2 Commitments

21.2.1 The facilities for opening letters of credit and guarantees as at December 31, 2023, amounted to Rs. 4,837.2 million (2022: Rs. 1,141 million) and Rs. 345 million (2022: Rs. 110 million) respectively of which the amount remained unutilised at December 31, 2023, was Rs. 2,563.64 million (2022: Rs. 700.65 million) and Rs. 189.85 million (2022: Rs. 47.66 million) respectively.

21.2.2 Commitments for capital expenditure outstanding as at December 31, 2023, amounted to Rs. 1,479.12 million (2022: Rs. 975.94 million).

	Note	2023	2022
		----- Rupees in '000 -----	
22. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET			
Gross sales:			
- Local	22.1 & 22.2	33,376,775	28,275,266
- Export		41,044	1,025,297
Less:			
Commissions, returns and discounts		(595,002)	(512,864)
Sales tax		(1,213,041)	(1,280,487)
		(1,808,043)	(1,793,351)
		31,609,776	27,507,212

22.1 This includes sales amounting to Rs. 1,039.92 million (2022: Rs. 1,650.80 million) made by GlaxoSmithKline Pakistan Limited on behalf of the Company (refer note 1.2).

22.2 This includes sales amounting to Rs. 1,210.74 million and Rs. 8,323.20 million (2022: Rs. 2,505.29 million and Rs. 7,858.75 million) to Novartis Pharma (Pakistan) Limited and Premier Agencies respectively.

		2023	2022
	Note	----- Rupees in '000 -----	
23. COST OF SALES			
Raw and packing materials consumed		17,755,682	17,058,358
Manufacturing costs charged by third parties		2,241,208	1,932,976
Stores and spares consumed		39,275	45,457
Consumables		85,909	76,973
Salaries, wages and other benefits	23.1	1,049,946	951,982
Fuel and power		329,947	299,569
Rent, rates and taxes		53,265	39,194
Insurance		93,779	80,663
Repairs and maintenance		402,546	363,114
Travelling and entertainment		32,633	33,407
Vehicle running		30,001	16,055
Canteen expenses		113,831	90,718
Security expenses		58,610	56,379
Printing and stationery		19,509	18,662
Postage and telephone		3,711	4,694
Depreciation	4.7	303,135	272,123
Handling, freight and transportation		371,554	238,598
Stock-in-trade written-off		9,606	18,323
Provision for slow moving, obsolete and damaged stock	7.3	140,652	99,326
Provision against advances	9	-	84,099
Government levies		98,490	110,917
Others		16,798	40,814
		23,250,087	21,932,401
Add: Opening work-in-process		50,787	41,288
Less: Closing work-in-process		(35,464)	(50,787)
Cost of goods manufactured		23,265,410	21,922,902
Add: Opening finished goods		2,484,675	1,785,654
Add: Purchase of finished goods		2,118,629	1,497,918
		27,868,714	25,206,474
Less: Closing finished goods		(2,707,617)	(2,484,675)
		25,161,097	22,721,799

23.1 Salaries, wages and other benefits include Rs. 30.18 million (2022: Rs. 25.57 million) and Rs. 28.06 million (2022: Rs. 22.59 million) in respect of defined benefit plans and contributory provident fund respectively.

		2023	2022
	Note	----- Rupees in '000 -----	
24. SELLING, MARKETING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	24.1	547,156	500,330
Shared services cost		-	2,954
Sales promotion		1,075,482	886,052
Advertising		1,303,134	1,233,567
Handling, freight and transportation		724,589	409,117
Travelling and entertainment		93,386	63,295
Rent, rates and taxes		8,410	2,706
Fees and subscription		58,422	25,588
Sales management system		34,458	31,894
Depreciation	4.7	51,377	32,655
Vehicle running		62,811	45,652
Repairs and maintenance		4,755	3,838
Insurance		4,413	3,796
Printing and stationery		2,048	1,996
Security expenses		3,058	1,973
Restructuring cost	24.2	154,604	-
IT supplies		38,977	6,802
Other expenses		14,535	8,286
		4,181,615	3,260,501

24.1 Salaries, wages and other benefits include Rs. 23.56 million (2022: Rs. 19.48 million) and Rs. 21.53 million (2022: Rs.16.77 million) in respect of defined benefit plan and contributory provident fund respectively.

24.2 This represents charge for severance costs recognised in respect of cost savings initiatives.

		2023	2022
	Note	----- Rupees in '000 -----	
25. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	25.1	346,431	228,785
Shared services cost		-	9,068
Depreciation	4.7 & 25.2	78,500	27,944
Legal and professional charges		48,236	49,284
Travelling and entertainment		33,735	17,925
Repairs and maintenance	25.3	43,896	8,142
Rent, rates and taxes		652	6,834
Auditor's remuneration	25.4	9,394	9,507
Vehicle running		23,007	16,422
Publication and subscriptions		6,624	1,042
Insurance		12,139	10,439
Printing and stationery		9,530	4,696
Service fees		13,200	12,600
Donations	25.5	5,200	15,665
(Reversal) / provision for impairment on operating assets		(27,000)	27,000
Others		32,504	16,252
		636,048	461,605

25.1 Salaries, wages and other benefits include Rs. 12.84 million (2022: Rs. 9.68 million) and Rs. 11.59 million (2022: Rs. 8.43 million) in respect of defined benefit plan and contributory provident fund respectively.

25.2 This includes costs of Rs. 54.74 million (2022: Rs. 7.93 million) in respect of registered office related depreciation and leases.

25.3 This includes cost of Rs. 33.52 million (2022: Rs. 6.22 million) in respect of common area maintenance, food, parking & housekeeping cost of new registered office.

		2023	2022
		----- Rupees in '000 -----	
25.4 Auditor's remuneration			
Audit fee		4,956	4,338
Fee for limited review of half yearly financial statements & other certifications		3,730	4,593
Out-of-pocket expenses		708	576
		9,394	9,507
25.5 Donations to a single party exceeding 10% of total donations are as follows:			
Pak Aid Welfare Trust		-	5,000
Ayesha Chundrigar Foundation		-	4,158
The Citizens Foundation		5,200	3,400
		5,200	12,558

25.5.1 Donations did not include any amount paid to any organization in which a director or his / her spouse hold any interest.

		2023	2022
	Note	----- Rupees in '000 -----	
26. OTHER EXPENSES			
Workers' Profits Participation Fund	19.4	100,193	53,673
Workers' Welfare Fund		36,956	20,676
Central Research Fund		20,573	6,332
		157,722	80,681
27. OTHER INCOME			
Income from financial assets			
Return on treasury bills		132,511	37,670
Income on savings accounts		393,714	222,570
Income from non-financial asset			
Gain on disposal of operating assets - net		31,620	18,925
Others			
Insurance claim recovery		-	10,099
Scrap sales		40,191	32,035
		598,036	321,299
28. FINANCIAL CHARGES			
Exchange loss - net	28.1	198,150	299,703
Bank charges		2,005	1,184
Interest on long-term lease liabilities		35,810	5,655
		235,965	306,542

28.1 This includes realized exchange loss amounting to Rs. 278.17 million (2022: Rs. 262.52 million).

		2023	2022
	Note	----- Rupees in '000 -----	
29. TAXATION - NET			
Current:			
- for the year		591,043	447,485
- for prior year		54,426	283,759
		645,469	731,244
Deferred	17.1	205,078	(63,864)
		850,547	667,380
29.1 Relationship between tax expense and accounting profit			
Profit before taxation		1,846,133	992,791
Applicable tax rate		29%	29%
Tax calculated at applicable tax rate		535,379	287,909
Impact of super tax		176,821	36,284
Impact of taxability at minimum tax regime (MTR) and final tax regime (FTR)		3,010	(5,925)
Effect of prior year charge (prior year super tax)		54,426	283,759
Effect of change in tax rate		24,550	26,184
Tax effect of permanent difference		34,792	31,959
Tax effect of other than temporary differences		21,569	7,210
		850,547	667,380
30. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the year (Rupees in thousand)		995,586	325,411
Weighted average number of outstanding shares (in thousand)		117,055	117,055
Earnings per share (Rupees)		8.51	2.78
30.1	Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2023 and December 31, 2022, which would have any effect on the earnings per share if the option to convert is exercised.		

		2023	2022
	Note	----- Rupees in '000 -----	
31. CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,846,133	992,791
Add / (less): Adjustments for non-cash charges and other items			
Depreciation		433,012	332,722
Interest on lease liabilities		35,810	5,655
Gain on disposal of operating assets		(31,620)	(18,925)
Unrealized exchange (gain) / loss		(80,015)	37,188
Interest income		(526,225)	(260,240)
Provision for slow moving, obsolete and damaged stock net of stock written-off		150,258	117,649
Provision against advances		-	84,099
(Reversal) / allowance for impairment of trade debts		(10,768)	4,592
(Reversal) / provision for impairment on operating assets		(27,000)	27,000
Provision for employee benefit obligations		127,754	102,508
		71,206	432,248
Profit before working capital changes		1,917,339	1,425,039
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(28,306)	(21,425)
Stock-in-trade		(1,036,298)	(730,268)
Trade debts		35,952	461,615
Loans and advances		72,627	(89,918)
Trade deposits and prepayments		(29,850)	(30,160)
Refunds due from Government - Sales Tax		(12,360)	(105,358)
Other receivables		292,012	(46,770)
		(706,223)	(562,284)
Increase in current liabilities			
Trade and other payables		1,991,877	1,196,726
		1,285,654	634,442
		3,202,993	2,059,481
32. CASH AND CASH EQUIVALENTS			
Bank balances	13	3,280,194	2,508,361
Investment at amortised cost	12	1,001,651	965,302
Book overdraft		-	(37,790)
		4,281,845	3,435,873

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	01 January	Non-cash changes			Cash flows	31 December
	2023	Acquisition - net	Interest charged	Dividend		
----- Rupees in '000 -----						
Lease liabilities	155,173	79,368	35,810	-	(38,100)	232,251
Unclaimed dividend	13,375	-	-	-	(526)	12,849
Unpaid dividend	1,506,338	-	-	-	-	1,506,338

	01 January	Non-cash changes			Cash flows	31 December
	2022	Acquisition - net	Interest charged	Dividend		
----- Rupees in '000 -----						
Lease liabilities	-	158,518	5,655	-	(9,000)	155,173
Unclaimed dividend	14,631	-	-	-	(1,256)	13,375
Unpaid dividend	1,900,933	-	-	-	(394,595)	1,506,338

34. SEGMENT INFORMATION

For management purposes, the activities of the Company are organised into one operating segment i.e. consumer healthcare segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The amounts charged in these financial statements for remuneration of the Chief Executive, Director and Executives are as follows:

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
----- Rupees in '000 -----						
Managerial remuneration	29,056	23,915	15,949	13,221	565,732	440,733
Bonus - note 35.2	20,349	16,055	8,790	6,676	159,505	130,428
Retirement benefits*	3,770	2,828	2,069	1,564	70,499	47,895
Medical expenses	259	236	45	123	18,801	10,082
Others	5,237	5,027	1,714	2,831	100,747	78,864
	58,671	48,061	28,567	24,415	915,284	708,002
Number of persons	1	1	1	1	139	112

* Retirement benefits represent amount contributed towards various retirement benefit plans.

35.1 In addition to the above, fee paid to 3 (2022: 3) independent directors for attending Board of Directors meetings during the year amounted to Rs. 2.78 million (2022: Rs. 3.08 million).

35.2 Bonus includes cash settled share based compensation given to the Chief Executive, Executive Director and certain Executives amounting to Rs. 94.18 million (2022: Rs. 66.26 million). These are granted every year and are payable upon completion of three years of qualifying period of service. These are linked with the share value of ultimate parent company, Haleon plc, UK (refer note 1.1).

35.3 Chief Executive, Executive Director and certain Executives are also provided with Company maintained cars in accordance with the Company policy.

36. TRANSACTIONS WITH RELATED PARTIES

The related parties include holding company, associated companies, directors of the Company, companies where directors also hold directorship and key management personnel of the Company. The transactions with related parties are carried out in the normal course of business at contracted rates. Details of transactions with related parties and balances with them at year end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transactions	2023	2022
		----- Rupees in '000 -----	
Associated companies:	a. Purchase of goods	1,339,223	2,258,582
	b. Recovery of expenses	132,234	53,649
	c. Sale of goods	41,044	1,025,297
Staff retirement funds:	a. Expense charged for retirement benefit plans	127,754	102,508
	b. Payments to retirement benefit plans	119,868	86,548
Key management personnel:	a. Salaries and other employee benefits	261,914	212,935
	b. Post employment benefits	17,727	11,920
	c. Sale of assets - sales proceeds	8,933	3,450

36.1 Balances of related parties as at December 31, 2023, are included in the respective notes to the financial statements. The receivables and payables are mainly unsecured in nature and bear no interest.

36.2 Details of related parties

S.No.	Company Name	Country of incorporation	Registered address	Basis of association	Aggregate % of shareholding
1	GlaxoSmithKline Consumer Healthcare B.V.	Netherlands	Huis ter Heideweg 62, 3705 LZ, Zeist	Holding Company	85.79%
2	Haleon (UK) Trading Limited	England	Building 5, First Floor, The Heights, Weybridge, Surrey.	Associated company	N/A
3	Haleon CH SARL	Switzerland	Route de l'Etraz, Case Postale 1279, 1260 Nyon 1	Associated company	N/A
4	GlaxoSmithKline Limited	Kenya	Likoni Rd, Nairobi, Kenya	Associated company	N/A
5	Haleon UK Trading Services Limited	England	Building 5, First Floor, The Heights, Weybridge, Surrey.	Associated company	N/A
6	GlaxoSmithKline Consumer Healthcare Saudi Limited	Saudi	Door 603, Salama Tower 6th floor, Medina road, Jeddah, KSA	Associated company	N/A

37. PLANT CAPACITY AND ACTUAL PRODUCTION

The capacity and production of the Company's plants are indeterminable as these are multi-product and involve varying processes of manufacture.

38. FINANCIAL INSTRUMENTS BY CATEGORY

2023 2022

----- Rupees in '000 -----

38.1 Financial assets as per statement of financial position

Financial assets measured at amortised cost

Loans to employees	13,331	10,448
Advances and deposits	240,467	304,923
Trade debts	610,335	635,519
Interest accrued	31,325	17,227
Other receivables	239,814	531,826
Investments - at amortised cost	1,001,651	965,302
Bank balances	3,280,194	2,508,361
	5,417,117	4,973,606

38.2 Financial liabilities measured at amortised cost

Trade and other payables	6,133,565	4,416,852
Unclaimed dividend	12,849	13,375
Unpaid dividend	1,506,338	1,506,338
Lease liabilities	232,251	155,173
	7,885,003	6,091,738

38.2.1 The management expects to settle the above liabilities within one year except for lease liabilities.

38.3 Fair values of financial assets and liabilities

(a) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

(b) Fair value estimation

The Company discloses the financial instruments carried at fair value in the statement of financial position in accordance with the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2023, the Company does not have any financial instruments carried at fair values which are measured using methods falling under above categories, and the carrying values of financial assets and financial liabilities approximate their fair values at the reporting date.

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing such risks.

Financial risk factors and risk management framework

The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on limits established by the internal controls set on different activities of the Company by the Board of Directors. These controls and limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Company's finance and treasury department oversees the management of the financial risk reflecting changes in the market conditions and also the Company's risk taking activities, and provide assurance that these activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

(a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk the Company is exposed to currency risk and interest rate risk.

(i) Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist in foreign currency. As at December 31, 2023, net financial liabilities of Rs. 655.09 million (2022: Rs. 669.33 million) were in foreign currency which were exposed to foreign currency risk.

Foreign currency financial assets are in USD. Foreign currency liabilities are approx. 79.87% in USD and 20.13% in EUR

As at December 31, 2023, if the Pakistan Rupee had weakened / strengthened by 5% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 6.72 million (2022: Rs. 3.86 million), mainly as a result of foreign exchange losses / gains on translation of Euro denominated net financial liabilities.

As at December 31, 2023, if the Pakistan Rupee had weakened / strengthened by 5% against US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 25.97 million (2022: Rs. 29.61 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated net financial liabilities.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the reporting date and assumes this is the position for a full twelve-month period.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from balances held in savings and deposit account with banks and running finance.

Carrying amount
2023 **2022**

----- Rupees in '000 -----

Fixed rate instruments

Financial assets

- Treasury bills

1,001,651 965,302

Financial liabilities

- Lease liabilities

232,251 155,173

Variable rate instruments

Financial assets

- bank balance on savings accounts

2,900,439 2,498,902

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit before tax by Rs. 29 million (2022: Rs. 24.99 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2022.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk arises from balances with banks , trade debts, loans, advances and deposits. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

2023 **2022**

----- Rupees in '000 -----

Trade debts

610,335 635,519

Loans to employees, interest accrued and other receivables

284,470 559,501

Advances and deposits

240,467 304,923

Investments - at amortised cost

1,001,651 965,302

Bank balances

3,280,194 2,508,361

5,417,117 **4,973,606**

As at December 31, 2023, the Company's largest concentration of credit risk was in trade debts; amounted to Rs. 196.06 million (2022: 280.39 million) with Premier Sales (Private) Limited.

Trade debts of the Company are not exposed to significant credit risk as the Company trades with credit worthy third parties. Trade debts of Rs. 43.34 million (2022: Rs. 109.47 million) are past due of which Rs. 19.67 million (2022: Rs. 30.43 million) have been provided for. Past due but not impaired balances include Rs. 25.01 million (2022: Rs. 27.84 million) outstanding for more than three months. Trade debts are written-off when the company do not have realistic prospect of recovery.

Loans to employees are secured against their retirement benefits.

The credit quality of the Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating	Agency	Short term	Long term
Citibank N.A.	September, 2023	Fitch	F-1	A+
Standard Chartered Bank (Pakistan) Limited	June, 2023	PACRA	A1+	AAA
Deutsche Bank	October, 2022	Moody's	P1	A1
MCB Bank Limited	June, 2023	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	June, 2023	PACRA	A1+	AA+

Trade receivables are grouped into customer segments that have similar loss patterns to assess credit risk while other financial assets are assessed individually. Historical and forward - looking information is considered to determine the appropriate expected credit loss allowance. The Company believes that there is no further credit risk provision required in excess of the allowance for expected credit losses already recognised.

For other financial assets, majority of the assets of the Company exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

Settlement risk

Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash or other assets as contractually agreed on sale. The risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet the monitoring of liquidity ratios and maintaining debt financing plans. As at year end, all the financial liabilities as disclosed in note 38.2, are due within one year except for lease liabilities.

	Carrying Amount	Contractual cash flow	Up to 1 year	Greater than 1 year
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----- Rupees in '000 -----

December 31, 2023

Non-interest bearing

Trade and other payables	6,133,565	6,133,565	6,133,565	-
Unclaimed dividend	12,849	12,849	12,849	-
Unpaid dividend	1,506,338	1,506,338	1,506,338	-
	7,652,752	7,652,752	7,652,752	-

Interest bearing

Lease liabilities	232,251	255,865	41,910	213,955
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December 31, 2022

Non-interest bearing

Trade and other payables	4,416,852	4,416,852	4,416,852	-
Unclaimed dividend	13,375	13,375	13,375	-
Unpaid dividend	1,506,338	1,506,338	1,506,338	-
	5,936,565	5,936,565	5,936,565	-

Interest bearing

Lease liabilities	155,173	218,110	38,100	180,010
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It is not expected that the cash flow included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Management closely monitors the Company's liquidity and cash flow position by maintaining availability of financing through banking arrangements, if required.

40. PROVIDENT FUND RELATED DISCLOSURE

The investments out of the Funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2023	2022
41. NUMBER OF EMPLOYEES		
Number of employees including contractual employees at the end of year	481	478
Average number of employees including contractual employees during the year	480	469

42. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain appropriate mix between various sources of finance to minimise risk. The Company calculates debt to capital ratio by dividing borrowings from bank with equity as at year end.

The debt to capital ratio as at December 31, 2023 is Nil (2022: Nil).

43. BUSINESS UNITS - GEOGRAPHICAL LOCATION AND ADDRESSES

Business units	Addresses
Factory	Petaro Road, Jamshoro, Pakistan
Distribution / Sales offices	House No. 475/2, Block Z, DHA, Lahore 189-A, Korang Road, I-10/3, Islamabad
Warehouses and storage facilities	Connect Logistics (Private) Limited - Plot no. 73 B,C,D, Main Mauripur Road, Hawks bay Phase 2, Karachi, Pakistan Emirates Supply Chain Services (Private) Limited - 46 KM, Multan Road, Nathy Khalsa, Manga Mandi, Lahore, Pakistan Glaciers (Private) Limited - Bahawalpur Bypass, Gopal Purrah, Multan, Pakistan Jamshoro - Petaro Road, Jamshoro, Pakistan Plot B-3, SITE, Kotri, Pakistan

44. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on 5 March 2024 proposed a cash dividend of Rs. Nil per share (2022:Rs. Nil per share) amounting to Rs. Nil (2022: Rs. Nil) subject to the approval of the members in the forthcoming annual general meeting of the Company.

45. CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary to facilitate the comparison and comply with the requirements of accounting and reporting standards as applicable in Pakistan. Following major reclassifications have been made during the year

Reclassified from	Reclassified to	Rupees in 000'
Unpaid dividend	Unclaimed dividend	13,375
Selling, marketing and distribution expenses	(Reversal) / allowance for impairment of trade debts	4,592
Selling, marketing and distribution expenses	Administrative expenses	2,170

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on 5 March 2024.

Chief Financial Officer

Director

Chief Executive Officer

Business Rationale of Major Capital Expenditure and for Those Planned For Next Year

The capital expenditure for the year 2023 amounted to Rs. 1,789 million. The expenditure was made mainly for expansion of capacity, increasing efficiency, and improving quality.

As far as the efficiency is concerned, the Company invested heavily on key machineries to benefit from the economies of scale and prevent any breakdown in future. The Company has also invested to improve quality and to cater the requirements of Drug regulatory authorities for future.

In line with the plan, the Company invested majorly in Panadol insourcing and Capacity enhancement in CAC-1000 PLUS for future local and export requirements.

Segmental Review

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM) who is responsible for allocating resources and assessing performance of the operating segments. The management has determined that the Company has a single reportable segment as the CODM views the Company's operations as one reportable segment.



Outlook





Forward Looking Statement

As a Company, our aim to deliver world class healthcare brands to our customers, expand the reach of our brands, grow the market, and capitalise on new consumer trends. Our mission is to deliver better everyday health with humanity to people of Pakistan.

The forward-looking statement of the Company is aimed at informing our stakeholders about our plans. The statement is based upon the knowledge and information available to the Company on the date of this Annual Report. A detailed overview on the Company's Future Outlook and Challenges by the Board of Directors is present in the Director's Report on 68 of the Annual Report. Furthermore, 30 of this Report also cover the factors affecting external environment and how is the Company is responding to the subject factors.

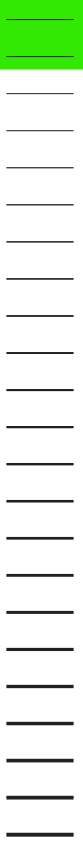
Sources Of Information and Assumptions Used for Projections / Forecasts

A statutory budget is developed every year in alignment with the objectives and strategies of the Company. These plans are approved by the Board of Directors annually and periodic reviews are conducted to monitor the outcomes and modify the plans if needed. Number of different assumptions and data are used in preparing the plans, including, but not limited to, historical figures, market growth rates, pricing policy, capital expenditure plans etc. Further, macro-economic indicators such as political factors, inflation, GDP growth rate etc. are also considered to account for the uncontrollable factors in future.

Organization's Capability in Responding to Potential Critical Challenges and Uncertainties

A statutory budget is developed every year in alignment with the objectives and strategies of the Company. These plans are approved by the Board of Directors annually and periodic reviews are conducted to monitor the outcomes and modify the plans if needed. Number of different assumptions and data are used in preparing the plans, including, but not limited to, historical figures, market growth rates, pricing policy, capital expenditure plans etc. Further, macro-economic indicators such as political factors, inflation, GDP growth rate etc. are also considered to account for the uncontrollable factors in future.

Stakeholders Relationship and Engagement



Engagement With Stakeholders

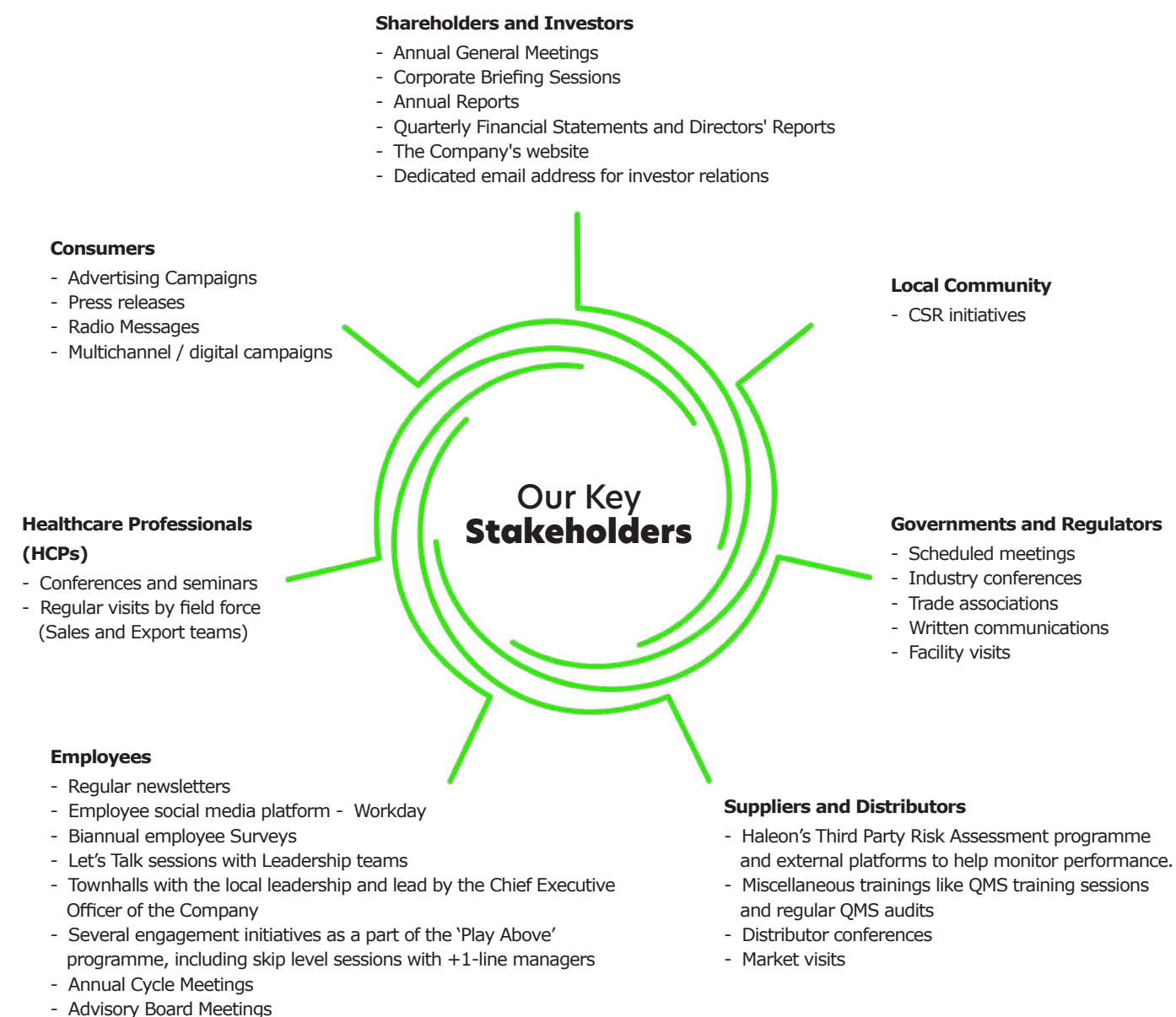
The Company recognizes that stakeholder engagement, particularly under the challenging circumstances of a global pandemic, should be more than an exercise undertaken for its own sake, but rather an opportunity to drive positive change for business, its employees, the environment, local communities / society as a whole and to create value for its shareholders.

The Company engages with a wide range of stakeholders through day-to-day interactions with customers; engagement with the government and regulators; regular dialogue with employees; suppliers, partners, distributors and investors to

follow its business priorities of Innovation, Performance and Trust in letter and spirit.

Dialogues with stakeholders enable the Company to identify and prioritise significant issues and develop responses that are in the best interests of society, as well as shareholders.

Engagement with the Company's main stakeholder groups, including patients, shareholders, consumers, customers and employees, at all levels of the organisation and across the enterprise is summarised below:



EFFORTS TO ENCOURAGE SHAREHOLDERS TO CONVERT THEIR SHARES INTO BOOK ENTRY FORM

Further to section 72 of the Companies Act, 2017 and SECP's communication bearing File No. CSD/ED/Misc./2016-639-640 dated 26 March 2021, the Company made efforts to encourage all shareholders holding physical shares to convert their shares into book entry form. The Company published the necessary requirement into its AGM notice. Further, it published notices in English and Urdu languages in newspapers having nationwide circulation regarding this matter. The said notices, accompanied by a letter stating the statutory requirements and benefits of dematerialising physical shares, were also disseminated to all members through PUCARS, as well as placed on the Company's website.

ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

The Company encourages its shareholders to attend its general meetings in the following manner:

- a) Notices of general meetings:**
 - i. Are circulated in accordance with legally stipulated lead times.
 - ii. Are published in leading Urdu and English newspapers with nationwide circulation.
 - iii. Are timely updated on its website.
 - iv. Contain an email address to facilitate those shareholders attending the general meetings to submit their queries to the Company in advance of the meeting.
- b) The Annual Report:**
 - i. contains the notice of the AGM and is sent in a uniform manner to all shareholders, including minority shareholders, regardless of shareholding.
 - ii. contains a proxy form to ensure shareholder representation and participation in the AGM in case a shareholder is unable to attend the meeting.
- c) The General Meeting:**
 - i. is held both virtually and physically and the link to the general meeting is shared upon receipt of request from shareholders.
 - ii. Virtual call contains a dedicated Q&A / chatbox wherein members may postulate their queries during meetings.

INVESTORS' SECTION ON THE COMPANY'S WEBSITE

In order to provide ease of access to stakeholders, the Company's latest information for investors is available on our website, under the "Investors" section on the Company's website <https://www.haleon.pk/en/investors/>.

This page is updated regularly in order to provide transparent, adequate and updated information to all investors and stakeholders. All information is made available in both English and Urdu languages for the ease of shareholders and investors and in compliance with applicable law.

The Company's website has clearly specified the email address dedicated to shareholder complaints and queries on its home page, as well as several other pages on its website.

ISSUES RAISED AT THE LAST AGM

No significant issues were raised at the previous Annual General Meeting held on 27 April 2023 other than general queries on the accounts, and business aspects of the Company by shareholders and investors.

INVESTORS' GRIEVANCE POLICY / REDRESSAL OF INVESTORS' COMPLAINTS

The Company's Corporate Secretarial team promotes dialogue with its shareholders and investors in line with Haleon values. The Company's commitment to open communication ensures accountability and transparency to its external audiences and plays an important role in the Company's success.

The Management of the Company is also committed to provide equal and fair treatment to all shareholders through transparent investor relations, increased awareness, effective communication and prompt resolution of shareholders' complaints. Further, the Company maintains a record of all such grievances along with actions taken for resolution. The main principles of the Investor Relations Policy are as follow:

- All the shareholders are always treated politely, fairly and - equally.
- Complaints raised by shareholders are dealt with courtesy - and in a timely manner.
- The management works in good faith and without prejudice towards the interests of any of the Shareholders.

The Company has internally established a mechanism for shareholder grievances handling. The Company has a dedicated Corporate Secretarial Department in place and has appointed an independent Share Registrar (CDCSRSL) to resolve issues of the shareholders as well as to provide a faster and efficient provision of services to its shareholders and investors.

Complaints are initially lodged with the Corporate Secretarial Department and the Share Registrar of the Company who expeditiously takes necessary actions. The Shares Registrar forwards the complaints to the Company if these fall outside their domain.

Shareholders can also submit their complaint(s) to a dedicated email address i.e. pakistan.shareinfo@haleon.com which is also available at the Company's website in line with the directives of SECP. Grievances can also be notified to the Company by post and telephone.

In case a complaint has not been properly redressed by the Company or the Registrar, shareholders / investors, the Company has highlighted on its website that shareholders may lodge their complaints with the Securities and Exchange Commission of Pakistan on their SDMS portal.

CORPORATE BRIEFING SESSION 2023

The Company held its fifth successful corporate briefing session on 23 November 2023 virtually. Mr. Farhan Muhammad Haroon (CEO) and Mr. Dilawar Meghani (CFO) presented and briefed investors on the Company's financial performance and operational overview.

The presentation was followed by a Q&A session, where questions were put forward to the management of the Company, which were addressed to the satisfaction of the attendees. The following are some of the topics discussed during the briefing session:

- The landscape of the industry and the Company's growth in relation to other players.
- Key brands performance and performance highlights of the Company since the last AGM.
- The Company's future outlook and challenges including the investing in its manufacturing facility at Jamshoro for the production of Panadol base portfolio.

The presentation from the corporate briefing session can be viewed on the Company's website under the "Investors" section i.e. <https://www.haleon.pk/en/investors/financial-highlights/>.



Pattern of Shareholding

as at 31 December 2023

No. of Shareholders	Shareholding Slabs			Total Shares Held
1,478	1	to	100	53,721
1,420	101	to	500	366,090
470	501	to	1000	367,062
692	1001	to	5000	1,580,809
138	5001	to	10000	1,002,027
47	10001	to	15000	572,924
24	15001	to	20000	416,089
18	20001	to	25000	405,913
10	25001	to	30000	275,613
11	30001	to	35000	358,026
7	35001	to	40000	263,051
4	40001	to	45000	169,744
5	45001	to	50000	239,500
3	50001	to	55000	159,837
3	55001	to	60000	177,013
1	60001	to	65000	65,000
5	65001	to	70000	336,906
3	70001	to	75000	218,759
1	80001	to	85000	84,400
1	85001	to	90000	87,000
1	90001	to	95000	90,774
3	95001	to	100000	295,627
1	100001	to	105000	100,600
1	105001	to	110000	108,000
2	130001	to	135000	264,400
1	135001	to	140000	140,000
1	140001	to	145000	140,364
1	155001	to	160000	159,300
2	165001	to	170000	336,190
1	240001	to	245000	244,540
1	245001	to	250000	247,400
1	250001	to	255000	254,043
1	270001	to	275000	273,856
1	355001	to	360000	359,200
1	420001	to	425000	421,200
1	445001	to	450000	446,862
1	660001	to	665000	664,100
1	2130001	to	2135000	2,132,305
1	2750001	to	2755000	2,753,004
1	21500001	to	21505000	21,504,325
1	78915001	to	78920000	78,918,934
4,366				117,054,508

Pattern of Shareholding

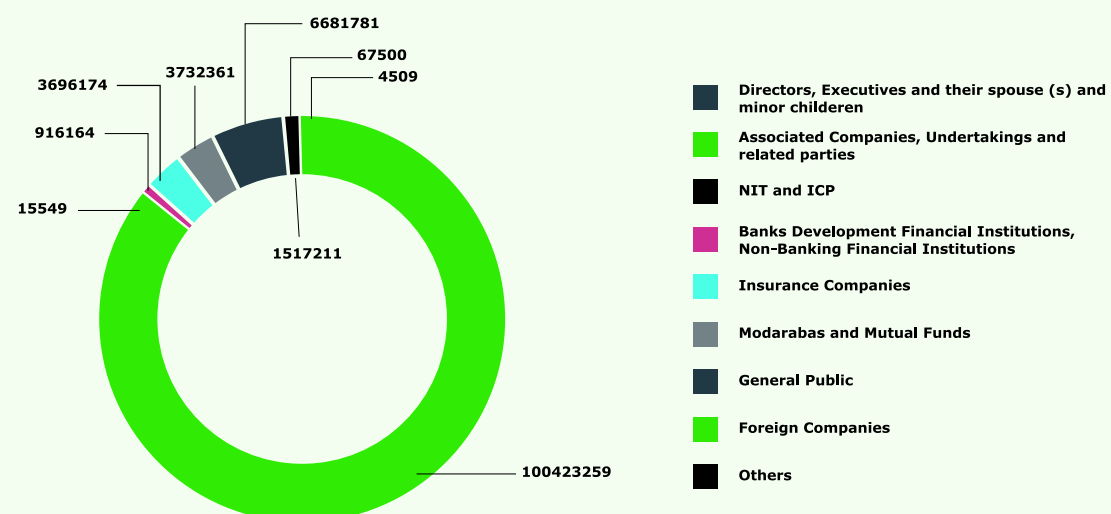
as at 31 December 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
Syed Anwar Mahmood	1	1	0.00
Mr. Farhan Muhammad Haroon	1	2	0.00
Mr. Muhammad Zindah Moin Mohajir	1	330	0.00
Ms. Ayesha Aziz	1	1	0.00
Mrs. Moiza Farhan (wife of Mr. Farhan Muhammad Haroon)	1	3,875	0.00
Executives			
Babar Sharif	1	300	0.00
Associated Companies, undertakings and related parties			
Haleon Netherlands B.V. (formerly known as GlaxoSmithKline Consumer Healthcare B.V.)	2	100,423,259	85.79
NIT and ICP			
	3	15,549	0.01
Banks Development Financial Institutions, Non-Banking Financial Institutions			
	9	916,164	0.78
Insurance Companies			
	10	3,696,174	3.16
Modarabas and Mutual Funds			
	11	3,732,361	3.19
General Public			
a. Local	4,196	6,579,197	5.62
b. Foreign	27	102,584	0.09
Foreign Companies			
	2	67,500	0.06
Others			
	100	1,517,211	1.30
Totals	4,366	117,054,508	100.00

Shareholders holding 10% or more

	Shares Held	Percentage
Haleon Netherlands B.V. (formerly known as GlaxoSmithKline Consumer Healthcare B.V.)	100,423,259	85.79

Pattern of Shareholding as at 31 December 2023



Stakeholders' Information

On 31 December 2023 there were 4,366 members on the record of the Company's ordinary shares.

FINANCIAL CALENDAR

RESULTS

Q1-2023	Approved and Announced on	26 April 2023
Q2-2023	Approved and Announced on	22 August 2023
Q3-2023	Approved and Announced on	23 October 2023
YE 2023	Approved and Announced on	5 March 2024
9TH ANNUAL GENERAL MEETING TO BE HELD ON		26 April 2024

Members Having 5 Or More Of Voting Rights

Name of Shareholder(s)	No. of Shares Held	Percentage
Haleon Netherlands B.V.(formerly known as GlaxoSmithKline Consumer Healthcare B.V.)	100,423,259	85.79%

Shares Held By Sponsors, Directors And Executives

Number of shares held at 31 December 2023 are summarized below:

Directors and Executives and Sponsors	No of Shares
Mr. Muhammad Zindah Moin Mohajir	330
Mr. Farhan Muhammad Haroon	2
Syed Anwar Mahmood	1
Ms. Ayesha Aziz	1
Mr. Babar Sharif	300

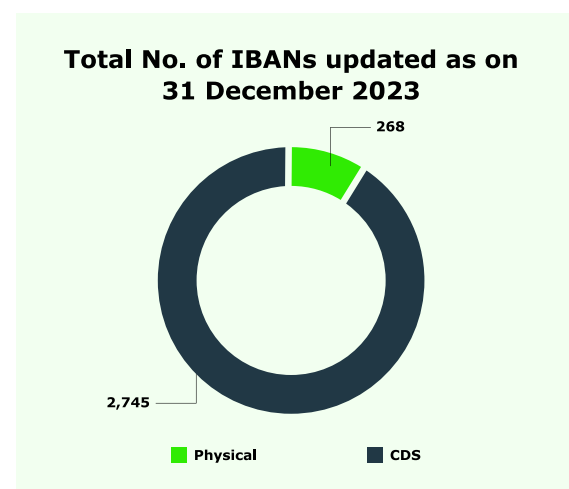
Details of the above have been presented in the pattern of shareholding, available on page 199-200 of this Annual Report.

Trading In Shares By Directors And Executives Etc As Required Under The Law

During the year, no trading in shares was executed by Directors and Executives.

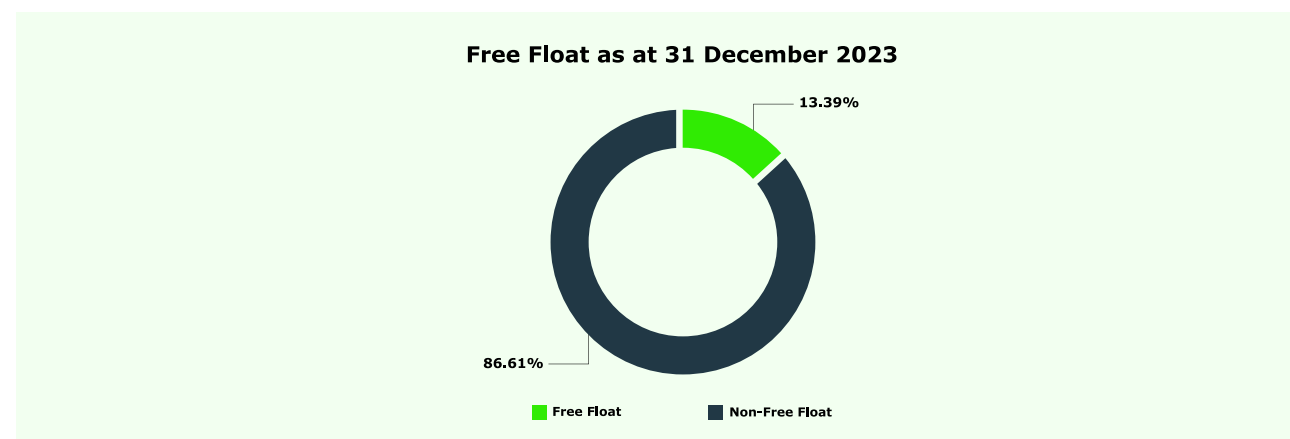
Shareholding Position / IBAN

Current Total Number of Shareholders as on 31 December 2023			Current Number of IBAN updated as on 31 December 2023			Ratio/Percentage of IBAN updated
Physical	CDS	Total	Physical	CDS	Total	%
1,471	2,895	4,366	268	2,745	3,013	69



Free Float Of Shares

Free float shares of the Company are 15,682,958 i.e. (13.39%) out of the total 117,054,508 Shares of the Company as at 31 December 2023.



Notice of the 9th Annual General Meeting 2023

Notice is hereby given to members that the 9th Annual General Meeting ('AGM') of Haleon Pakistan Limited (the 'Company') will be held at 10:00 am on Friday, 26 April 2024 at the Beach Luxury Hotel, Karachi and virtually to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' Report thereon for the year ended 31 December 2023.
- To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of the Board Audit Committee of the Company, has proposed the appointment of KPMG Taseer Hadi & Co. as External Auditors, for the year ending 31 December 2024.

SPECIAL BUSINESS

- To consider and approve the circulation of the subsequent annual audited financial statements together with the Annual Report (including the Directors' report, audited financial statements, Auditors' report, Chairperson's review etc) to the members of the Company through weblink and/or QR enabled code in accordance with Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated 21 March 2023.

"IT WAS RESOLVED THAT as notified by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated 21 March 2023, the transmission of the audited financial statements together with the Directors' and Auditors' Report etc to the members of the Company through weblink and/or QR enabled code be and is hereby approved."

"IT WAS FURTHER RESOLVED THAT the Chief Executive Officer and / or the Chief Financial Officer and / or the Company Secretary be and are hereby authorised to jointly and / or severally do all such acts, deeds and things as may be deemed necessary or ancillary to give effect to the foregoing resolution."

A statement of material facts under section 134(3) of the Companies Act 2017 relating to this special business to be transacted at the AGM is attached to this notice.

ANY OTHER BUSINESS

- To transact any other business with the permission of the Chair.

By the Order of the Board

MASHAL MOHAMMAD
Company Secretary

Karachi
5 April 2024

Notes:

1. Virtual / Physical AGM and Attendance Protocols

- a) Pursuant to the SECP Circular No. 4 of 2021 dated 15 February 2021, Circular No. 6 of 2021 dated 3 March 2021, and the clarification issued by SECP bearing no. SMD SE/2(20)/2021/117 dated 15 December 2021, the proceedings of the AGM shall be held both physically and virtually. Any relevant updates regarding the AGM will be announced on the Company's website (**www.haleon.pk**) and through PUCARS, as applicable.
- b) Members attending the AGM virtually must register their intent beforehand and no later than close of business on 25 April 2024. Shareholders, who wish to attend virtually, are requested to email their respective name, folio number, CNIC number, and scanned copy of their CNIC (front and back) to the Company's email address **pakistan.shareinfo@haleon.com**, and following necessary verification, a link to access the AGM will be emailed to him / her.
- c) Please email at **pakistan.shareinfo@haleon.com** to post any questions for the AGM as the telecon will automatically mute all microphones.
- d) Please note that those members attending virtually will be able to view the Directors and hear the live proceedings of the AGM but will remain on mute so as to avoid any connectivity disruptions. Those members attending the AGM may submit their respective questions / comments / suggestions along with their name and folio number on the email address, provided above in this notice or during the AGM in the dedicated Q&A / chatbox.

2. Book Closure

The share transfer books of the Company will be closed from 19 April 2024 to 26 April 2024 (both days inclusive). Requests received at the office of the Share Registrar of the Company at CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi – 74000 at the close of business on 18 April 2024 will be treated in time for the purpose of attendance of the Annual General Meeting and as applicable.

3. Appointment of Proxies

Members entitled to attend and vote at the AGM may appoint another member as his / her proxy to attend, speak and vote at the AGM on his / her behalf. The instrument appointing proxy must be deposited duly signed and stamped at the Office of the Share Registrar of the Company at CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi not later than forty eight (48) hours before the time of the AGM. An attested copy of the member's Computerized National Identity Card (CNIC) must be attached with the proxy form. Please refer to section 137 of the Companies Act, 2017 for further information. Members holding physical shares are also required to bring their original CNIC and / or copy of CNIC of member(s) of whom he / she / they hold proxy(ies). Such member(s) shall not be allowed to attend and / or sign the Register of Members/ Members at the AGM without such CNIC(s). The proxy form is available on the Company's website (**www.haleon.pk**).

4. CDC Account Holders

CDC Account Holders will further have to follow the below guidelines as specified by the Securities and Exchange Commission of Pakistan (SECP).

a) Attending the AGM

- In case of individuals, the account holder or sub account holder and / or the person whose securities are in a group account, and their registration details are uploaded as per the applicable regulations, and shall authenticate his / her identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b) Appointing Proxies:

- (i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original passport at the time of the AGM.
- (v) In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

The proxy form is available on the Company's website: **www.haleon.pk**

5. Circulation of Annual Audited Accounts

- (i) SECP, through its SRO 470(1)/2016 dated 31 May 2016, has allowed companies to circulate the annual balance sheet, profit and loss account, Auditors' Report and Directors' Report etc. to its members through CD/DVD/USB at their registered addresses. In view of the above, the Company had obtained members' approval in its Extraordinary General Meeting held on 20 November 2017 in this regard.
- (ii) Pursuant to SRO 787(1)/2014 dated 8 September 2014, SRO 470(1)/2016 dated 31 May 2016, and under Section 223(6) of the Companies Act 2017, circulation of audited financial statements and notice of annual general meeting has been allowed in electronic format, including through email. Accordingly, the audited financial statements of the

Company for the year ended 31 December 2023, are available on the Company's website: **www.haleon.pk**. The Annual Report shall be circulated via email to those members whose email addresses are present in the records / database of the Share Registrar. Those members requiring a printed copy or electronic format through email of Annual Report may send a request using the Standard Request Form provided in the Annual Report and placed on the Company's website: **www.haleon.pk**. Hardcopies shall be provided free of cost.

6. Postal Ballot / E-Voting

Further to the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members holding in aggregate 10% or more shareholding as per law, will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in the said Regulations.

7. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four (4) years from the commencement of the Act, i.e., 30 May 2017. Those members having physical shareholding(s) are encouraged to open a CDC sub - account with any broker or Investor Account directly with CDC to place their physical shares into scrip less form. This is beneficial in many ways, including safe custody and sale of shares at any time, as the trading of physical shares is not permitted as per the existing regulations of the Pakistan Stock Exchange.

8. Change of Address and Zakat Status

Members are requested to notify the Company's Share Registrar if there is any change in their registered postal address or email address. Members with physical shareholding are requested to submit non-deduction of Zakat form, if applicable to them. Further, members holding their shares through CDC are requested to update their participants.

9. Unclaimed Dividend(s) / Share Certificates

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached members to claim their unclaimed dividends in accordance with the law. Those members, whose dividends / share certificates still remain unclaimed, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and / or undelivered share certificates.

10. Statutory Code of Conduct at AGM

Section 215 of the Companies Act, 2017 and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of Members, as follows: Members are not permitted to exert influence or approach the

management directly for decisions which may lead to creation of hurdles in the smooth functioning of management. The law states that Members shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its members in its meetings as per Section 185 of Companies Act, 2017.

Statement of Material Facts under section 134(3) of the Companies Act, 2017

Agenda Item (C):

The Securities and Exchange Commission of Pakistan through its S.R.O No.389 (I) / 2023 dated 21 March 2023 has allowed listed companies to circulate the annual audited financial statements to their members through QR enabled code and/or weblink, subject to approval of the members. The Company shall continue to circulate the annual audited financial statements through email where email addresses are provided by the members to the Company. The Company shall supply hard copies of the annual audited financial statements to the members upon receipt of a duly completed Request Form, which can be obtained from the Company's website:

www.haleon.pk

The Directors of the Company have no other interest, directly or indirectly, in this special business except in their capacity as members / directors of the Company.

Haleon Pakistan Limited Proxy Form

I/We _____ of _____, being a Member of Haleon Pakistan Limited holding _____ ordinary shares, HEREBY APPOINT _____ of _____, another Member of the Company, failing him/her _____ of _____ as my/our proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Karachi and virtually at 10:00 am on Friday, 26 April 2024 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 20 ____.

Rs. 5/-
Revenue
Stamps

Signed in the presence of:

(Signature of Witness 1)

Name of Witness:

CNIC No.:

Passport No. (Non-Pakistani):

Address:

(Name in Block Letters)

Folio No. _____

(Signature of Witness 2)

Name of Witness:

CNIC No.:

Passport No. (Non-Pakistani):

Address:

Signature of the Shareholder

Notes:

- The Member is requested:
 - to affix revenue stamp of Rs. 5/- at the place indicated above;
 - to sign in the same style of signature as is registered with the Company;
 - to write down his/her folio number.
- For the appointment of the above proxy to be valid, this instrument of proxy must be received at the Office of the Share Registrar of the Company at CDC Share Registrar Services Limited, 99-B, Block - B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, at least 48 hours before the time fixed for the Meeting.
- Any alteration made in this instrument of proxy should be initialled by the person who signs it.
- In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

For CDC Account Holders / Corporate Entities:

In addition to the above, the following requirements have to be met:

- The proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and of the proxy must be furnished with the proxy form.
- The proxy must produce his / her original CNIC or original passport at the time of the Meeting.
- In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (unless it has been provided earlier) along with the proxy form(s) to the Share Registrar.

Haleon Pakistan Limited

فارم برائے نمائندگی (پراکسی)

میں/ہم کے _____
Haleon Pakistan Limited کا ممبر اور _____ عمومی شیئرز کا حامل ہونے کے ناطے کمپنی کے ایک دوسرے ممبر
_____ کو میرے/ہمارے پراکسی کی حیثیت سے میری/ہماری غیر موجودگی کی صورت میں میری/ہماری طرف سے کمپنی کے سالانہ اجلاس عام
منعقدہ 26 اپریل 2024 صبح 10:00 بجے یا کسی بھی التوا کی صورت میں، میری/ہماری ایما پر میری/ہماری طرف سے شرکت اور ووٹ دینے کے لیے پراکسی
نامزد کرتا ہوں۔
میں/ ہم نے، درج ذیل کی، بطور گواہ موجودگی میں 20 _____ کے دستخط کیے ہیں

پانچ روپے مالیت
کی ریونیو
اسٹیٹمپ

دستخط گواہ نمبر 2
گواہ کا نام
شناختی کارڈ نمبر
پاسپورٹ نمبر (غیر پاکستانی کے لیے)
پتہ
نام بلاک لیٹرز میں)
فولیو نمبر:

دستخط گواہ نمبر 1
گواہ کا نام
شناختی کارڈ نمبر
پاسپورٹ نمبر (غیر پاکستانی کے لیے)
پتہ
نام بلاک لیٹرز میں)
فولیو نمبر:

نوٹس

1 ممبر سے درخواست ہے کہ

- بتائی گئی جگہ پر 5 روپے مالیت کا ریونیو اسٹیٹمپ چسپاں کریں۔
- دستخط اسی انداز میں کریں جیسا کہ کمپنی کے پاس رجسٹرڈ ہے۔
- اپنا فولیو نمبر تحریر کریں۔

2. درج بالا نامزد کردہ پراکسی کے قابل قبول ہونے کے لیے، پراکسی کی یہ ستاویز لازماً شیئر رجسٹرار ڈپارٹمنٹ، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ 99-B بلاک B.S.M.C.H.S میں
شاہراہ فیصل، کراچی میں کمپنی کے شیئر رجسٹرار کے پاس اجلاس کے لیے طے کردہ وقت سے کم از کم 48 گھنٹے قبل جمع کروا دی جائیں۔

3. پراکسی کی اس دستاویز میں کسی بھی قسم کی ترمیم کی صورت میں دستخط کرنے والے شخص کی طرف سے initials ضرور کیے جائیں۔

4. جوائنٹ ہولڈرز ہونے کی صورت میں دیگر جوائنٹ ہولڈرز کے ووٹ کو مسترد کرتے ہوئے، سینیئر کا ووٹ قبول کیا جائے گا، خواہ وہ ازخود موجود ہو یا پراکسی کے ذریعے، اس مقصد کے
لیے سینیئر کا تعین اس آرڈر کے ذریعے کیا جائے جس میں ممبرز کے رجسٹر میں نام موجود ہوں۔

سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اینٹی ٹیز درج بالا کے علاوہ درج ذیل شرائط پورا ہونا ضروری ہیں۔

- پراکسی فارم پر لازمی طور پر دو افراد بطور گواہ درج ہونے چاہئیں۔ جن کے نام، پتے اور قومی شناختی کارڈ نمبر بھی درج ہوں۔
- بینیفیشل اونرز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ لازماً فراہم کی جائیں۔
- اجلاس کے موقع پر پراکسی لازمی طور پر اپنا اصل شناختی کارڈ یا اصل پاسپورٹ فراہم کرے۔
- کارپوریٹ ادارے کی صورت میں شیئر رجسٹرار کو پراکسی فارم، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی اور نمونے کے دستخط لازمی جمع کروائے جائیں
(اگر پہلے سے فراہم نہ کیے گئے ہوں)۔

Haleon Pakistan Limited

E-Dividend Mandate Form

To: _____

Date: _____

SUBJECT: BANK ACCOUNT DETAILS FOR PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

Dear Sir / Madam,

I/We/Messrs., _____, being a/the shareholder(s) of Haleon Pakistan Limited (the "Company"), hereby,
authorize the Company, to directly credit cash dividends declared by it in my bank account as specified below:

Member's details:

Name of the Member

Folio No./CDC Participant ID & Sub-Account No. /CDC IAS

CNIC/NICOP/Passport/NTN No. (please attach copy)

Contact Number(s) (Telephone and Mobile Nos.)

Member's Postal Address

Member's Bank account details:

Title of Bank Account

International Bank Account Number (IBAN)

Bank's Name

Branch Name

Branch Code No

Branch Address

It is stated that the above particulars given by me are correct and I shall keep the Company informed in case of any changes in the said particulars
in future.

Yours truly,

Signature of Member

(Please affix company stamp in case of corporate entity)

Notes:

- Those members who hold shares in book-entry form are requested to fill the above-mentioned E-Dividend Mandate Form and send it
to the relevant Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited where the
member's CDC account is being dealt.
- Those members who hold shares in physical form are requested to fill the above-mentioned E-Dividend Mandate Form and send it to
the Company's Share Registrar address; i.e.; CDC Share Registrar Services Limited, Share Registrar Department, CDC House, 99-B,
Block B, Main Shahrah-e-Faisal, Karachi-74400, Pakistan. Tel: 0800-23275 (CDCSRL).
- In case of non-receipt of IBAN with bank details as requested above, future cash dividend, if any, could be withheld according to the
directives of the Securities and Exchange Commission of Pakistan.
- Haleon Pakistan Limited and CDCSRL shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly,
from any error, or failure in performance of any of its obligations whatsoever, caused due to incorrect payment instructions provided
by the shareholder and/or due to any event beyond the control of the bank.

Haleon Pakistan Limited

ای - ڈیوڈنڈ مینڈیٹ فارم

عنوان: ڈیوڈنڈ کی الیکٹرانک طریقے سے ادائیگی کے لیے بینک اکاؤنٹ کی تفصیلات

جناب اعلیٰ/جناب عالیہ

میں/ ہم /میسرز _____، Haleon Pakistan Limited ("کمپنی") کے ممبر ہونے کے ناطے کمپنی کو اختیار دیتے ہیں کہ وہ اعلان کردہ ڈیوڈنڈ براہ راست میرے ذیل میں دیے گئے اکاؤنٹ میں جمع کروادے

تاریخ: _____

ممبر کا نام	
سی ڈی سی شرکت کنندہ کی ID اور سب اکاؤنٹ نمبر / CDC IAS	
NTN/پاسپورٹ/CNIC No./NICOP (برائے مہربانی کاپی منسلک کریں)	
رابطہ نمبر(ز) ٹیلیفون اور موبائل نمبر	
شیئر ہولڈر کا پوسٹل ایڈریس	
بینک اکاؤنٹ کا ٹائٹل	
انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN)	
بینک کا نام	
برانچ کا نام	
برانچ کوڈ نمبر	
برانچ کا ایڈریس	

یہ بیان کیا جاتا ہے کہ میری سے فراہم کردہ درج بالا معلومات درست ہیں اور میں کمپنی کو مستقبل میں ان میں ہونے والی کسی بھی تبدیلی سے آگاہ رکھوں گا۔

آپ کا خیرخواہ

ممبر کے دستخط

برائے مہربانی کارپوریٹ ادارہ ہونے کی صورت میں کمپنی کی اسٹیٹمپ لگائیں۔

نوٹس:

1- وہ ممبرز جو شیئرز بک اینٹری کی صورت میں رکھتے ہوں، ان سے درخواست کی جاتی ہے کہ وہ درج بالا ای ڈیوڈنڈ مینڈیٹ فارم پر کریں اور اسے متعلقہ بروکر /شرکت کنندہ / سینٹرل ڈیپازٹری کمپنی آف پاکستان کی انویسٹر اکاؤنٹ سروسز کو ارسال کریں جہاں ممبر کا سی ڈی سی اکاؤنٹ ڈیل کیا جاتا ہو۔

2- وہ ممبرز جو فزیکل صوت میں شیئرز رکھتے ہوں، ان سے درخواست کی جاتی ہے کہ وہ درج بالا ڈیوڈنڈ مینڈیٹ فارم پر کریں اور اسے کمپنی کے شیئر رجسٹرار ایڈریس، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، شیئر رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس، B-99، بلاک بی، مین شاہراہ فیصل، کراچی - 74400 ٹیلیفون نمبر 23275-0800 (CDCSRL) پر ارسال کریں۔

3- بینک تفصیلات کے ساتھ IBAN موصول نہ ہونے کی صورت میں، جیسا کہ اوپر درخواست کی گئی ہے، مستقبل کے کیش ڈیو ڈنڈ، اگر کوئی ہوں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق روک لیے جائیں گے۔

4- Haleon Pakistan Limited اور CDC SRSL کسی بھی نقصان، ٹوٹ پھوٹ، لائبلٹی، یا کلیم کی صورت میں ذمہ دار نہیں ہوں گے، جو کہ براہ راست یا بالواسطہ طور پر کسی غلطی، یا اس کی کسی بھی ذمہ داری کو پورا نہ کرنے میں ناکامی کی بنا پر ہو، جو شیئر ہولڈر کی طرف سے ادائیگی کی غلط ہدایات کی فراہمی اور /یا کسی ایسے واقعے کی وجہ سے ہو جو بینک کے کنٹرول سے باہر ہو۔

Haleon Pakistan Limited

Request Form For Transmission Of Annual Report & Notice of Annual General Meeting (AGM) Through Email or In Hard Copy

CDC Share Registrar Services Limited
CDC House,
Main Shahra-e-Faisal, 99-B, Block 'B', SMCHS,
Karachi - 74400.

Sub: Request for transmission of Annual Reports and Notice of AGM through Email or in Hard copy

I/We hereby request to receive the Annual Report and Notice of AGM through email or in hard copy instead of receiving the same through CD/DVD/USB as mentioned below:

Name of the Member(s)	
Folio No. / CDC Participants ID A/C No.	
CNIC No.	
Telephone Number	
Mobile Number	
Passport No. (in case of foreign shareholder)	
Valid Email Address	
Valid Postal Address	

MODE OF RECEIVING ALL FUTURE ANNUAL REPORTS ALONG WITH NOTICE OF AGM THROUGH EMAIL OR IN HARD COPY UNDER SECTION 223 (6) OF THE COMPANIES ACT, 2017, INSTEAD OF RECEIVING THEM THROUGH CD/DVD/USB.

(Please select any one option)

OPTION 1: Through email on the valid email address provided above

OPTION 2: Hard copies on my registered postal address

It is stated that the above-mentioned information is correct and that I/We will intimate the changes in the abovementioned information to the Company and / or the concerned Share Registrar as soon as these occur.

I/We hereby further authorise the Company to update my/our particulars mentioned above in the members' register of the Company along with email address mentioned.

I/We undertake that by sending the Audited Financial Statements and Notices through e-mail by the Company, the Company shall be considered compliant with the relevant requirements of section 223(6) of the Companies Act, 2017. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same will be made.

Signature of the Member(s)

Notes:

- Please attach attested photocopy of the valid CNIC / valid Passport
- This request form is optional and not compulsory

9- غیر کلیم شدہ ڈیوڈنڈز/ شیئر سرٹیفکیٹس

کمپنی اس سے قبل کمپنیز ایکٹ 2017 کی دفعہ 244 کے تحت اپنی ذمہ داری ادا کرچکی ہے جس کے تحت کمپنی نے قانون کے مطابق اپنے غیر کلیم شدہ ڈیوڈنڈز کا دعویٰ کرنے کے لیے شیئر ہولڈرز سے رابطہ کیا تھا۔ وہ ممبرز، جن کے ڈیوڈنڈ / شیئر سرٹیفکیٹ ابھی تک غیر کلیم شدہ ہیں، ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنے آٹو اسٹینڈنگ ڈیوڈنڈز کی رقم اور / یا غیر تقسیم شدہ شیئر سرٹیفکیٹس کلیم کرنے کے لیے کمپنی سے رابطہ کریں۔

10- AGM کا قانونی ضابطہ اخلاق

کمپنیز ایکٹ، 2017 کی دفعہ 215 اور کمپنیز (جنرل پروویژن اور فارم) ریگولیشنز، 2018 کے ریگولیشن 28 میں شیئر ہولڈرز کے لیے ضابطہ اخلاق بیان کیا گیا ہے۔ ممبرز ایسے فیصلوں کے لئے براہ راست اثر انداز ہونے یا انتظامیہ سے رابطہ کرنے کی اجازت نہیں ہے جو مینجمنٹ کے بلا تعطل کام میں رکاوٹیں پیدا کرسکتے ہوں۔ قانون میں بیان کیا گیا ہے کہ ممبرز کو ایسا کوئی بھی مواد لانے کی اجازت نہیں ہوگی جس سے شرکاء یا اس احاطے کو جہاں اے جی ایم کا انعقاد کیا جا رہا ہے، خطرہ لاحق ہو، وہ خود کو اے جی ایم کے نوٹس میں شامل ایجنڈا آئٹمز تک محدود رکھیں گے اور اپنے آپ کو کسی بھی ایسے انداز سے پیش نہیں کریں گے جو ان کی سیاسی وابستگی کو ظاہر کرتا ہو۔ مزید برآں کمپنیز ایکٹ 2017 کی دفعہ 185 کے مطابق کمپنی کو اپنے اجلاسوں کے دوران اپنے ممبرز کو کسی بھی شکل میں تحائف تقسیم کرنے کی اجازت نہیں ہے۔

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت مادی حقائق کی اسٹیٹمنٹ ایجنڈا آئٹم (C):

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے ایس آر او نمبر 389(I)/2023 بتاریخ 21 مارچ 2023 کے ذریعے لسٹڈ کمپنیز کو اجازت دی ہے کہ وہ اپنی سالانہ فائنانشل اسٹیٹمنٹس ممبرز کو کیو آر کوڈ اور / یا ویب لنک کے ذریعے، ممبرز کی منظوری کی صورت میں، ارسال کر سکتی ہیں۔ کمپنی وہاں اپنی سالانہ آڈٹ شدہ فائنانشل اسٹیٹمنٹس بذریعہ ای میل ارسال کرنے کے سلسلے کو جاری رکھے گی جہاں ممبرز کی طرف سے کمپنی کو ای میل ایڈریس فراہم کیے گئے ہیں۔ کمپنی باقاعدہ طور پر مکمل درخواست فارم کی وصولی کی صورت میں ممبرز کو فائنانشل اسٹیٹمنٹس کی بارڈ کاپیز فراہم کرے گی ، جو کہ کمپنی کی ویب سائٹ www.haleon.pk سے حاصل کیا جا سکتا ہے۔

کمپنی کے ڈائریکٹرز کی براہ راست یا بالواسطہ، اس خصوصی امر میں، بحیثیت کمپنی کے ممبرز یا ڈائریکٹرز کے علاوہ کوئی دیگر دلچسپی نہیں ہے۔

Haleon Pakistan Limited

درخواست فارم برائے ترسیل سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام بذریعہ ای میل یا ہارڈ کاپی

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ

سی ڈی سی ہاؤس

مین شاہراہ فیصل، B 99 بلاک B، SMCHS،

74400 - karachi

عنوان : درخواست برائے ترسیل سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام بذریعہ ای میل یا ہارڈ کاپی

میں / ہم درخواست کرتے ہیں کہ سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام CD/DVD/USB کے بجائے، بذریعہ ای میل یا ہارڈ کاپی کی صورت میں فراہم کیا جائے، جیسا کہ ذیل میں دیا گیا ہے۔

ممبر(ز) کا نام	
فولیو نمبر/ سی ڈی سی شرکت کنندگان کی ID A/C نمبر	
قومی شناختی کارڈ نمبر	
ٹیلیفون نمبر	
موبائل نمبر	
پاسپورٹ نمبر (غیر ملکی شیئر ہولڈر کی صورت میں)	
valid ای میل ایڈریس	
valid پوسٹل ایڈریس	

کمپنیز ایکٹ 2017 کی دفعہ 223 (6) کے تحت مستقبل کی تمام سالانہ رپورٹس سی ڈی / ڈی وی ڈی / یو ایس بی کے بجائے ای میل کے ذریعے یا ہارڈ کاپی میں وصول کرنے کا طریقہ:

برائے مہربانی درج ذیل میں سے ایک کا انتخاب کریں

آپشن ۱: درج بالا فراہم کردہ Valid ای میل ایڈریس پر بذریعہ ای میل

آپشن ۲: میرے رجسٹرڈ پوسٹل ایڈریس پر ہارڈ کاپیز کی صورت میں

یہ بیان کیا جاتا ہے کہ متذکرہ بالا معلومات درست ہے اور میں / ہم اس میں کسی تبدیلی کی بابت کمپنی اور / یا متعلقہ شیئر رجسٹرار کو آگاہ کریں گے۔

میں / ہم کمپنی کو مزید اختیار دیتے ہیں کہ درج بالا میری / ہماری تفصیلات کمپنی کے شیئر رجسٹر میں، ہمچہ ای میل ایڈریس اپ ڈیٹ کرے۔

میں / ہم اقرار کرتے ہیں کہ آڈٹ شدہ مالیاتی گوشوارے اور نوٹسز بھیجنے کو کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۲۳(۶) کی متعلقہ شرط پر عمل درآمد تصور کیا جائے گا۔ اگر آڈٹ شدہ مالیاتی گوشوارے یا کمپنی کے نوٹس برائے سالانہ اجلاس عام کی ہارڈ کاپی درکار ہوگی، تو اس کے لیے مخصوص درخواست دی جائے گی۔

میں / ہم _____

ممبر (ز) کے دستخط

نوٹس

- برائے مہربانی قومی valid قومی شناختی کارڈ / valid اسپورٹ کی فوٹو کاپی منسلک کریں۔
- یہ درخواست فارم اختیاری ہے اور لازمی نہیں ہے۔

کاپی لانے کی ضرورت ہوتی ہے جن کے پاس پراکسی ہے۔ ایسے شیئر ہولڈرز کو اس طرح کے شناختی کارڈ کے بغیر AGM میں شیئر ہولڈر/ شیئر ہولڈرز کے رجسٹر

میں شرکت اور / یا دستخط کرنے کی اجازت نہیں ہوگی۔ پراکسی فارم کمپنی کی ویب سائٹ (www.haleon.pk) پر دستیاب ہے۔

4- سی ڈی سی اکاؤنٹ ہولڈرز

سی ڈی سی اکاؤنٹ ہولڈرز کو سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے بیان کردہ مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

a) اے جی ایم میں شرکت

- افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں، اور ان کی رجسٹریشن کی تفصیلات قابل اطلاق قواعد و ضوابط کے مطابق اپ لوڈ کی جاتی ہیں اور اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کریں گے۔
- کارپوریٹ ادارے کی صورت میں ، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی کو نامزد کردہ شخص کے نمونے کے دستخط کے ساتھ اجلاس کے وقت پیش کیا جائے گا (بشرطیکہ یہ پہلے فراہم نہ کیا گیا ہو) ۔

b) پراکسیز کا تقرر

- افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/ یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی ریگولیشنز کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا ضرورت کے مطابق پراکسی فارم جمع کرائیں گے۔
- پراکسی فارم کی تصدیق دو گواہان کریں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔
- پراکسی فارم کے ہمراہ بینیفیشل اونر ز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں فراہم کی جائیں گی۔
- پراکسی کو AGM کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کسی کارپوریٹ ادارے کی صورت میں پراکسی فارم کے ساتھ ، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی دستخط کے نمونے کے ساتھ کمپنی کو پیش کیا جائے گا (اگر یہ پہلے فراہم نہ کیا گیا ہو)۔

پراکسی فارم کمپنی کی ویب سائٹ www.haleon.pk پر دستیاب ہے۔

5- سالانہ آڈٹ شدہ اکاؤنٹس کی سرکولیشن

o) SECP نے 31 مئی 2016 کو اپنے S.R.O. 470(I)/2016 کے ذریعے کمپنیوں کو سالانہ بیلنس شیٹ، نفع و نقصان اکاؤنٹ، آڈیٹرز رپورٹ اور ڈائریکٹرز

رپورٹ وغیرہ اپنے ممبرز کو ان کے رجسٹرڈ پتوں پر سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے ارسال کرنے کی اجازت دی ہے۔ مذکورہ بالا کے پیش نظر کمپنی

نے اس سلسلے میں 20 نومبر 2017 کو منعقدہ اپنے غیر معمولی اجلاس عام میں ممبرز کی منظوری حاصل کی تھی۔

(lb) 8 ستمبر 2014 کے S.R.O. 787(I)/2014 ، 31 مئی 2016 کے S.R.O. 470(I)/2016 اور کمپنیز ایکٹ 2017 کی دفعہ 223 (6) کے تحت آڈٹ شدہ

فائنانشل اسٹیٹمنٹس اور سالانہ اجلاس عام کے نوٹس کو ای میل سمیت الیکٹرانک فارمیٹ میں بشمول ای میل کے ذریعے جاری کرنے کی اجازت دی گئی ہے۔ اس

کے مطابق، 31 دسمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالی گوشوارے، کمپنی کی ویب سائٹ www.haleon.pk پر دستیاب ہیں۔

سالانہ رپورٹ ان ممبرز کو ای میل کے ذریعے فراہم کی جائے گی جن کے ای میل ایڈریس شیئر رجسٹرار کے ریکارڈ / ڈیٹا بیس میں موجود ہیں۔ وہ ممبرز جنہیں

سالانہ رپورٹ کی پرنٹ شدہ کاپی یا ای میل کے ذریعے الیکٹرانک فارمیٹ پر درکارہو، وہ سالانہ رپورٹ میں، اور کمپنی کی ویب سائٹ www.haleon.pk پر فراہم

کردہ اسٹینڈرڈ درخواست فارم کا استعمال کرتے ہوئے درخواست بھیج سکتے ہیں۔ ہارڈ کاپیاں مفت فراہم کی جائیں گی۔

6- پوسٹل بیلٹ/ ای ووٹنگ

مزید برآں کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے تحت ڈائریکٹرز کے انتخاب کے لیے اور کمپنیز ایکٹ 2017 کی دفعہ 143 اور 144 کے تقاضوں کے تحت

کسی بھی دوسرے ایجنڈا آئٹم کے لیے قانون کے مطابق مجموعی طور پر 10 فیصد یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبرز کو مذکورہ ضوابط میں شامل

طریقہ کار اور شرائط کے مطابق پوسٹل بیلٹ یعنی ڈاک یا ای ووٹنگ کے ذریعے اپنا حق رائے دہی استعمال کرنے کی اجازت ہوگی۔

7- سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کا ڈپازٹ

کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق ہر موجودہ لسٹڈ کمپنی کو اپنے فزیکل شیئرز کو SECP کی جانب سے بتائے گئے طریقے کے مطابق ایکٹ کے نفاذ

یعنی 30 مئی 2017سے چار (4) سال تک کی مدت کے اندر بک انٹری فارم سے تبدیل کرنے کی ضرورت ہوگی ۔ فزیکل شیئر ہولڈنگ رکھنے والے ممبرز کی حوصلہ

افزائی کی جاتی ہے کہ وہ کسی بھی بروکر کے ساتھ سی ڈی سی ذیلی اکاؤنٹ کھولیں یا براہ راست سی ڈی سی کے ساتھ انویسٹر اکاؤنٹ کھولیں تاکہ ان کے

فزیکل شیئرز کو اسکرپلیس حالت میں رکھا جاسکے۔ یہ کئی طریقوں سے فائدہ مند ہے، بشمول محفوظ کسٹڈی اور کسی بھی وقت شیئرز کی فروخت کی

سہولت، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ قواعد و ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

8- پتے کی تبدیلی اور زکوٰۃ کا اسٹیٹس

ممبرز سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پوسٹل ایڈریس یا ای میل ایڈریس میں کسی بھی قسم کی تبدیلی کی صورت میں وہ کمپنی کے شیئر رجسٹرار

کو مطلع کریں۔ فزیکل شیئر ہولڈنگ رکھنے والے ممبرز سے درخواست کی جاتی ہے کہ اگر ان پر اس کا اطلاق ہوتا ہو، تو زکوٰۃ کی عدم کٹوتی کا فارم جمع

کرائیں۔ مزید برآں، سی ڈی سی کے ذریعے اپنے شیئرز رکھنے والے ممبرز سے درخواست کی جاتی ہے کہ وہ اپنے شرکاء کو اپ ڈیٹ کریں۔

Haleon Pakistan Limited

نوٹس برائے نواں سالانہ اجلاس عام 2023

شیئر ہولڈرز کو بذریعہ ہذا مطلع کیا جاتا ہے کہ Haleon Pakistan Limited (’کمپنی‘) کا نواں سالانہ اجلاس بیچ لگژری ہوٹل، کراچی اور ورچوئل 26 اپریل 2024 بروز جمعہ 10:00 بجے، درج ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا۔

عمومی امور:

A کمپنی کے آڈٹ شدہ اکاؤنٹس معہ ڈائریکٹرز اور آڈیٹرز رپورٹ برائے سال مختتمہ 31 دسمبر 2022 کی وصولی، غور و خوض اور منظوری دینا۔

B آئندہ سال کے لیے آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے بورڈ آڈٹ کمیٹی کی تجویز پر KPMG Taseer Hadi & Co کی 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر تقرری کی تجویز دی ہے۔

خصوصی امور:

C کمپنیز ایکٹ 2017ء کے سیکشن 223(6) جسے S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کے ساتھ ملا کر پڑھا جائے، جس کے مطابق کمپنی کے ممبران کو آئندہ سالانہ آڈٹ شدہ فائنانشل اسٹیٹمنٹس (بشمول ڈائریکٹرز رپورٹ، آڈٹ شدہ فائنانشل اسٹیٹمنٹس، آڈیٹرز رپورٹ، چیئرپرسن رپویو وغیرہ) کی ویب لنک اور/یا کیو آر کوڈ کے ذریعے فراہم کرنے پر غور و خوض اور اس کی منظوری دینا۔

”یہ طے پایا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے 21 مارچ 2023 کو S.R.O. 389(I)/2023 کے ذریعے جاری کردہ نوٹیفیکیشن کے مطابق آڈٹ شدہ فائنانشل اسٹیٹمنٹس کے ساتھ ڈائریکٹرز اور آڈیٹرز رپورٹ وغیرہ ویب لنک اور/یا کیو آر کوڈ کے ذریعے کمپنی کے ممبران کو فراہم کرنے کی منظوری دی جاتی ہے۔“

”مزید یہ طے پایا کہ چیف ایگزیکٹو آفیسر اور/یا چیف فنانشل آفیسر اور/یا کمپنی سیکریٹری مشترکہ طور پر اور/یا الگ الگ ایسے تمام کاموں، افعال اور چیزوں کو کرنے کے مجاز ہیں جو مندرجہ بالا قرارداد کو نافذ کرنے کے لئے ضروری یا معاون سمجھے جائیں۔“

کمپنیز ایکٹ 2017 کی دفعہ 134 (3) کے تحت سالانہ اجلاس عام میں کیے جانے والے اس خصوصی امر سے متعلق مادی حقائق کی اسٹیٹمنٹ اس نوٹس کے ساتھ منسلک ہے۔

دیگر امور

D چیئر کی اجازت سے دیگر کوئی امور انجام دینا۔

نوٹس

1- ورچوئل / فزیکل سالانہ اجلاس عام اور حاضری کے پروٹوکول

(a) SECP کے سرکلر نمبر 4 بتاریخ 15 فروری 2021، سرکلر نمبر 6 بتاریخ 3 مارچ 2021 اور SECP کی طرف سے جاری کردہ وضاحت نمبر SMD/SE/2(20)/2021/117 بتاریخ 15 دسمبر 2021 کے مطابق سالانہ اجلاس عام کی کارروائی فزیکل اور ورچوئل دونوں طریقوں سے کی جائے گی۔ سالانہ اجلاس عام سے متعلق کسی بھی نئی معلومات کا اعلان کمپنی کی ویب سائٹ (www.haleon.pk) اور PUCARS پر (جس کا بھی اطلاق ہوتا ہو) کیا جائے گا۔

(b) سالانہ اجلاس عام میں شرکت کرنے والے شیئر ہولڈرز لازمی طور پر اپنے ارادے کے حوالے سے 25 اپریل 2024 کو کاروباری اوقات ختم ہونے سے پہلے رجسٹر کروائیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے نام، فولیو نمبر قومی شناختی کارڈ نمبر اور اپنے قومی شناختی کارڈ کی اسکین شدہ کاپی (سامنے اور پیچھے کی طرف سے) کمپنی کے ای میل ایڈریس pakistan.shareinfo@haleon.com پر ای میل کریں اور ضروری تصدیق کے بعد انہیں اسے جی ایم تک رسائی کے لیے لنک ای میل کر دیا جائے گا۔

(c) برائے مہربانی اسے جی ایم کے لیے کوئی بھی سوال پوسٹ کرنے کے لیے pakistan.shareinfo@haleon.com پر ای میل کریں کیونکہ ٹیلی کانفرنس میں تمام تر مائیکرو فونز کو از خود خاموش (mute) کر دیا جائے گا۔

(d) برائے مہربانی نوٹ فرما لیجئے کہ ورچوئل شریک ہونے والے شیئر ہولڈرز، ڈائریکٹرز کو دیکھنے اور سالانہ اجلاس عام کی کارروائی لائیو دیکھنے کے قابل ہوں گے مگر وہ mute رہیں گے تاکہ کنیکٹوٹی کے حوالے سے کسی بھی قسم کے مسائل سے بچا جا سکے۔ سالانہ اجلاس عام میں شرکت کرنے والے اپنے متعلقہ سوالات/آرا/تجاویز معہ اپنے نام اور فولیو نمبر اس نوٹس میں درج بالا ای میل ایڈریس پر یا اجلاس کے دوران سوال و جواب کے لیے مختص کردہ چیٹ باکس میں جمع کروا سکتے ہیں۔

2- کتابوں کی بندش

کمپنی کی شیئر ٹرانسفر بکس 19 اپریل 2024 سے 26 اپریل 2024 تک (بشمول دونوں دن) بند رہیں گی۔ کمپنی کے رجسٹرار سی ڈی سی شیئر رجسٹرار

سروسز لمیٹڈ، سی ڈی سی ہائوس ، B-99، بلاک بی، S.M.C.H.S، مین شاہراہ فیصل، کراچی – 74000 کے دفتر میں 18 اپریل 2024ء کو کاروبار کے اختتام تک

موصول ہونے والی درخواستیں سالانہ اجلاس عام میں شرکت کی غرض سے بروقت تصور کیے جائیں گے۔

3- پراکسی کی تقرری

پراکسی شیئر ہولڈرز کی تقرری جو AGM میں شرکت اور ووٹ دینے کے حقدار ہیں وہ اپنی طرف سے AGM میں شرکت، اظہار خیال اور ووٹ دینے کے لئے

کسی دوسرے شیئر ہولڈر کو اپنا پراکسی مقرر کرسکتے ہیں۔ پراکسی کی تعیناتی کا دستاویز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-بی،

بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی میں کمپنی کے شیئر رجسٹرار کے دفتر میں AGM کے وقت سے اڑتالیس (48) گھنٹے قبل جمع کرانا

ضروری ہے۔ شیئر ہولڈر کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک ہونا ضروری ہے۔ مزید معلومات کے لئے

کمپنیز ایکٹ 2017 کی دفعہ 137 ملاحظہ کریں۔ فزیکل شیئرز رکھنے والے شیئر ہولڈرز کو بھی اپنا اصل شناختی کارڈ اور/یا شیئر ہولڈرز کے شناختی کارڈ کی

بحکم بورڈ

مشعل محمد

کمپنی سیکرٹری

کراچی

5 اپریل 2024

داخلی مالیاتی کنٹرولز کی مناسبت

بیلیون میں بورڈ آف ڈائریکٹرز نے موثر داخلی مالیاتی کنٹرول قائم کیے ہیں۔ آپ کی کمپنی کا آزاد اندرونی آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرول کے نفاذ کی نگرانی کرتا ہے ، جبکہ بورڈ آڈٹ کمیٹی اندرونی کنٹرول کے فریم ورک کے موثر ہونے کی صلاحیت اور مناسبت کا جائزہ لیتی ہے۔ سالانہ رپورٹ کے صفحہ نمبر 88 پر آڈٹ کمیٹی رپورٹ ملاحظہ فرمائیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 پر عمل درآمد

بیلیون پاکستان میں مستحکم گورننس اور قانونی فریم ورک قائم کیا گیا ہے جو تمام قابل اطلاق قوانین اور ضوابط پر عمل درآمد کو یقینی بناتا ہے جو طویل مدتی پائیدار ترقی کے حصول کے لئے کلیدی کردار کا حامل ہے۔ بورڈ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شرائط سے بخوبی واقف ہے اور اس کی تعمیل کو یقینی بنانے کے لئے بورڈ کی طرف سے انتظامیہ کے ساتھ مل کر متعلقہ اقدامات اٹھائے گئے ہیں۔ برائے مہربانی کمپنی کے بیرونی آڈیٹرز کی جانب سے جاری کردہ اسٹیٹمنٹ آف کمپلائنس پر نظر ثانی رپورٹ کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں مزید ملاحظہ فرمائیں

کیپٹل اخراجات

سال 2023 کے لئے کیپٹل اخراجات 1789 ملین روپے رہے۔ یہ خرچہ بنیادی طور پر استعداد کار میں وسعت، کارکردگی میں اضافے اور کوالٹی کو بہتر بنانے کے لیے، ایک نئے رجسٹرڈ آفس کی مد میں علیحدگی کے بعد آنے والے اخراجات کی مد میں کیا گیا

یہ کیپٹل اخراجات ہماری جامشورو سائٹ پر پیناڈول کی صلاحیت میں اضافے اور انسورسنگ کے ساتھ ساتھ منصوبے کے مطابق مقامی اور برآمدی ضروریات کے لئے CAC 1000 Plus کی صلاحیت میں اضافے کے حوالے سے کیا گیا۔ جہاں تک کارکردگی کا تعلق ہے، کیے گئے کیپٹل اخراجات اکانومیز آف اسکیل (بڑے پیمانے پر پروڈکشن) میں معاون ثابت ہوں گے اور مستقبل میں کسی بھی قسم کی رکاوٹ کا سد باب کریں گے۔ کمپنی کی طرف سے معیار کو بہتر بنانے اور مستقبل کے لئے ریگولیٹری اتھارٹیز کی ضروریات کو پورا کرنے کے لئے بھی سرمایہ کاری کی گئی ہے۔

مستقبل کا منظر نامہ اور چیلنجز

مستقبل کی طرف نگاہ ڈالی جائے، تو طویل مدتی کاروباری بنیادیں بغیر تبدیلی کے اپنی جگہ برقرار ہیں، اور فارما سیوٹیکل انڈسٹری پاکستان کی معیشت کی معاونت میں اہم کردار ادا کرتی رہے گی۔ سیلف کیئر کا تصور ہمارے ملک میں نسبتاً کافی نیا ہے اور وہاں موقع فراہم کرتا ہے جہاں آبادی ایسے مواقع کی تلاش میں ہے جو انہیں روز مرہ صحت کی بہتر دیکھ بھال کے کی قابل بنا سکیں۔ اس کے ساتھ ہی مقامی مینوفیکچرنگ ہیلتھ کیئر پراڈکٹس کی برآمدات میں ترقی کا امکان موجود ہے جس پر ابھی تک غور نہیں کیا گیا ہے۔ یہ ضروری ہے کہ ایسی مثبت پالیسیز اختیار کی جائیں جو پاکستان سے دنیا کے مختلف حصوں میں فارما سیوٹیکل پراڈکٹس کی برآمدات میں اضافے کے لئے معاون ثابت ہوں۔ اس کے علاوہ حکومت کی طرف سے ڈی ریگولیشن کے حوالے سے حال ہی میں کیا جانے والا اعلان ، انہیں ڈرگ ایکٹ 1976 سے مستثنیٰ کرتے ہوئے، ادویات کی غیر ضروری قیمتوں کے لیے ایڈجسٹمنٹ کی بنیاد فراہم کرے گا ، جو فارما انڈسٹری سے وابستہ افراد پر بے حد اثر انداز ہوگا۔

پیناڈول کی پروڈکشن کی گنجائش میں وسعت کے ساتھ ، کمپنی پاکستان کی سب سے بڑی فارما سیوٹیکل /اور دی کاؤنٹر میڈیسن کی طلب کو پورا کرنے کے لیے اس کی بلا تعطل سپلائی کے قابل ہو گی۔ جیسا کہ گروٹھ اور وسعت کاروبار کے لیے کلیدی حیثیت کے حامل ہیں، بیلیون پاکستان افراد کے لئے بہتر سیلف کیئر کی پریکٹس کو ممکن بنانے کے لیے پرعزم ہے۔

مشاہرے کی پالیسی

کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق اپنے ڈائریکٹرز کے مشاہرے کے لیے کمپنی کی ایک باقاعدہ پالیسی اور شفاف طریقہ کار ہے۔ اس طریقہ کار کا مقصد بورڈ کو ڈائریکٹرز (ایگزیکٹو اور نان ایگزیکٹو دونوں بشمول آزاد ڈائریکٹرز) کے مشاہرے کا تعین اور اس کی تجویز پیش کرنا ہے ،اس بات کو یقینی بناتے ہوئے کہ مشاہرہ ان کے تجربے کے لحاظ سے مارکیٹ کی مناسبت سے ہو۔

پالیسی اور طریقہ کار کی نمایاں خصوصیات

- تعین کرنا کہ مشاہرہ فاسٹ موونگ کنزیومر ہیلتھ کیئر کمپنیز کے دیگر اہم اداروں اور اسی نوعیت کے دیگر کاروباروں اور ان کے مشاہروں کے مارکیٹ کے لحاظ سے بینچ مارک کے مطابق ہو اور مشاہرہ اس سطح پر نہ ہو جسے ڈائریکٹرز کی خودمختاری پر سمجھوتے کا ناثر ملے۔

- کوئی بھی ڈائریکٹر خود اپنے مشاہرے کے فیصلے میں شامل نہ ہو
- نان ایگزیکٹو آزاد ڈائریکٹرز بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے ان کی خدمات کے حوالے سے بورڈ کے طے کردہ مشاہرے کے حقدار ہیں۔
- کسی بھی ڈائریکٹر کو بورڈ کے اجلاس ، اس کی کمیٹیز اور /یا اجلاس عامہ میں شرکت کے لیے اس کی طرف سے کیے گئے تمام تر سفری، بورڈنگ، لاجنگ اور دیگر اخراجات ، فراہم ، یا ادا کیے جائیں گے۔

چیف ایگزیکٹو آفیسر ، ڈائریکٹر اور ایگزیکٹوز کے مشاہرے

چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹوز کے مشاہرے برائے سال 2023 کے حوالے سے تفصیلی نوٹ منسلکہ مالیاتی گوشواروں کے صفحہ نمبر 35 پر دستیاب ہے ، جسے سالانہ رپورٹ کے صفحہ نمبر 178 پر دوبارہ پیش کیا گیا ہے۔

بورڈ کی ساخت اور اس کی کمیٹیاں

ڈائریکٹرز کی کل تعداد 7 ہے جو کہ درج ذیل ہے
مرد: 5
خواتین: 2

31 دسمبر، 2023 کو بورڈ کی ساخت درج ذیل ہے

کیٹگری	نام
آزاد ڈائریکٹرز	جناب ایم زیڈ معین مہاجر سید انور محمود محترمہ عائشہ عزیز
ایگزیکٹو ڈائریکٹرز	جناب فرحان محمد ہارون جناب دلاور میگھانی
نان ایگزیکٹو ڈائریکٹرز	جناب اسامہ عباس محترمہ سمرو اطالے بیسیلی

بورڈ کی ساخت اور اس کی کمیٹیز کی تفصیلات صفحہ نمبر 76 سے 77 تک بیان کی گئی ہیں۔

اعتراف / ستائش

بورڈ کے ایما پر ، ہم اپنے ملازمین، پارٹنرز، شیئر ہولڈرز ، سپلائرز اور اسٹیک ہولڈرز بشمول حکومت پاکستان کے شکرگزار ہیں، جن کا تعاون بیلیون کی ترقی میں کلیدی اہمیت کا حامل ہے۔ ہم ، باہم مل کر، پاکستان میں صحت اور انسانیت کی راہیں ہموار کرتے رہیں گے۔

بحکم بورڈ

خیرخواہ



دلاور میگھانی

چیف فائنانشل آفیسر



فرحان محمد ہارون

چیف ایگزیکٹو آفیسر اینڈ جنرل مینیجر

5 مارچ 2024

افراد کی ترقی اور جانیشینی کی منصوبہ بندی

2023 میں لانچ ہونے والے بیلیون کے نئے گلوبل لیڈرشپ اسٹینڈرڈز ہمارے کلیدی ٹیلنٹ میںبیلیون لیڈرشپ کے طرز عمل کو پروان چڑھانے کے لئے ایک رہنما اصول کے طور پر کام کرتے ہیں۔ بیلیون لیڈرشپ اسٹینڈرڈز کی تمام تر توجہ 4 اہم ستونوں اور اس بات پر مرکوز ہے کہ ہمارے ملازمین ترقی کے سفر کو آگے لے جانے کے لیے کس رویے کا مظاہرہ کرتے ہیں ، ہمارے کسٹمرز اورکنزیومرز کو کس حد تک سمجھتے ہیں اور ایک بیلیون کی ترویج کرتے ہیں اور صلاحیتوں کو سامنے لاتے اور اس کی حوصلہ افزائی کرتے ہیں۔

بیلیون کا زبردست ٹیلنٹ ریویو اور جانیشینی کی منصوبہ بندی کا فریم ورک ہمارے ٹیلنٹ کو ترقی اور قائدانہ صلاحیتوں کے اعلیٰ ترین معیار پر رکھنے کی طرف اپنی توجہ مرکوز رکھتا ہے۔ صحیح ٹیلنٹ کو صحیح مواقع سے منسلک کرتا ہے تاکہ داخلی نقل و حرکت، بین الاقوامی اور مقامی ذمہ داریوں، اور انٹرنیشنل اسائنمنٹس کے ذریعے ہمارے ٹیلنٹ کے لئے ایک چیلنجنگ اور پرکشش کیریئر کی راہ کو یقینی بنایا جاسکے۔

صارفین /مریضوں کی حفاظت

بیلیون میں ، صارفین کی صحت آپ کی کمپنی کی اولین ترجیح ہے۔ لہذا، ہم ہمیشہ اعلی معیار کی حامل ایسی مصنوعات کی فراہمی کے لیے بہتر ی کے مواقع کی تلاش میں رہتے ہیں جو استعمال کے لئے محفوظ ہوں۔ آپ کی کمپنی ان لوگوں کی حفاظت کے لئے پرعزم ہے جو ہماری مصنوعات استعمال کرتے ہیں۔ ہمارا موثر کوالٹی مینجمنٹ سسٹم (کیو ایم ایس) انتہائی اہمیت کا حامل ہے، اور ہماری انتظامی ذمہ داریوں، معیار کے حوالے سے توقعات، اور دستاویزی پالیسیوں اور طریقہ کار کا احاطہ کرتا ہے۔

ہم ہمیشہ معیار اور کمپلائنس کو یقینی بنانے کے لیے اپنے معیارات اور طریقہ کار پر عمل کرتے ہیں، اور ہم بخوبی سمجھتے ہیں کہ ان پر عمل درآمد اتنا اہم کیوں ہے۔

ماحول، صحت، حفاظت اور فلاح و بہبود

آپ کی کمپنی ایک طے شدہ EHSفریم ورک آف کمپلائنس رکھتی ہے جو ہمارے لوگوں ؛ کنٹریکٹرز ؛ کی صحت ، حفاظت اور فلاح و بہبود کے لئے ہمارے عزم ، ضروریات اور ذمہ داریوں کی وضاحت کرتا ہے۔ہمارا انٹر پرائز نکتہ نظر اختیار کرتے ہوئے ہمارے اٹاٹوں اور ماحول کی کی حفاظت کرتا ہے ، اور لیڈرشپ کے حوالے سے واضح عزم کو یقینی بناتا ہے – ہم حفاظت کے ایک مستحکم کلچر کو کاروبار کے تمام تر امور میں شامل کرتے ہوئے اس طرز عمل کو قائم رکھتے ہیں۔

ہم درج ذیل امور کے لیے پرعزم ہیں

- صحت مند اور محفوظ جگہ، پلانٹ ، ایکوٹیمنٹ اور کام کے ماحول کی فراہمی تاکہ کام سے متعلق انجری، خرابی صحت یا ماحول کے لیے نقصان کا تدارک کیا جاسکے۔
- بیلیون آپریشنز بشمول کنٹریکٹر مینجمنٹ کے لیے ایک EHSW مینجمنٹ سسٹم کی فراہمی جو تحریری معیارات (معیارات، ہدایات اور ٹولز) پر مشتمل ہو

- ماحول ، صحت، حفاظت اور بہبود کے بامعنی اہداف اور مقاصد کے تعین کے لئے ایک فریم ورک کی فراہمی اور اسے برقرار رکھنا تاکہ قابل ذکر نقصان سے بالکل محفوظ کلچر قائم کیا جائے اور اہم واقعات کے تدارک کو ترجیح دیتے ہوئے رپورٹ کے قابل واقعات میں کمی کا بیج مارک طے کیا جائے
- قانونی تقاضوں اور اور ہمارے آپریشنز کو منظم کرنے والی دیگر ضروریات کو بروئے کار لانا
- نفسیاتی خطرات سمیت ، کام کی جگہ کے حوالے سے تمام تر خطرات کی نشاندہی اور انہیں ختم یا کم سے کم کرنا ، اور EHSWسے متعلق خطرات کو کم کرنا
- اس بات کو یقینی بنانا کہ EHSWہماری تمام تر کاروباری منصوبہ بندی اور فیصلہ سازی کے عمل میں ہر لحاظ سے شامل رہے۔
- ایسے کلچر اور رویے کو فروغ دینا جہاں لیڈرز سیکھ سکیں کہ ہیلتھ ، سیفٹی اور بہبود کے حوالے سے ایک موثر لیڈر کیسے بننا ہے۔
- اس بات کو یقینی بنانا کہ ہمارا اسٹاف اور کنٹریکٹرز متعلقہ رسک کے حوالے سے EHSWٹریننگ حاصل کریں بشمول خطرات کی نشاندہی اور یہ کہ خدشات کو کیسے محسوس کیا جائے۔
- بہتر کارکردگی کا مظاہرہ کرنے کے لیے ہمارے مینجمنٹ سسٹم میں مسلسل بہتری
- اس بات کو یقینی بنایا جائے کہ ایمرجنسی ریسپانس کے حوالے سے تیاری ہمہ وقت موجود اور ٹیسٹ شدہ ہے۔

اخلاقیات، کمپلائنس اور رسک مینجمنٹ

ایک منظم انڈسٹری اور ہائی رسک مارکیٹ میں سرگرم عمل کمپنی ہونے کے ناطے ہمیں متعدد قانونی، ریکولیٹری، آپریشنل ، اور ساکھ اور حکمت عملی سے متعلق خطرات کا سامنا رہتا ہے۔ ہم اپنے داخلی طریقہ کار ، جیسا کہ، انٹرنل کنٹرول فریم ورک کی مدد سے اس کا انتظام کرتے ہیں ، جس کی بنیاد تسلیم شدہ بین الاقوامی انتظامی معیارات پر ہے۔

اخلاقیات اور کمپلائنس فنکشن ایسے طریقہ کار کی تشکیل اور اس پر عمل در آمد کا ذمہ دار ہے جو کمپنی کی عالمی پالیسیز اور قوانین پر عمل در آمد کی راہ ہموار کرے۔ کمپلائنس فنکشن خطرات کا موثر انداز سے انتظام کرنے کے لیے کاروبار کے ساتھ شریک رہتا ہے۔ اس میں کنٹرولز کو سادہ بنانا، کمپنی کی اقدار کو فروغ دینا اور مریضوں اور صارفین کی زندگیوں پر مثبت طور پر اثر انداز ہونے کے ہمارے مشن کا تحفظ کرنا بھی شامل ہے۔

کمپنی کے خدشات کا انتظام مختلف کمپلائنس پروگرامز کے ذریعے کیا جاتا ہے جن کی تفصیل ذیل میں دی گئی ہے

کمپلائنس رسک فورم

رشوت ستانی اور انسداد بدعنوانی(ABAC) اور معلومات کی رازداری

کمپنی کاABACپروگرام اس بات کو یقینی بنانے میں معاونت کے لئے تیار کیا گیا ہے کہ نہ تو کمپنی اور نہ ہی اس کی تھرڈ پارٹیز سرکاری یا نجی شعبے کے اداروں / افراد سے فائدہ حاصل کرنے کے لئے رشوت جیسے غلط

طریقوں میں ملوث ہوں۔ یہ ہر قسم کی بدعنوانی کے خلاف مکمل عدم برداشت اور تمام تر کاروباری لین دین کے ریکارڈ کو درست رکھنے کے عزم کا اعادہ کرتا ہے۔ یہ اس بات کو بھی یقینی بناتا ہے کہ معاملات میں کوئی غیر ضروری اثر و رسوخ نہ ڈالا جائے، کوئی ذاتی فائدہ حاصل نہ کیا جائے اور کسی قسم کی بدعنوانی نہ ہو۔ کرپشن میں فراڈ، منی لاندڈرنگ اور ٹیکس چوری کو شامل کیا جا سکتا ہے۔ اس کا مقصد بالآخر اس بات کو یقینی بنانا ہے کہ کاروبارکے سلسلے کو کمپنی کی اقدار کے مطابق رکھتے ہوئے اعلی ترین اخلاقی فریم ورک کے مطابق انجام دیا جائے۔ رازداری کا تعلق اس بات سے ہے کہ ہم افراد ، جیسے مریضوں، ہیلتھ کیئر پروفیشنلز، صارفین، ملازمین اور کمپلمنٹری ورکرز، سے متعلق ہمارے پاس موجود ذاتی معلومات کاانتظام کیسے کرتے ہیں - ذاتی معلومات کوئی بھی ایسی معلومات ہے جو کسی کی شناخت کر سکتی ہے، یا مناسب طور پر کسی کی شناخت کرنے کے لئے استعمال کی جا سکتی ہے۔ معلومات کی رازداری کے حوالے سے کمپنی انتہائی سخت پالیسی رکھتی ہے اور اس سے روگردانی کسی بھی صورت برداشت نہیں کی جاتی۔

تھرڈ پارٹی رسک مینجمنٹ پروگرام (TPRM)

اپنے تنظیمی مقاصد کو حاصل کرنے کے لئے، ہم اکثر تھرڈ پارٹیز کے ساتھ شراکت میں کام کرتے ہیں، جو ہمارے مشن کی تکمیل میں صلاحیت، مہارت یا اسکیل کے ذریعے ہماری معاونت کرتے ہیں۔ ہم صرف ان سپلائرز، ڈسٹری بیوٹرز، ایکویٹی اسٹیک ہولڈنگز اور دیگر کاروباری شراکت داروں / تھرڈ پارٹیز کے ساتھ کاروبار کرنے کی کوشش کرتے ہیں جو اعلی اخلاقی معیارات کے عزم میں ہمارے ساتھ شریک ہوں اور ذمہ دارانہ طریقے سے کام انجام دیں۔ کمپنی نے خطرے کے انتظام کو مستحکم بنانے کے لئے ایک جامع تھرڈ پارٹی رسک مینجمنٹ (TPRM) پروگرام نافذ کیا ہے۔ مقصد یہ یقینی بنانا ہے کہ تمام تھرڈ پارٹیز کا انٹرپرائز کے حوالے سے خدشات کے لحاظ سے جائزہ لیا جائے اور اس کے مطابق، تمام تر تقاضوں پر پورا اترنے والے معاہدوں کو اپنے ساتھ شامل کیا جائے۔

تحریری معیارات

ہمارے تحریری معیارات انتہائی سخت قواعد کے تحت چلنے والے انڈسٹری میں ممکنہ طور پر سامنے آنے والے خدشات کا سامنا کرنے میں ہماری معاونت کرتے ہیں

اسپیک اپ پروگرام

بیلیون میں ، ہمارا کلچر اس بات کے گرد گھومتا ہے کہ وہی کیا جائے جو درست ہے۔ یہی وجہ ہے کہ ہمارا ایک “اسپیک اپ ” پروگرام نافذ العمل ہے جو ہمارے افراد، ہمارے صارفین اور کسی بھی قسم کے نامناسب یا غیر قانونی طرز عمل کے خلاف تحفظ میں ہماری مدد کرتا ہے۔

اس حوالے سے تشویش کا اظہار کرنے والے شخص کے خلاف کسی بھی قسم کی انتقامی کارروائی کے خلاف کمپنی کی پالیسیاں انتہائی سخت ہیں

قانونی معاہدوں کی گورننس (GOLA)

کمپنی کے GOLA ایس او پی اس بات کو یقینی بناتے ہیں کہ بیلیون پاکستان لمیٹڈ کے خطرات اور ذمہ داریوں کو مناسب طریقے سے کم کیا جائے اور یہ کہ تھرڈ پارٹیز سے بیلیون پاکستان لمیٹڈ کی توقعات اور ضروریات (بشمول ان کی کارکردگی اور بیلیون کی پالیسیز کی تعمیل) کو قانونی طور پر قابل اطلاق معاہدے کی صورت میں بیلیون اور ہر تھرڈ پارٹی کے حقوق اور ذمہ داریوں کو دستاویزی شکل دے کر واضح طور پر بیان کیا جائے۔

متعلقہ پارٹی کی ٹرانزیکشنز

کمپنی تمام تر تھرڈ پارٹیز کے لئے کوڈ آف کارپوریٹ گورننس پر عمل درآمد کو یقینی بناتی ہے۔ ایسی ٹرانزیکشنز کی تفصیلات منسلکہ فائنانشل اسٹیٹمنٹس پر فراہم کی گئی ہیں جو اس سالانہ رپورٹ کے صفحہ نمبر179 پر موجود ہے۔

آڈیٹرز

بورڈ آف ڈائریکٹرز اور بورڈ آڈٹ کمیٹی نے میسرز KPMG تاثیر بادی اینڈ کمپنی چارٹرڈ اکا ونٹنس کی 31دسمبر 2024کو ختم ہونے والے مالی سال کے لیے، باہم طے کردہ مشاہرے پر ، دوبارہ تقرری کی تجویز پیش کی ہے۔

پراویڈنٹ، گریجوٹی اور پینشن فنڈز میں سرمایہ کاری کی قدر

کمپنی اپنے ملازمین کے لیے ریٹائرمنٹ پر دیے جانے والے فوائد کا پلان رکھتی ہے۔ 31 دسمبر 2023 کوپراویڈنٹ اور گریجوٹی فنڈز میں سرمایہ کاری کی قدر درج ذیل ہے

پراویڈنٹ فنڈ 273 ملین روپے

گریجوٹی فنڈ 233 ملین روپے

نیشنل ایکس چیکر(قومی خزانے) اور معیشت میں حصہ

آپ کی کمپنی نے نیشنل ایکس چیکر میں کسٹم ڈیوٹیز، انکم ٹیکس، سیلز ٹیکس اور ایمپلائز ٹیکس کی مد میں سال 2023 کے دوران 2.562ملین روپے کا حصہ ڈالا ہے۔

آپ کی کمپنی کا کنٹری بیو شن سیلز ٹیکس کے ذریعے 826ملین روپے، انکم ٹیکس کی مد میں 998 ملین روپے، کسٹم ڈیوٹی کی مد میں 540 ملین روپے اور ملازمین سے متعلق ٹیکسز کی مد میں 197 ملین روپے ہے۔

آپ کی کمپنی کے ڈائریکٹرز، کمپنیز ایکٹ 2017 کے سیکشن 223 کے مطابق، کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے سال مختتمہ 31 دسمبر 2023 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

ڈائریکٹرز رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 223 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی وقتا فوقتا ترمیم، کے مطابق تیار کی گئی ہے

بنیادی سرگرمیاں

کمپنی کنزیومر ہیلتھ کیئر پراڈکٹس کی تیاری، مارکیٹنگ اور فروخت سے منسلک ہے۔ کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ میں 22 مارچ 2017 سے لسٹڈ ہے۔ کمپنی کارجسٹریڈ آفس A-11، گیارہویں منزل، اسکاٹی ٹاور (ایسٹ ونگ)، ڈالمن سٹی، 3-HC، بلاک 4، اسکیم 5، کلفٹن، کراچی پر واقع ہے۔

کاروباری/معاشی منظر نامہ

سال 2023 میں عالمی معاشی سست روی اور جغرافیائی و سیاسی تناؤ نے بیرونی چیلنجز کو جنم دیا اور اس کے پاکستان پر بھی گہرے اثرات مرتب ہوئے۔ ان عوامل کی بدولت ملک شدید معاشی دباؤ کا شکار ہوا جس کی وجہ سے ادائیگیوں کے توازن کے بڑے خسارے کے نتیجے میں دیگر عوامل کے علاوہ غیر ملکی کرنسی کے ذخائر میں کمی، کرنسی کی قدر میں کمی اور افراط زر میں اضافہ ہوا ہے۔ اس کے علاوہ، داخلی عوامل، جیسے سیاسی غیر یقینی صورتحال اور مسلسل سیکورٹی کے مسائل نے خدشات میں مزید کردار ادا کیا۔

اسی افراتفری کے درمیان، کچھ اشارے (عوامل) اقتصادی بحالی کے ایک ممکنہ راستے کی طرف اشارہ کرتے ہیں۔ بڑے پیمانے پر مینوفیکچرنگ (ایل ایس ایم) کی پیداوار دسمبر 2023 میں 21 ماہ کی بلند ترین سطح پر پہنچ گئی، جس میں زراعت، پیٹرولیم مصنوعات، ملبوسات اور دواسازی کے شعبوں کی طرف سے حاصل بھرپور تعاون شامل تھا۔ یہ رجحان مالی سال 2023-24 کے دوران معاشی سرگرمیوں میں ممکنہ تبدیلی کی عکاسی کرتا ہے جس میں سیاسی استحکام یا اس کی کمی ایک کلیدی کردار ادا کرے گی۔

اس مثبت پیش رفت کے باوجود پاکستان کی معاشی بحالی کی صورتحال مبہم ہے۔ دوا ساز کمپنیوں کو ادویات یا ان کے اجزاء کے ضروری خام مال کی

پیداوار کے ساتھ ساتھ برآمد میں مدد دینے کے لئے سازگار پالیسیوں کا فقدان اس شعبے کی ترقی کے امکانات اور قومی معیشت میں اس کی شراکت کی راہ میں ایک بڑی رکاوٹ ہے۔

پاکستان کی سب سے بڑی کنزیومر ہیلتھ کیئر کمپنی بیلون پاکستان لمیٹڈ، ایک واضح طور پر متعین کردہ مقصد 'انسانیت کے ساتھ بہتر روز مرہ صحت کی فراہمی' کے تحت اپنی سرگرمیاں انجام دیتی ہے۔ نت نئی پراڈکٹس متعارف کروانے، اپنے آپریشنز کے دائرہ کار کو وسیع کرنے اور برآمدات کو بڑھانے کے ساتھ ساتھ، ہم ملک کی ایک نمایاں فاسٹ موونگ کنزیومر ہیلتھ کیئر کمپنی کے طور پر معیشت میں اپنا کردار بڑھانے کے لیے پرعزم ہیں۔

آپریٹنگ نتائج کا جائزہ

زیر جائزہ سال میں، بیلون پاکستان نے 2023 میں 15 فیصد گروتھ کے ساتھ زبردست مالیاتی کارکردگی کا مظاہرہ کیا، اور 8.51 روپے فی شیئر کے حساب سے 996 ملین روپے کا بعد از ٹیکس منافع حاصل کیا (2022: 2.78 Rs)

شعبہ جات کے حوالے سے، اوور دی کائونٹر (OTC) پورٹ فولیو میں صارفین کے محدود اخراجات کے باوجود 29 فیصد اضافہ ہوا۔ جبکہ دوسری طرف، فاسٹ موونگ کنزیومر گڈز (FMCG) کے شعبے میں اوورل ہیلتھ کے حوالے سے 13 فیصد کا مثبت رجحان دیکھنے میں آیا۔ کل سیلز اور اخراجات کا تناسب SPLY (گزشتہ سال اسی مدت) کے مقابلے میں 14 فیصد سے بڑھ کر 16 فیصد ہو گیا۔ شرح سود کے بلند رہتے ہوئے، ہماری کمپنی مالیاتی اثاثوں کی مدد میں SPLY (گزشتہ سال اسی مدت کے دوران) 260 ملین روپے کے مقابلے میں 526 ملین روپے کا منافع حاصل کرنے میں کامیاب رہی۔

ڈیوڈنڈ کا اعلان نہ کرنے کی وجوہات

اس چیلنجنگ وقت اور صورتحال کے باوجود، آپ کی کمپنی نے سال 2023 کے دوران زبردست کارکردگی کا مظاہرہ کیا۔ بہر حال، ملک کو درپیش غیر یقینی سیاسی و معاشی صورتحال اور درآمدات کی سورشنگ کے حوالے سے چیلنجز کمپنی کی نفع پذیری پر اثر انداز ہوئے ہیں اور ابھی بھی ایک اہم خدشے کے طور پر موجود ہیں۔ آپ کی کمپنی جامشورو میں بہترین مینوفیکچرنگ کی حامل اضافی تنصیب میں سرمایہ کاری، برآمدات اور مقامی کھپت دونوں کے لئے اپنے بنیادی برانڈز کی استعداد کار میں اضافہ اور اپنے صارفین کے لئے نت نئی مصنوعات متعارف کرواتے ہوئے شیئر ہولڈرز کو بہتر منافع فراہم کرنے کا ارادہ رکھتی ہے۔ ہمیں امید ہے کہ جیسے جیسے میکرو اکنامک صورتحال میں بہتری آئے گی، ہم اپنی صلاحیتوں کے مطابق نتائج فراہم کرنے کے قابل ہوں گے اور آپریشنل صلاحیت، کارکردگی اور رسائی کے حوالے سے سرمایہ کاری میں اضافے کو درست ثابت کرسکیں گے۔ اس بات کو مد نظر رکھتے ہوئے، ہم نے ایک قابل عمل پالیسی پر کاربند رہنے کا فیصلہ کیا اور سال 2023 کے لئے ڈیوڈنڈ کی تجویز پیش نہیں کی گئی۔

ہولڈنگ کمپنی

31 دسمبر، 2023 تک، بیلون نیدرلینڈز بی۔وی (سابقہ گلیکسو اسمتھ کلائن کنزیومر ہیلتھ کیئر بی وی)) کے پاس 10 روپے فی شیئر کے 100,423,259 عمومی شیئرز تھے، جو کمپنی کے کل شیئرز کا 85.79 فیصد ظاہر کرتے ہیں۔

پیٹرن آف شیئر ہولڈنگ

کمپنی کے شیئرز کی خرید و فروخت پاکستان اسٹاک ایکسچینج لمیٹڈ میں کی جاتی ہے۔ 31 دسمبر 2023 تک شیئر ہولڈنگ سے متعلق معلومات، اور دیگر معلومات سالانہ رپورٹ کے صفحہ نمبر 199 سے 200 تک فراہم کی گئی ہیں۔

چیئر پرسن کی طرف سے تجزیہ

چیئر پرسن کا تجزیہ برائے شیئر ہولڈرز سالانہ رپورٹ کے صفحہ نمبر 74 سے 75 تک فراہم کیا گیا ہے جس میں درج ذیل کے متعلق معلومات شامل ہیں

۲۰۲۳ کے لیے بورڈ کی تشخیص

بورڈ کمیٹیاں بشمول بورڈ آڈٹ کمیٹی، ہیومن ریسورسز، ریمیونریشن اینڈنومی نیشن کمیٹی اور سپلائی چین ایگزیکٹو کمیٹی

کمپنی کی ثقافت

کمپنی کے ڈائریکٹرز مذکورہ متن کی توثیق کرتے ہیں

بنیادی اور ڈائلیوڈ فی شیئر آمدنی

بعد از ٹیکس بنیادی اور ڈائلیوڈ آمدنی فی شیئر 8.51 روپے رہی جبکہ 2022 میں فی شیئر آمدنی 2.78 روپے تھی

ذمہ دارانہ کاروبار - کارپوریٹ سماجی ذمہ داری (CSR)

ذمہ دارانہ انداز سے کاروبار کی انجام دہی، اسٹریٹجک ترجیحات میں سے ایک ہے۔ ہم اس پر تین باہم مربوط توجہ کے حامل شعبوں کے ذریعے عمل در آمد کرتے ہیں: روزمرہ صحت کو مزید جامع بنانے، ہمارے ماحولیاتی اثرات کو کم کرنے، اور اخلاقی، ذمہ دارانہ اور شفاف طرز عمل، رویے، اور اخلاق کے معیارات کی پاسداری کے ساتھ کام انجام دینے کا ہمارا عزم اس رپورٹ کے زیر نظر دورانے میں، کمپنی نے اپنی ذمہ دارانہ کاروباری حکمت عملی کا حصہ ہونے کے ناطے بے شمار اہم اقدامات کیے جن کی تفصیلات سالانہ رپورٹ کے صفحہ نمبر 228 پر درج ہیں۔

چیئر پرسن کی طرف سے جائزہ

مجھے کمپنیز ایکٹ 2017، کی دفعہ 192 کے تحت دسمبر 2023، کو ختم ہونے والے سال کے لئے بیلین پاکستان لمیٹڈ ("کمپنی") کی کارکردگی کی تفصیلات پیش کرتے ہوئے خوشی ہو رہی ہے۔

میں بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی انتظامیہ کو 2023، میں غیر معمولی مالیاتی کارکردگی پر مبارکباد پیش کرتا ہوں، جس کی بدولت ہم نے مارکیٹ کے اتار چڑھاؤ اور ملک کے معاشی چیلنجز کا کامیابی سے سامنا کیا۔ پاکستان کو سیاسی غیر یقینی صورتحال، تباہ کن سیلاب اور چیلنجنگ معاشی ماحول کی وجہ سے غیر معمولی چیلنجز کا سامنا رہا، جس میں دیگر چیزوں کے ساتھ ساتھ ادائیگیوں کے توازن کا بڑا خسارہ بھی شامل تھا، جس کے نتیجے میں پاکستانی روپے کی قدر میں مزید کمی واقع ہوئی، جس سے وہ صنعتیں متاثر ہوئیں جن کا انحصار درآمدات پر ہے۔ ایسے حالات میں قیمتوں میں محدود لچک اور صارفین کی طرف سے اخراجات میں کمی کی وجہ سے منافع بھی محدود رہا۔

بہر حال، ٹیم کی ثابت قدمی اور بھرپور کاوشوں کی بدولت کمپنی آمدنی میں 15 فیصد اور بعد از ٹیکس منافع میں گزشتہ سال کے مقابلے میں 300 فیصد اضافے میں کامیاب رہی جس کے نتیجے میں تین گنا اضافے کے ساتھ فی شیئر آمدنی 8.51 روپے رہی۔

کمرشل آپریشنز کے علاوہ، آپ کی کمپنی نے مستحکم اور ذمہ دارانہ بزنس گورننس کو شامل کرنے کے لئے متعدد اقدامات کا آغاز کیا، جو مارکیٹ سے بہتر گروتھ فراہم کرنے کے لئے بنیادی حیثیت کا حامل ہے۔ اسٹیک ہولڈرز کے لئے شفافیت اور معلومات تک رسائی پر اپنی توجہ مرکوز رکھنے کے طرز عمل کے مطابق بیلین پاکستان نے ICAP/ICMA جوائنٹ کمیٹی کی طرف سے اعلان کردہ کارپوریٹ اینڈ سسٹین ایبل رپورٹ ایوارڈ 2023 برائے پاکستان میں تیسرا ایوارڈ حاصل کیا۔

میں پاکستان کے معروف اوور دی کاؤنٹر برانڈز میں سے ایک کی کیپیٹیٹی میں اضافے کے لیے غیر ملکی سرمایہ کاری کے اعلان پر انتظامیہ کی بھی تعریف کرنا چاہوں گا جو بیلین کی " آگے بڑھتے رہنے" اور " انسانی خطوط پر استوار رکھنے " کی بنیادی اقدار کی پاسداری کا ثبوت ہے۔

بورڈ کا تجزیہ

بورڈ نے 2023 میں بورڈ کی کارکردگی کا جائزہ لینے کے لیے سیکرٹری آف دی بیومن ریسورسز ریمونریشن اینڈ نومینیشن کمیٹی اور کمپنی سیکرٹری

کے تعاون سے ان ہاؤس جائزے کا انتخاب کیا ہے۔ جائزے کی تکمیل کے بعد، مستقبل کی حکمت عملی اور ایکشن پلانز ترتیب دیے گئے برائے مہربانی جائزے سے متعلق مزید تفصیلات کے لیے سالانہ رپورٹ کا صفحہ نمبر 77 ملاحظہ فرمائیں۔

فائنانشل رپورٹنگ

بورڈ اپنی ذمہ داریوں سے پوری طرح آگاہ ہے اور پاکستان میں لاگو فائنانشل رپورٹنگ فریم ورک کے مطابق اسٹیک ہولڈرز کو مالیاتی رپورٹس کی واضح منظر کشی فراہم کرنے کے لئے ایک مستحکم نگرانی کے عمل کو برقرار رکھتا ہے۔ اس طرح، مالی گوشوارے، قابل اطلاق اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق اور کمپنیز ایکٹ، 2017 کے ڈسکلوزر کے تقاضوں کے مطابق تیار کیے گئے ہیں

بورڈ کی کمیٹیاں

بہترین کارکردگی کے لیے آپ کی کمپنی کی تین (3) کمیٹیاں ہیں، جیسا کہ ذیل میں بیان کیا گیا ہے

- بورڈ آڈٹ کمیٹی
- بیومن ریسورسز، ریمونریشن اینڈ نومینیشن کمیٹی
- سپلائی چین ایگزیکٹو کمیٹی

مندرجہ بالا کمیٹیوں کے اراکین کے بارے میں ٹرمز آف ریفرنس اور تفصیلات بالترتیب سالانہ رپورٹ کے صفحہ نمبر 87 اور 91 پر فراہم کی گئی ہیں۔

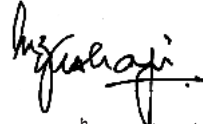
ہماری ثقافت کے حامل ہونے کے ناطے، بیلین افراد کو اولین ترجیح دینے پر مکمل یقین رکھتا ہے۔ اس سلسلے میں، کمپنی نے بیلین کے لئے رہنما اصولوں (معیارات) کا ایک مجموعہ بیان کیا ہے جو بیلین میں رہنماؤں کی توقعات پر پورا اترتا ہے۔ کمپنی کا مقصد افراد کے لیے ایسی پالیسیاں اور اقدامات ہیں جو مساوی مواقع فراہم کرنے، ایک جامع ثقافت پیدا کرنے اور ہمارے مقصد، حکمت عملی اور طویل مدتی کامیابی کے لیے سازگار ماحول کی فراہمی کے لیے تیار کیے گئے ہیں۔

ثقافت کے معیار اور کمپنی کی کارکردگی کے لیے ضروری ہے کہ ملازمین کو کمپنی کی حکمت عملی، کارکردگی اور ترقی کے حوالے سے آگاہ رکھا جائے۔ ہر ملازم اور کمپلمنٹری ورکر سے درکار ہے کہ وہ ضابطہ اخلاق

کے حوالے سے سالانہ لازمی ٹریننگ اور اس کے ساتھ ساتھ " ہماری اقدار پر عمل پیرا ہونے کے حوالے سے " دیگر ٹریننگز بھی مکمل کریں۔

اعتراف/ستائش

میں انسانیت کے ساتھ صحت کی فراہمی کے ہمارے مشن کو پورا کرنے کے حوالے سے بورڈ آف ڈائریکٹرز کے عزم پر ان کا شکریہ ادا کرنا چاہتا ہوں۔ بورڈ تمام اسٹیک ہولڈرز کے مفادات کے تحفظ اور شیئر ہولڈرز کے لئے طویل مدتی ویلیو کریٹیشن (قدر کی تخلیق) کے عمل کو سبک رفتاری سے جاری رکھنے کے لیے اپنا کردار ادا کرتا رہے گا۔ پیشہ ورانہ مہارت، شفافیت اور ذمہ دارانہ طرز عمل پر میں تمام تر ملازمین، سپلائرز، صارفین، اور اسٹیک ہولڈرز کا شکریہ ادا کرتا ہوں جس نے بیلین کو پاکستان میں سب سے بڑی فاسٹ موونگ کنزیومر ہیلتھ کیئر کمپنی کے طور پر ابھرنے میں بھرپور معاونت کی ہے۔



جناب ایم زید معین مہاجر

چیئر پرسن

5 مارچ 2024



Sustainability and Corporate Social Responsibility



Sustainability and Corporate Social Responsibility (CSR)

As a global leader in consumer healthcare, we believe Haleon is well placed to understand and help address several of the social and environmental barriers holding people back from achieving better everyday health.

Health inclusivity

Collaboration with Smile Train



Pakistan has 12,000 patients born with cleft lip every year. Smile Train provides training and education to local medical professionals and supports 100%-free cleft surgery and comprehensive cleft care to children all over the world including orthodontics, speech therapy and psychosocial support. Through Sensodyne and Parodontax, Haleon Pakistan collaborated with Smile Train to raise funds to help give children a life-changing cleft surgery. Through this initiative, the organization helped in providing 150 surgeries to children in need.



Clean Water Supply for Community:

Jamshoro plant actively participates in corporate social responsibility (CSR) by providing filtered water to a nearby mosque, ensuring access to clean drinking water for the local community.

We have installed a filtered water tap outside the plant premises for the convenience of nearby residents, further promoting access to clean drinking water.

Plant filtered water undergoes routine testing to uphold the quality standards set by the United States Pharmacopeia (USP). Local testing is conducted regularly to adhere to strict quality benchmarks, guaranteeing the safety of the water for consumption.

Environment

Haleon is focused on continually reducing the environmental impact of its products and operations, whilst equally focusing on positive impacts and identifying opportunities.

Zero Waste to Landfill

As per Haleon vision of Zero Waste to Landfill, Jamshoro sends residue food for incineration to M/S Penta. 1200KG of residue food used to be incinerated every month at the rate of Rs. 40 / KG. To avoid this, we collaborated with a partner that collects the residue food and distributes it to selected blue collar needy families.

Water Conservation: Significant reduction in water usage at the Jamshoro plant while simultaneously increasing product supply to patients and customers. Over the past six years, we've achieved a remarkable 19% reduction in water consumption, even as our product output has seen a substantial growth rate of 150% (180% growth by weight).

Water Consumption 2023 = 98,508 M³ vs Water Consumption 2017 = 121,601 M³

Environmental Stewardship: All wastewater generated at plant undergoes a treatment at Archroma before being discharged into the sea, demonstrating our commitment to environmental sustainability.

Waste composting

- To improve the waste circularity score of Jamshoro QSC site, a tripartite initiative is taken by Haleon Pakistan Ltd. to convert the site organic waste of ~1800 Kgs / month into fertilizer at a 3rd Party facility (Pak BioEnergy). A consultant was engaged to develop an anaerobic composting site for this project which included designing, construction, training & consulting the overall process.
- This project will positively impact the waste circularity by adding up to 21 Ton / year from landfill to anaerobic compost.



World Environment Day

At World Environment Day, we were joined at our Head Office by Salman Tariq, CEO of Davaam and Anusha Fatima, Co-Founder TrashIt for a productive discussion on what corporates and individuals can do to reduce the impact of our choices on environment. At Haleon Pakistan, making better everyday health more sustainable is fundamental to our business but we cannot do this alone. Together with our partners, we are aiming to reduce the impact of our everyday business activities, products and supply chains have on the environment.



Grants & Donations (G&D) Committee

As a responsible business, we recognize the importance and role that Haleon can play in supporting worthy social causes. The Grants and Donations projects are the work that Haleon Pakistan does for social causes after review and approval in Grants & Donations (G&D) Committee, that comprises of members from different non-commercial functions in the organization. The proposals and progress on the CSR related initiatives is reviewed on regular basis by the G&D Committee.

Social Welfare

Supporting Education for the underprivileged:

As a part of our responsible business approach, Haleon Pakistan has been supporting TCF (The Citizens' Foundation) school in Matiari District, 1.5 hours drive from our Manufacturing Site in Jamshoro. This is a school built in suburbs, providing education the underprivileged children. Haleon is supporting the school in bearing their operational expenses, where 180 children from Kindergarten till grade 6 are currently enrolled. The school employs all female staff from nearby vicinities, to provide education to boys and girls.



Employee Health and Well-being

Mental Health Day

On World Mental Health Day 2023, at our Manufacturing Site, a physical activity was organized along with a mental health awareness session hosted by the onsite Doctor.

Starting with a 3.0 km walk, 1.5 km run, and a step count challenge followed. After the activity, there was an insightful discussion on mental health & wellbeing.



Drivers' Safety Programme

Haleon wants to protect employees from harm in the workplace. This includes anyone who drives for work. We have partnered with a global Driver Safety Risk Management Company, eDriving, to provide the employees with a Driver Safety Programme.

Employee Assistance Programme (EAP)

Haleon offers a free of cost Employee Assistance Programme and Mental Health Therapy reimbursement policy because we understand well-being starts at home with Haleon, with our employees.

Culture Club

The Culture Club serves as a forum representing diversity in the form of a variety of cultures, languages, abilities, ethnicity, experience, ability and thought. The Culture Club meets monthly to work around various global and local initiatives and moments that matter, whether celebrating the success of our women leaders or creating opportunities to build awareness around better everyday health, the Culture Club above all ensures each employee group has their voice when it comes to moments that matter at Haleon. In 2023, the club organized various events for employee engagement where Women's Day celebration at the beach was the key highlight.



Striving for Excellence in Corporate Reporting



Unreserved Statement of Compliance to International Financial Reporting Standards

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and as adopted by SECP necessary for fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders.

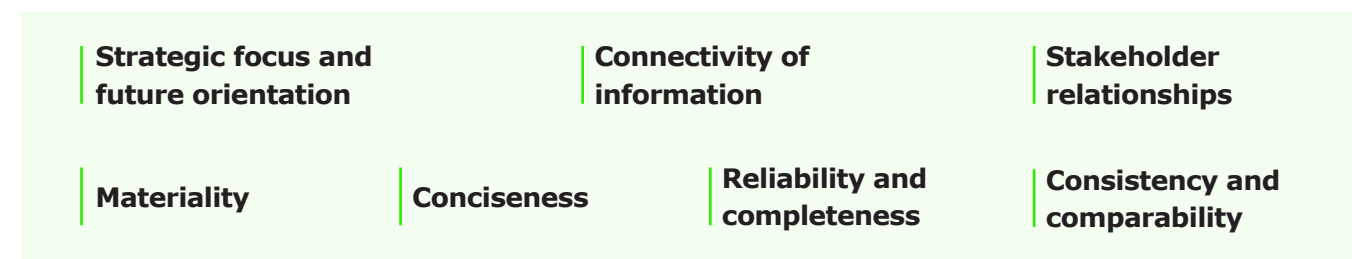
Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan.

IFRS adoption status is in detail is explained in note 2.5 of the annexed financial statements.

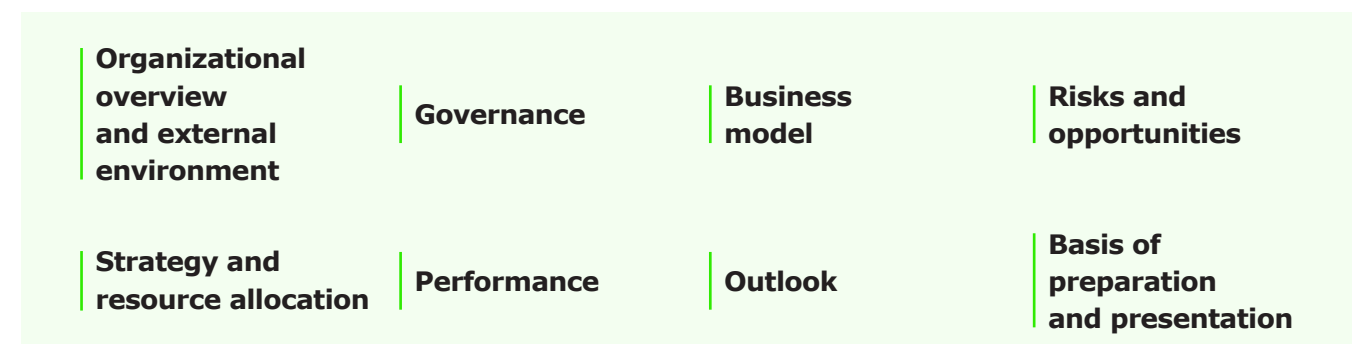
Integrated Reporting Framework

An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term. It is to be prepared in accordance with the Integrated Reporting Framework (the framework) issued by the International Integrated Reporting Council (IIRC).

The integrated reporting framework follows a principles-based approach, including the following guiding principles:



Integrated Report is to be presented by those charged with governance acknowledging the integrity and compliance with the framework, including the following content:



At present, the requirement to publish an integrated report is not mandatory in Pakistan. However, the Company has disclosed some of the above content in its Annual Report basis ICAP's BCR checklist. Please refer to the table of content for the respective page numbers.

Framework for Annual Reporting

Best Corporate Report Awards 2023

1 Organizational overview and external environment

Sr.	Particular	Page no.
1.01	Mission, vision, code of conduct, ethics and values.	10, 79
1.02	Principal business activities and markets (local and international) including key brands, products and services.	18-23
1.03	Geographical location and address of all business units including sales units and plants.	12
1.04	"Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates. Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company."	12,26 & 179
1.05	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	27
1.06	Organization chart indicating functional and administrative reporting, presented with legends.	28
1.07	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	16-17
1.08	a) Explanation of significant factors effecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	30
	b) The effect of seasonality on business in terms of production and sales.	31
1.09	The legislative and regulatory environment in which the organization operates.	30
1.10	The legitimate needs, interests of key stakeholders and industry trends.	15
1.11	SWOT Analysis of the company.	60-61
1.12	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	15
1.13	The political environment where the organization operates and other countries that may affect the ability of the organization to implement its strategy.	30
1.14	History of major events.	8,9
1.15	Details of significant events occurred during the year and after the reporting period.	31

2

Strategy And Resource Allocation



Sr.	Particular	Page no.
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve these objectives.	54
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including:	54
	a) Financial Capital;	
	b) Human Capital;	
	c) Manufactured Capital;	
	d) Intellectual Capital;	
	e) Social and Relationship Capital; and	
	f) Natural Capital.	
2.03	The capabilities and resources of the company to provide sustainable competitive advantage and as result value created by the business.	54
2.04	The effects of the given factors on company strategy and resource allocation: technological changes, ESG reporting and challenges, initiatives taken by the company in promoting and enabling innovation and resource shortages (if any).	54
2.05	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	54
2.06	The company's sustainability strategy with measurable objectives/ targets.	
2.07	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	73
2.08	a) Information about defaults in payment of any debts with reasons and	59
	b) Board strategy to overcome liquidity problem and its plan to manage repayment of debts and meet operational losses.	55

3 Risks And Opportunities



Sr.	Particular	Page no.
3.01	Key risks and opportunities (internal and external) effecting availability, quality and affordability of Capitals.	58-59
3.02	A Statement from Board for determining the following:	
	a) company's level of risk tolerance by establishing risk management policies.	58
	b) the company has carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	58
3.03	Risk Management Framework covering principal risk and uncertainties facing the company, risk methodology, risk appetite and risk reporting.	58
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	59
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (is any).	59

4

Sustainability And Corporate Social Responsibility



Sr.	Particular	Page no.
4.01	Board's statement for adoption of best practices for CSR.	69
4.02	Board's statement about the company's strategic objectives on ESG (environmental, social and governance)/ sustainability reporting.	70
4.03	A chairman's overview on how the company's sustainable practices can affect their financial performance.	74
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR as per best business practices including:	228-229
	a) environment related obligations applicable on the company;	228
	b) company progress towards ESG initiatives during the year; and	228
	c) company's responsibility towards the staff, health & safety.	229
4.05	Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP or any other regulatory framework as applicable.	228
4.06	Certifications acquired for best sustainability and CSR practices or have a membership of any environmental or social groups.	

5 Governance

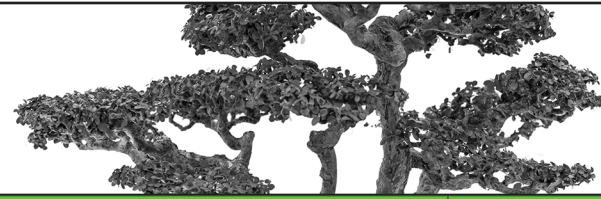


Sr.	Particular	Page no.
5.01	Board composition:	
	a) Leadership structure of those charged with governance.	28
	b) Name of independent directors indicating justification for their independence.	64, 65 & 66
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience.	67
	d) Profile of each director including education, experience and involvement /engagement of in other entities as CEO, Director, CFO or Trustee etc.	64 - 67
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	64 - 67
5.02	A brief description about role of the Chairman and the CEO.	82-83
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	76
5.04	Chairman's Review Report on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.	74
5.05	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	76-78
5.06	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	74
5.07	Details of formal orientation courses for directors.	77, 78
5.08	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	77, 78 & 127
5.09	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	48

5.10	Disclosure about related party transactions:	
	a) Approved policy for related party transactions.	80
	b) Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding.	179 - 180
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement.	179 - 180
	d) Disclosure of director's interest in related party transactions.	80
	e) In case of conflict, disclosure that how such a conflict is managed and monitored by the board.	81
5.11	Disclosure of Board's Policy on the following significant matters:	
	a) Governance of risk and internal controls.	71
	b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	80
	c) Disclosure of director's interest in significant contracts and arrangements.	81
	d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	78
	e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	68 - 83
	f) Security clearance of foreign directors.	79
	g) Board meetings held outside Pakistan.	86
	h) Human resource management including preparation of succession plan.	51, 70, 90 & 91
	i) Social and environmental responsibility.	228
	j) Communication with stakeholders.	196
	k) Investors' relationship and grievances.	197
	l) Employee health, safety and protection.	229
	m) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report.	96
	n) Safety of records of the company.	81
	o) Company's approach to managing and reporting policies like procurement, waste and emissions.	
5.12	Board review statement of the organization's business continuity plan or disaster recovery plan.	97
5.13	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	72
5.14	a) Shares held by Sponsors / Directors / Executives;	201
	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/ Executives or close family member of Directors/Executives etc.) or foreign shareholding (if any).	199 - 200
5.15	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	84 - 91
5.16	Timely Communication:	96
	within 40 days - 6 marks	
	(within 50 days - 6 marks in case of holding company who has listed subsidiary /subsidiaries)	
	within 60 days - 3 marks	
	(Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	

5.17	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	88
	a) Composition of the committee with at least one member qualified as "financially literate and all members are non-executive / Independent directors including the Chairman of the Audit Committee.	
	b) Committee's overall role in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed.	
	c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.	
	d) Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance.	
	e) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommended instituting remedial and mitigating measures.	
	f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor,; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded.	
	g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	
	h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy.	
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	
	j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	
5.18	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	83
5.19	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	
	a) how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system;	
	b) management support in the effective implementation and continuous updation;	
	c) details about user training of ERP software;	
	d) how the company manages risks or control risk factors on ERP projects;	
	e) how the company assesses system security, access to sensitive data and segregation of duties.	43
5.20	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, a disclosure if it has any other connection with the company.	83
5.21	Chairman's significant commitments and any changes thereto.	82
5.22	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	

6 Analysis of the Financial Information



Sr.	Particular	Page no.
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between:	100-127
	a) Past and current performance;	
	b) Performance against targets /budget; and	
	The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred and future prospects of profits.	
6.02	a) Analysis of financial ratios (Annexure I).	100-127
	b) Explanation of negative change in the performance against prior year.	101
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years.	122-125
6.04	Graphical presentation of 6.02 and 6.03 above.	100-127
6.05	Methods and assumptions used in compiling the indicators.	107
6.06	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	121
6.07	Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	100-127
6.08	a) Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	32
	b) Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	31
6.09	Brief description and reasons for not declaring dividend despite earning profits and future prospects of dividend.	68-69
6.10	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	55

7 Business Model



Sr.	Particular	Page no.
7.01	Describe the business model including inputs, business activities, outputs and outcomes in accordance with the guidance as set out under section 4C of the International Integrated Reporting Framework.	14
7.02	Explanation of any material changes in the entity's business model during the year.	

8 Disclosures on IT Governance and Cybersecurity



Sr.	Particular	Page no.
8.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	42
8.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	42
8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	43
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	43
8.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	42
8.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	43

9 Future Outlook



Sr.	Particular	Page no.
9.01	Forward-looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	192
9.02	Explanation as to how the performance of the company meets the forward-looking disclosures made in the previous year.	193
9.03	Status of the projects in progress and were disclosed in the forward-looking statement in the previous year.	193
9.04	Sources of information and assumptions used for projections / forecasts in the forward-looking statement and assistance taken by any external consultant.	193

10 Stakeholders Relationship and Engagement



Sr.	Particular	Page no.
10.01	Stakeholders engagement policy of the company and how the company has identified its stakeholders.	194-198
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed.	194-198
	These engagements may be with:	
	a) Institutional investors;	196
	b) Customers & suppliers;	
	c) Banks and other lenders;	
	d) Media;	
	e) Regulators;	
	f) Local committees; and	
	g) Analysts.	
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	197
10.04	Investors' Relations section on the corporate website.	197
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	197
10.06	Statement of value added and its distribution with graphical presentation:	126
	a) Employees as remuneration;	
	b) Government as taxes (separately direct and indirect);	
	c) Shareholders as dividends;	
	d) Providers of financial capital as financial charges;	
	e) Society as donation; and	
	f) Retained within the business.	
10.07	Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions and disclosure of brief summary of Analyst briefing conducted during the year.	198
10.08	Highlights about redressal of investors' complaints.	197

11 Striving for Excellence in Corporate Reporting



Sr.	Particular	Page no.
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	230
11.02	Adoption of International Integrated Reporting Framework by fully applying the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles'.	
11.03	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	

Sr.	Particular	Page no.
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	138-187

12 Specific Disclosures of the Financial Statements



Beyond BCR Checklist

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