

Statement on Climate Change

1. The Issue

CSL is an organisation with science at its core, and the science of climate change is clear. The Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report re-states that warming of the global climate system is unequivocal and, since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, amounts of snow and ice have diminished, the global average sea level has risen and concentrations of greenhouse gases have increased. The human influence on the climate system is evident from the increasing greenhouse gas concentrations in the atmosphere, positive radiative forcing, observed warming, and greater understanding of the climate system.

At COP 21 in Paris, Parties to the United Nations Framework Convention on Climate Change (UNFCCC) reached a historic agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low carbon future.

The Paris Agreement's central aim is to keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. CSL is supportive of global efforts to achieve this aim.

2. Our approach

Climate change is a global problem, and CSL recognises that responsible businesses need to contribute to efforts to address climate change. CSL's approach to contributing to global and local efforts to address the threat of climate change is based on:

- Measuring, understanding and disclosing our impact on the environment
- Minimising our climate change impact;
- Identifying and managing carbon risks and opportunities;
- Participating in government climate change programs; and
- Engaging with employees and external stakeholders.

2.1. Our climate change impact

CSL has a sound understanding of its direct emissions profile and maintains an emissions inventory that follows internationally accepted greenhouse gas accounting principles. We will continue to maintain this inventory to track changes in our emissions and to expand the boundaries to include all material emissions. CSL is committed to continuously improving the energy and carbon intensity of its operations and will develop programs and initiatives for reducing the emissions intensity of its operations. In addition to improving energy use efficiency, CSL will seek to substitute with sources of renewable energy, where this is viable.

2.2. Identifying and managing carbon risks and opportunities

CSL has conducted climate change risk assessments of its business and incorporated climate change into its enterprise-wide risk management framework and processes. CSL is not exposed to climate change risks that have a potential to generate a substantive change in its business operations, revenue or expenditure in the next 25 years. To the extent that there are risks, they are considered in the site-based risk management plans and due diligence assessments for major capital investments.

We will continue to track international carbon prices and assess any risks or opportunities that may arise from market mechanisms used to manage greenhouse emissions.

CSL maintains a watching brief on scientific research on how climate change may affect human health, particularly the possibility of increased incidence of infectious diseases. This may provide opportunities for CSL to leverage its core capabilities as a leading biopharmaceutical company with an established research and development program, and potentially take an increased role in humanitarian efforts to combat any spread of disease.

2.3. Participation in government climate change programs

CSL supports the use of appropriate market mechanisms to address climate change where they are consistent with international approaches, and are designed to encourage investment and innovation in greenhouse gas mitigating technologies, while limiting adverse impacts on national economies.

Our policy is to meet all applicable statutory environmental regulations and our approach will extend to regulations concerning energy consumption and greenhouse gases.

2.4. Engaging with employees and external stakeholders

CSL will communicate accurate, relevant and timely information to stakeholders through its Corporate Responsibility (CR) Report, CDP and other appropriate avenues. Our employees are essential participants in CSL's carbon reduction efforts. We will encourage and support employees directly involved in our environmental programs with the relevant training and resources.

Where our skills and expertise are relevant, we will openly work with government, non-government organisations and industry groups to share best practice, and similarly seek to better understand how other organisations and industries adopt adaptation and mitigation strategies to support global climate change goals.