



Driven by Our Promise™



Our Purpose

The people and science of CSL save lives. We develop and deliver innovative medicines that help people with serious and life-threatening conditions live full lives and protect the health of communities around the world. Our Values guide us in creating sustainable value for our stakeholders.



Cheryl French and her daughters, Leah (centre) and Emma, are living with hereditary angioedema (HAE), a rare disease that can cause swelling in different parts of the body that is painful, debilitating and potentially fatal. HAE is a rare inherited disease that is passed down through generations. However, Cheryl, Leah and Emma are able to live full lives by managing their condition with the help of therapies developed through years of research into solving patient needs.

2021 Corporate Governance Statement

The CSL Limited Board of Directors is pleased to present CSL's Corporate Governance Statement for 2021. This statement outlines CSL's principal corporate governance practices in place during the financial year ended 30 June 2021. Copies of all governance documents referred to in this statement can be found on [CSL.com](https://www.csl.com.au).

The Board and the management team maintain high standards of corporate governance as part of their commitment to maximise shareholder value through effective strategic planning, risk management, transparency and corporate responsibility.

The Board believes that CSL's corporate governance practices have complied with the recommendations contained in the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**) throughout the year ended 30 June 2021.

2020/21 Governance Highlights:

- The Board and Corporate Governance and Nomination Committee Charters were updated and adopted in June 2021, and the Human Resources and Remuneration Committee Charter was updated and adopted in August 2021.
- The Enterprise Risk Management Framework was implemented and included continuous improvements to further embed the Enterprise Risk Management Framework across CSL, for example providing businesses and functions with improved risk management tools and templates, increasing capabilities and risk awareness.
- Updates to CSL's Risk Appetite Statement were approved in June 2021.
- CSL's first Modern Slavery Statement was published in accordance with the Australian *Modern Slavery Act 2018* (Cth).
- A new edition of the Code of Responsible Business Practice was developed, which includes a new ethics-based decision-making tool for employees.
- Changes to Board composition occurred as part of the Board's ongoing succession plan.
- The Director induction program was modified in response to the COVID-19 pandemic and evolving virtual working environment.

The following table indicates where each principle is dealt within this statement.

ASX Corporate Governance Principles and Recommendations	Section reference in this Statement
Principle 1 – Lay solid foundations for management and oversight	1, 2, 4
Principle 2 – Structure the Board to be effective and add value	1, 4
Principle 3 – Instil a culture of acting lawfully, ethically and responsibly	3
Principle 4 – Safeguard the integrity of corporate reports	4, 5
Principle 5 – Make timely and balanced disclosure	5, 6
Principle 6 – Respect the rights of security holders	6
Principle 7 – Recognise and manage risk	4, 5
Principle 8 – Remunerate fairly and responsibly	4, 7

Find out more [CSL.com](https://www.csl.com.au)



1 The Board of Directors

Relevant governance documents:

- Board Charter
- Corporate Governance and Nomination Committee Charter

1.1 Role of the Board

The Board has a formal charter documenting its membership, operating procedures and the allocation of responsibilities between the Board and the management team.

The Board's key responsibilities are to:

- set CSL's strategic objectives and the risk appetite within which the Board expects the management team to operate;
- model and monitor the culture of CSL;
- act to protect and enhance the performance and reputation of CSL and build sustainable value for shareholders;
- select, appoint, remove and evaluate the performance of, determine the remuneration of, and plan succession of, the Managing Director (MD) and Chief Executive Officer (CEO); and
- oversee the management, performance, and corporate governance frameworks of CSL, including ensuring that mechanisms are in place for making timely and balanced disclosure to shareholders and the market regarding CSL's performance and major developments affecting its state of affairs.

The Board has delegated the day-to-day management of CSL, and the implementation of approved business plans and strategies, to the Managing Director, who in turn delegates to the management team. To implement this, CSL has a detailed authorisations policy that sets out the decision-making powers which may be exercised at various levels of management. The matters reserved to the Board are set out in the Board Charter which is available on CSL.com (Our Company > Board and Management).

The Board has delegated specific authority to five Board committees, which assist the Board by examining various issues and making recommendations. A description of each committee and their responsibilities is set out in section 4 of this statement.

The Board also delegates specific responsibilities to ad-hoc committees from time to time.

CSL has entered into a written agreement with each director and senior executive setting out the terms of their appointment, including their respective roles and responsibilities.

The Company Secretary monitors the Board and committee policies and procedures and assists the Board and its committees on governance matters. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All directors have access to the Company Secretary for advice and services. The Board approves any appointment or removal of the Company Secretary.

Directors are entitled to access independent professional advice at CSL's expense to assist them in fulfilling their responsibilities as appropriate.

Details of Board meetings held during the year and individual directors' attendance at these meetings can be found in CSL's 2021 Directors' Report available on CSL.com.

1.2 Board Composition

Throughout the year, there were between seven and ten directors on the Board. Each director, their length of service and their status as an independent or non-independent director is set out in the following table.

Director	Length of service (as at 30 June 2021)	Independent/Non-independent
Dr Brian McNamee AO	3 years, 4 months	Independent, non-executive director and Chair
Mr Paul Perreault	8 years, 4 months	Non-independent, executive director
Mr Bruce Brook	9 years, 10 months	Independent, non-executive director
Dr Megan Clark AC	5 years, 4 months	Independent, non-executive director
Professor Andrew Cuthbertson AO	2 years, 8 months	Non-independent, executive director
Ms Carolyn Hewson AO	1 year, 7 months	Independent, non-executive director
Mr Abbas Hussain ¹	3 years, 4 months	Independent, non-executive director
Ms Marie McDonald	7 years, 10 months	Independent, non-executive director
Ms Christine O'Reilly ²	9 years, 8 months	Independent, non-executive director
Mr Pascal Soriot ³	5 months	Independent, non-executive director

1 Mr Abbas Hussain resigned from the Board effective 25 June 2021.

2 Ms Christine O'Reilly resigned from the Board effective 15 October 2020.

3 Mr Pascal Soriot resigned from the Board effective 31 January 2021.

1.3 Director Independence

CSL's Board Charter states that a director is considered to be independent where he or she is free of any interest, position or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of CSL as a whole rather than in the interests of an individual shareholder or other party.

Information about any relevant interests or relationships is assessed by the Board to determine whether the interest, position or relationship might or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of CSL as a whole rather than in the interests of an individual shareholder or other party. As part of this process, the Board has adopted the guidelines relevant to assessing the independence of a director set out in the ASX Principles, and other facts, information and circumstances that the Board considers relevant.

Notwithstanding the guidelines adopted by the Board, the Board may determine that a director is independent if the Board is of the view that the interest, position or relationship in question is not material and will not interfere with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of CSL as a whole rather than in the interests of an individual shareholder or other party. The Board Charter sets out guidelines as to the desired length of service of non-executive directors. However, fixed tenure limits for non-executive directors have not been set. Tenure remains a matter for the Board's discretion on a case-by-case basis and according to the needs of CSL.

The Board assesses the independence of new directors on appointment, and makes an annual assessment of each non-executive director to determine whether it considers the director to be independent.

The Board has determined that all of its non-executive directors are independent and were independent for the duration of the reporting period. Accordingly, a majority of the directors on the Board are independent, and the Board is satisfied that it consists of an appropriate mix of tenures.

The Chair of the Board, Dr Brian McNamee AO, is an independent, non-executive director. The responsibilities of the Chair are described in the Board Charter. The roles of the Chair and the Managing Director are exercised by separate individuals.

1.4 Nomination and Appointment of Directors

Prior to the expiry of a director's current term of office, the Board reviews that director's performance.

In the case of long-serving non-executive directors who are standing for re-election at an Annual General Meeting (AGM) but who intend to retire from the Board within their next term, this intention to retire will be clearly disclosed in the AGM notice of meeting.

Before a person is appointed as a director or senior executive or a director is put forward to shareholders as a candidate for election as a director, CSL undertakes appropriate background checks of that person, including the person's character, experience, education, criminal record and bankruptcy history.

CSL provides its shareholders with all material information (that is in CSL's possession) relevant to a decision on whether or not to elect or re-elect a director (including any material adverse information) in its notice of meeting.

1.5 Induction of New Directors and Ongoing Development

CSL provides an induction program to assist new directors to gain an understanding of:

- CSL's financial, strategic, operational and risk management position;
- the culture and values of CSL;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives;
- the role of the Board committees;
- meeting arrangements; and
- director interactions with each other, senior executives and other stakeholders.

In addition to the briefing papers, agenda and related information regularly supplied to directors, the Board has an ongoing professional development and education program designed to give directors further insight into the operation of CSL's business, and to provide opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively. The program includes education on key developments relating to CSL and the industry and environment within which it operates. As part of this program, directors periodically visit CSL's facilities, including major operating sites in the United States (US), Europe and Australia, and attend meetings and information sessions with CSL's local management and employees.

CSL periodically reviews whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. Modifications were made to the director induction and professional development and education program in response to the COVID-19 pandemic and the evolving virtual working environment.

1.6 Knowledge, Skills and Experience

The Board, through its Corporate Governance and Nomination Committee (**CGNC**), is focused on maintaining an appropriate mix of skills and diversity in its membership. This includes a range of skills, experience and background in the pharmaceutical industry, international business, finance and accounting and management, as well as diversity. The skills assessment method was amended at the same time the skills matrix was reconfigured to reduce complexity. The Board skills matrix as at 30 June 2021 is set out below and describes the combined capabilities of the Board across a range of general and specialist areas.

The Board considers that each of its directors has the following attributes:

- honesty and integrity;
- sufficient time to undertake the role;
- corporate governance; and
- financial literacy.

The Board considers that collectively its directors have the appropriate range of skills and experience necessary to direct CSL's businesses and achieve CSL's strategic objectives.

Skill Category	Skill Description	Number of Directors
Biopharmaceutical, Biotechnology or Medical	Senior executive who has deep operational or technical experience with a large global biopharmaceutical, biotechnology or medical organisation (and a deep understanding of patient focus).	3
Global Experience	Global experience working in a globally diverse organisation including a deep understanding of and experience with global markets, economies and international political issues.	8
Strategy	Experience in developing and implementing successful strategies in enterprises with long implementation timelines, large research and development (R&D) programs, and complex supply chains.	6
Risk and Compliance	Experience and deep understanding of risk management and compliance frameworks and controls, ability to identify and oversee mitigation strategies for emerging risk and compliance issues in the organisation.	4
Finance	Board audit/risk management membership or senior executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls.	3
Capital Projects – Manufacturing/Quality	Experience in an industry with projects involving large-scale capital outlays on manufacturing/quality operations with long-term investment horizons and complex regulatory requirements.	5
Health, Safety, Environment and Corporate Responsibility	Experience related to complex workplace health, safety, environment and corporate responsibility issues within a large, patient or stakeholder focused, business enterprise.	4
Change Management, Corporate Culture and Remuneration	Board Human Resources committee membership or senior executive or equivalent experience relating to change management, corporate culture and the remuneration issues applicable in a global organisation.	4
R&D/Product Development	Experience in research and development or product development with a large biopharmaceutical, pharmaceutical or medical organisation.	3

2 Diversity

Relevant governance documents:

- Diversity Policy
- Code of Responsible Business Practice

2.1 Diversity, Equity & Inclusion at CSL

At CSL, we rely on people's unique perspectives, backgrounds and experiences to deliver for CSL's business, patients, communities, donors and shareholders.

We define diversity in the broadest of terms, including gender, nationality, ethnicity, disability, sexual orientation, gender identity, age, socioeconomic status, marital/family status, religious beliefs, language, professional and educational background, cultural experiences and any other criteria protected by applicable law or company policy.

We believe a diverse workforce and importantly, an inclusive environment allows us to:

- better understand and connect with CSL patients;
- develop strong and sustainable relationships with diverse stakeholders, including shareholders, communities, employees, governments, donors, customers and suppliers;
- attract, retain, develop and engage a diverse workforce to sustain CSL's long-term success;
- foster creativity and innovation; and
- improve the quality of the decisions that we make.

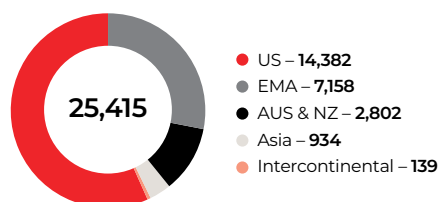
CSL's global diversity and inclusion policy is integral to CSL's overall talent and culture strategies and guides CSL investment in this area.



2.2 CSL's Diversity Profile

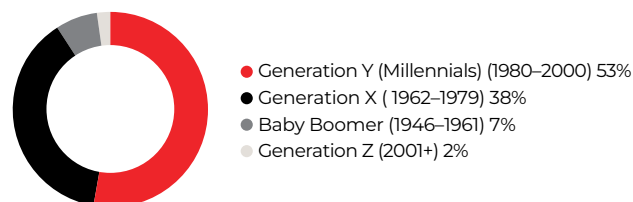
CSL's growing workforce is made up of more than 25,000 employees spanning 39 countries.

Employees by region



CSL's Generational Diversity Profile

CSL has a multigenerational workforce with millennials continuing to make up over half of CSL's total workforce. Millennials are the largest and fastest-growing segment in the global workforce overall.



Data as of 30 June 2021 and includes all employees globally where birthday is recorded (98% of population).

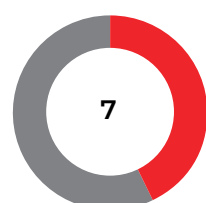
CSL also has a strong commitment to advancing women in the workplace. Female employees represent 57% of CSL's global workforce. The Board and executive team monitors the percentage of females in the workforce with a particular focus on senior executive positions.

For this fiscal year, we have:

- surpassed the Board target of 30% female representation;
- achieved CSL's senior executive target of 30% female representation; and
- fallen below CSL's people manager target of 50% female representation, remaining steady at 44%. We define people managers as managers with three or more direct reports. We continue to work toward this target and look to achieve it by fiscal year 2025.

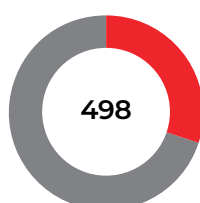
In line with the ASX Principles, the following graphs highlight the proportion of women and men on the Board, in senior executive positions (Senior Director and above), other management roles and across the whole organisation as of 30 June 2021.

Board Members



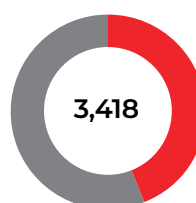
- Female 43%
- Male 57%

Senior Executives



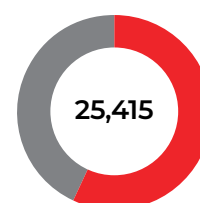
- Female 30%
- Male 70%

People Managers



- Female 44%
- Male 56%

All Employees



- Female 57%
- Male 43%

2.3 Report on Measurable Objectives for 2020/21

Under CSL's Diversity and Inclusion Policy, the Board sets measurable objectives and assesses progress against them on an annual basis. For 2020/21, CSL's objectives were to:

- broaden diversity focus beyond gender, including measurable targets for people with disabilities and ethnic differences;
- strengthen CSL's culture by recognising performance aligned to CSL Values while developing and measuring inclusive leadership; and
- enhance CSL's external reputation for diversity and inclusion to attract and retain talent.

The Board also adopted the numerical targets referred to in section 2.2.

To help achieve these objectives, CSL:

- maintained focus on hiring women in STEM while expanding outreach to people with disabilities and diverse ethnic backgrounds through partnerships with organisations such as Disability Solutions, National Society of Black Engineers (NSBE), BioNetwork, and MyAbilityJobs;
- achieved 100% diverse candidate interview slates with increased focus on increasing gender, ethnicity and skillset diversity;
- launched a new global 'Celebrate the Promise' platform, allowing leaders and employees to recognise colleagues exemplifying CSL Values – to date, we have over 63,000 recognition moments;
- implemented emergency caregiver leave benefits in response to the pandemic as well as a new global benefits minimum standard for parental and caregiver leave in the US, Hong Kong and Singapore with plans to implement in the remaining Asia-Pacific region (APAC) countries in the new fiscal year;
- continued to listen and respond to CSL's employee feedback throughout the year, including via:
 - a COVID-19 pulse survey in October, which resulted in the creation of Wellness Days that give employees additional time off to tend to their emotional and physical wellbeing;
 - the CSL Employee Feedback Survey. This year's Engagement Index is 73.7 and on par with the prior year. However, we did make a change to the underlying index questions to better align to CSL's overall strategic priorities, so this year's index represents CSL's new engagement baseline;
 - a new global exit survey, which seeks to better understand the reasons for regrettable talent losses, especially diverse talent;
- implemented a new pay equity process;
- created an internal CSL global diversity network of CSL leaders to mentor and sponsor diverse rising talent, build CSL brand ambassadors, and provide feedback on future diversity, equity and inclusion (DE&I) initiatives; and
- increased external partnerships with organisations that share CSL's passion for DE&I, including Engineers Australia, Society of Women Engineers, and the National Urban League and six of its affiliates.

This fiscal year, CSL was also proud to receive external recognition for our workplace and inclusion efforts, including being named on Forbes' World's Best Employers list and Refinitiv's Diversity & Inclusion Top 100.

2.4 Measurable Objectives for 2021/22

The Board, with management team's support, has set the following overall objectives for the financial year beginning 1 July 2021.

- Build a more diverse workforce in order to bring a wide variety of viewpoints and ideas to the work that we do every day.
- Foster an inclusive culture where all employees are respected, valued and inspired to do their best work.
- Enhance CSL's external reputation by partnering with organisations and suppliers who share CSL's passion for DE&I.

To help achieve these objectives, CSL will:

- develop and introduce a DE&I Leader Accountability Model to drive DE&I as a business priority;
- expand the Promising Futures Scholarship program (e.g. Indigenous Australians, female leadership talent globally);
- enhance the Employee Referral Program with increased focus on diverse hires;
- achieve an Engagement Index that is at or above the external global benchmark;
- develop a plan to deliver the Mental Health Care and Preventative Care and Coverage minimum standards;
- complete a comprehensive culture assessment and partner with senior leadership to identify and address any DE&I related opportunities; and
- achieve a more diverse supplier base, emphasising inclusion of vendors such as minority-, women-, veteran- and disabled-owned businesses.

To achieve greater diversity in the composition of the Board, senior executives and people manager population, CSL's targets are:

- 30% or better of each gender in Board population;
- 40% or better female representation in senior executive population by 2030;
- 50% female representation in CSL's overall people manager population, while demonstrating a 5% increase of diverse talent in people manager roles by 2025.

CSL's Diversity & Inclusion Policy can be found on CSL.com (Our Company > Corporate Governance > Core Policies).

In accordance with the requirements of Australia's *Workplace Gender Equality Act 2012* (Act), CSL lodged its annual public report with the Workplace Gender Equality Agency (Agency). A copy of this report is available on CSLBehring.com.au.

3 Corporate Responsibility

Relevant governance documents:

- Code of Responsible Business Practice
- Anti-Bribery and Anti-Corruption Policy
- 2020 Modern Slavery Statement
- 2020/21 CSL Limited Annual Report
- Speak Up Policy

CSL Group Values, the Code of Responsible Business Practice and related policies shape CSL's approach to Corporate Responsibility.

3.1 Group Values

CSL's Values are common to the diverse business units that form the CSL Group (**Group Values**). The Group Values serve as the foundation for everyday decision-making. These Values are Patient Focus, Innovation, Integrity, Collaboration and Superior Performance.

The Group Values are available on CSL.com (Our Company).

3.2 Code of Responsible Business Practice

Based on the Group Values and other guiding standards, the Code of Responsible Business Practice (the Code) outlines CSL's commitment to responsible business practices and ethical standards. The Code sets out the rights and obligations that all directors, senior executives and employees have when conducting CSL's business, including in relation to business integrity, safety and quality of products and maintaining a safe and fair workplace. CSL also requires that its contractors and suppliers agree to the principles set out in the Code.

Following an independent review and consultations with employees, heads of function from across the organisation and CSL's Global Leadership Group (**GLG**), the Board-endorsed 4th-edition Code was published on 1 July 2021.

CSL's 4th-edition Code includes a new ethics-based decision-making tool that weaves together CSL's Purpose, Values and decision-making Principles to establish a clear point of reference when making decisions across the organisation. The development of the tool was informed by the expertise of The Ethics Centre, employees and the management team.

The 4th-edition Code has been distributed to all directors, the management team and employees and a training program has commenced across the CSL Group.

The Board is informed of any material breaches of the Code.

The Code can be found on CSL.com (Our Company > Corporate Governance > Code of Responsible Business Practice).

3.3 Modern Slavery

Each year, the Board approves CSL's Modern Slavery Statement. The Statement details the steps the CSL Group is currently undertaking to identify, address and prevent modern slavery risk.

In December 2020, CSL's first Statement in response to the Australian Commonwealth *Modern Slavery Act 2018* (Cth) was approved by the Board.

The Statement can be found on CSL.com (Our Company > Corporate Responsibility).

3.4 Speak Up Policy

In accordance with the Code, CSL is committed to ensuring that employees, contractors, suppliers and partners are able to raise concerns regarding any potential misconduct and to have such concerns properly investigated. This commitment is implemented through CSL's Speak Up Policy. The policy contains mechanisms, including a global telephone and internet hotline service, for employees, contractors, suppliers and business partners to raise concerns in a confidential and anonymous (where permissible by law) manner without being subject to any form of detriment or retaliation.

The Board, together with the Audit and Risk Management Committee (**ARMC**), has oversight of matters reported under the Speak Up Policy. The Board and Audit and Risk Management Committee receive periodic updates, including any significant matters as well as other information related to the effectiveness of the Speak Up Policy across the Group.

The Speak Up Policy is available on CSL.com (Our Company > Corporate Governance > Core Policies).

3.5 Anti-Bribery and Anti-Corruption

The Code provides a high-level policy statement on preventing bribery and inducements. In addition, the Board has adopted an Anti-Bribery and Anti-Corruption Policy. This policy builds on CSL's statement in the Code and supports the considerable amount of work being undertaken in many areas of CSL's operations so that CSL's people are acting with integrity (one of CSL's core Values) at all times.

CSL has established training programs to employees across the CSL Group to raise awareness of CSL's 'zero tolerance' approach to bribery and corrupt business practices at any level within CSL's global operations.

The Board is informed of breaches under the Anti-Bribery and Anti-Corruption Policy.

The policy is available on CSL.com (Our Company > Corporate Governance > Core Policies).

4 Operation of the Board

Relevant governance documents:

- Board Charter
- Corporate Governance and Nomination Committee Charter
- Audit and Risk Management Committee Charter
- Human Resources and Remuneration Committee Charter
- Innovation and Development Committee Charter
- Securities and Market Disclosure Committee Charter

4.1 Board Committees

As described previously, CSL has established five Board committees:

- Corporate Governance and Nomination Committee;
- Audit and Risk Management Committee;
- Human Resources and Remuneration Committee;
- Innovation and Development Committee; and
- Securities and Market Disclosure Committee.

Each committee is governed by a formal charter setting out its composition, functions and responsibilities. Each committee's charter is approved by the Board and is available on CSL.com (Our Company > Board and Management).

Details of the number of committee meetings held during the year and individual directors' attendance at these meetings can be found in the 2021 Directors' Report, available on CSL.com. Details of the qualifications and experience of committee members can also be found in the 2021 Directors' Report.

A high-level description of each committee's responsibilities and committee composition is set out in the following table.

Committee	Members ¹	Composition	Key Responsibilities
Corporate Governance and Nomination Committee	Ms Carolyn Hewson (Chair) Dr Brian McNamee Mr Bruce Brook Dr Megan Clark	<ul style="list-style-type: none"> – At least three independent non-executive directors. – In the absence of the committee Chair, chaired by another independent, non-executive director elected by the members present. 	<ul style="list-style-type: none"> – Monitoring and making recommendations on matters relating to the size and composition of the Board including in relation to compliance with the requirements of the CSL Act. – Regularly assessing the necessary and desirable attributes of Board members, including qualifications, experience and other criteria such as diversity, nationality and domicile and making recommendations to the Board as to any adjustments that are found to be necessary. – Regularly reviewing and assessing the independence of each existing director, and assessing the independence of any proposed new director. – Regularly reviewing the Board's (including the Chair of the Board) succession plans so that succession is managed and maintained in a way that provides for an appropriate mix of skills, experience, expertise and diversity on the Board. – Regularly reviewing the succession plans and process for the Managing Director and Chief Executive Officer. – Conducting performance evaluations of the Board, directors and the Board Committees, and reporting the findings of all performance evaluations to the Board. – Regularly reviewing the development of, and recommending to the Board the approval of, CSL corporate governance policies and principles including CSL's sustainability and corporate responsibility strategy, policies and practices.

¹ Ms Christine O'Reilly was the Chair of the Corporate Governance and Nomination Committee and a member of the Audit and Risk Management Committee and the Human Resources and Remuneration Committee until her resignation, effective 15 October 2020. Mr Pascal Soriot was a member of the Innovation and Development Committee until his resignation, effective 31 January 2021. Mr Abbas Hussain was a member of the Human Resources and Remuneration Committee and Innovation and Development Committee until his resignation, effective 25 June 2021.

4 Operation of the Board

Committee	Members ¹	Composition	Key Responsibilities
Audit and Risk Management Committee	Mr Bruce Brook (Chair) Ms Marie McDonald Ms Carolyn Hewson	<ul style="list-style-type: none"> Between three to five directors, all of whom are non-executive directors, and one of whom should have financial expertise. An independent Chair who is not Chair of the Board. In the absence of the committee Chair, chaired by another independent, non-executive director (who is not Chair to the Board) elected by the members present. 	<ul style="list-style-type: none"> Overseeing and reviewing CSL's financial and risk management systems, compliance systems and internal control framework (as set out in CSL's Risk Framework). Overseeing CSL's system of financial reporting with a view to safeguarding its integrity. Monitoring the activities and effectiveness of both internal and external audit functions, including oversight of the external and internal auditor appointment. Oversight of CSL's global quality, health, safety and environmental performance. Meet with the Chief Risk Officer (CRO) as well as internal and external auditors, without the management team, on a regular basis.
Human Resources and Remuneration Committee	Dr Megan Clark (Chair) Ms Marie McDonald Mr Abbas Hussain Ms Carolyn Hewson	<ul style="list-style-type: none"> At least three non-executive directors. Members will be independent directors. Chaired by an independent director. In the absence of the committee Chair, chaired by another independent, non-executive director elected by the members present. 	<ul style="list-style-type: none"> Assisting the Board in fulfilling its responsibilities with respect to human resources and remuneration matters. Overseeing the establishment of and regular review of CSL's diversity policy. Succession planning for the Global Leadership Group. Reviewing and recommending to the Board the design of any share, performance option, performance rights, retention and deferred cash incentive plans, including performance measures and any amendments to such schemes or plans. Recommending to the Board for approval any award grant under an incentive plan to the Managing Director or the Managing Director's direct reports, and approving other award grants under an incentive plan to other executives. Exercising all powers, authorities, discretions and decisions relating to CSL's incentive plans, including specifically qualifying leaver treatment, change of control treatment and approving payment and vesting outcomes for incentive awards.
Innovation and Development Committee	Professor Andrew Cuthbertson (Chair) Dr Brian McNamee Mr Paul Perreault Dr Megan Clark Mr Abbas Hussain	<ul style="list-style-type: none"> At least three directors, being at least two non-executive directors and the Managing Director. Chaired by a member of the Innovation and Development Committee. In the absence of the committee Chair, chaired by another Innovation and Development Committee member elected by the members present. CSL's Chief Scientific Officer is a required attendee of committee meetings. 	<ul style="list-style-type: none"> Overseeing CSL's technology, research and product development opportunities. Ensuring relevant investments are undertaken in ways that are most likely to create long-term value for shareholders. Monitoring the strategic direction of CSL's technology, research and product development programs. Providing guidance on issues and priorities, additions to the R&D pipeline and significant development milestones. Overseeing the management of risk associated with the R&D projects, pharmacovigilance and clinical safety.

Committee	Members ¹	Composition	Key Responsibilities
Securities and Market Disclosure Committee	Dr Brian McNamee (Chair) Mr Paul Perreault	<ul style="list-style-type: none"> – A minimum of any two directors, one of whom must be an independent director. – Chaired by the Board Chair. – In the absence of the Board Chair, chaired by another non-executive director elected by the non-executive directors present. 	<ul style="list-style-type: none"> – Assists CSL in complying with reporting and disclosure obligations under the Corporations Act and ASX Listing Rules, including continuous disclosure obligations and trading halts. – Approving the allotment and issue, and registration of transfers of CSL shares. – Overseeing compliance with other formalities which may be urgently required in relation to matters affecting CSL's share capital.

In addition, the Board may establish ad-hoc committees or delegate authority to existing committees to oversee specific activities.

4.2 Remuneration of Directors and Senior Executives

CSL is committed to ensuring that it has competitive remuneration and human resources policies and practices that offer appropriate and fair rewards to directors and employees in the countries in which they are employed. CSL also seeks to align the interests of the management team and shareholders.

Details regarding the activities of the Human Resources and Remuneration Committee during the reporting period, along with a summary of its responsibilities, and CSL's remuneration policies and practices are set out in the Remuneration Report in the 2021 Directors' Report, available on CSL.com.

The Remuneration Report separately discloses details of the policies and practices regarding the remuneration of directors (executive and non-executive) and other key management personnel (KMP) of the CSL Group. The Report also includes details of CSL's short- and long-term incentive plans.

4.3 Performance Evaluation

The Corporate Governance and Nomination Committee oversees the annual process for reviewing the performance of the Board, individual directors and the Board committees.

The effectiveness of the Board and its committees is assessed against the roles and responsibilities set out in the Board Charter and each committee charter.

Matters considered in the evaluation include:

- the conduct of Board and committee meetings, including the effectiveness of discussion and debate at those meetings;
- the effectiveness of the Board and committees' processes and relationship with the management team;
- the timeliness and quality of meeting agendas, Board and committee papers and secretariat support; and
- the composition of the Board and each committee, focusing on the skills, experience, expertise and diversity of the Board necessary to enable it to oversee the delivery of CSL's objectives and strategy.

The Chair also holds discussions with individual directors to facilitate peer review.

This financial year, the Board undertook an external review of its performance and that of its committees as well as individual directors. The findings of the review were confirmed and implemented by the Board and changes made as appropriate. It is intended that an external review will be carried out every three years.

The Corporate Governance and Nomination Committee, working with the Chair, is responsible for overseeing the process for assessing the performance of the Managing Director, who in turn evaluates the performance of all other senior executives and makes recommendations in respect of their remuneration. These evaluations are based on specific criteria, including CSL's business performance, whether the long-term strategic objectives are being achieved and the achievement of individual performance objectives.

These performance evaluations took place in accordance with the previously described processes during the last financial year. Further information about the performance of KMP is set out in the Remuneration Report in the 2021 Directors Report, available on CSL.com.

5 Risk Management and Financial Reporting

Relevant governance documents:

- Audit and Risk Management Committee Charter
- Code of Responsible Business Practice

5.1 Role of the Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in overseeing and reviewing annually the integrity of financial reporting, the effectiveness of the risk management framework compliance systems and internal control framework, and the external and internal audit functions so that they continue to be sound.

The Audit and Risk Management Committee has, in conjunction with the management team, conducted such a review during the financial year and reported CSL's effective management of its material business risks in respect of the financial year ending 30 June 2021 to the Board.

Senior executives and internal and external auditors attend meetings on invitation by the Audit and Risk Management Committee. The Audit and Risk Management Committee holds regular meetings with both the internal and external auditors without the management team or executive directors present. Any director who is not a member of the Audit and Risk Management Committee may attend any meeting of the committee in an ex-officio capacity.

There is an annual joint meeting with the Audit and Risk Management Committee and the Human Resources and Remuneration Committee to align risk management outcomes with remuneration outcomes.

In accordance with best practice, CSL has decided to undertake a competitive external audit tender process during the 2022 financial year.

5.2 Enterprise Risk Management Framework

CSL has adopted and follows a detailed and structured Enterprise Risk Management Framework to identify, evaluate, monitor and manage risks in the CSL Group. This Enterprise Risk Management Framework sets out the risk management processes and internal compliance and control systems, the roles and responsibilities for different levels of management, the matrix of risk impact and likelihood for assessing risk, and risk management reporting requirements.

The risk management processes and internal compliance and control systems are made up of various policies, processes, practices and procedures, which have been established by the management team and/or the Board to provide reasonable assurance that:

- established corporate and business strategies are implemented, and objectives are achieved;
- any material exposure to risk is identified and adequately monitored and managed;
- significant financial, managerial and operating risk-related information is accurate, relevant, timely and reliable; and
- there is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.



CSL has adopted an internal 'Risk Appetite Statement' which is applied throughout the CSL Group. CSL's risk appetite is integral to the Company's overall enterprise risk management processes and the Risk Appetite Statement sets out the types and extent of risk that CSL is willing to accept in pursuit of its global strategic objectives, while adhering to CSL's Group Values and reinforcing its commitment to corporate responsibility.

In support of CSL's new business operating model, CSL has aligned the Enterprise Risk Management Framework with enterprise-wide risks by global function and business. This alignment resulted in the creation of the Enterprise Risk Management Committee (**ERMC**), which comprises of senior leaders across the organisation who hold an assignment as the Senior Risk Leaders and are responsible for overseeing and managing the risk management process for their respective global function or business. The ERMC is responsible for ensuring strategic, enterprise-wide and emerging risks are appropriately considered. The ERMC facilitates connectivity across CSL in assessing and managing group-wide risks. The ERMC has replaced the former risk management committee, the Operational Risk Management Team. The ERMC structure is illustrated in the diagram below.

The oversight of risk management associated with R&D projects is one of the responsibilities of the Board and the Innovation and Development Committee (**IDC**). The R&D operations have a number of management committees that report into the Innovation and Development Committee.

5.3 External Auditor

One of the chief functions of the Audit and Risk Management Committee is to review and monitor the performance and independence of the external auditor.

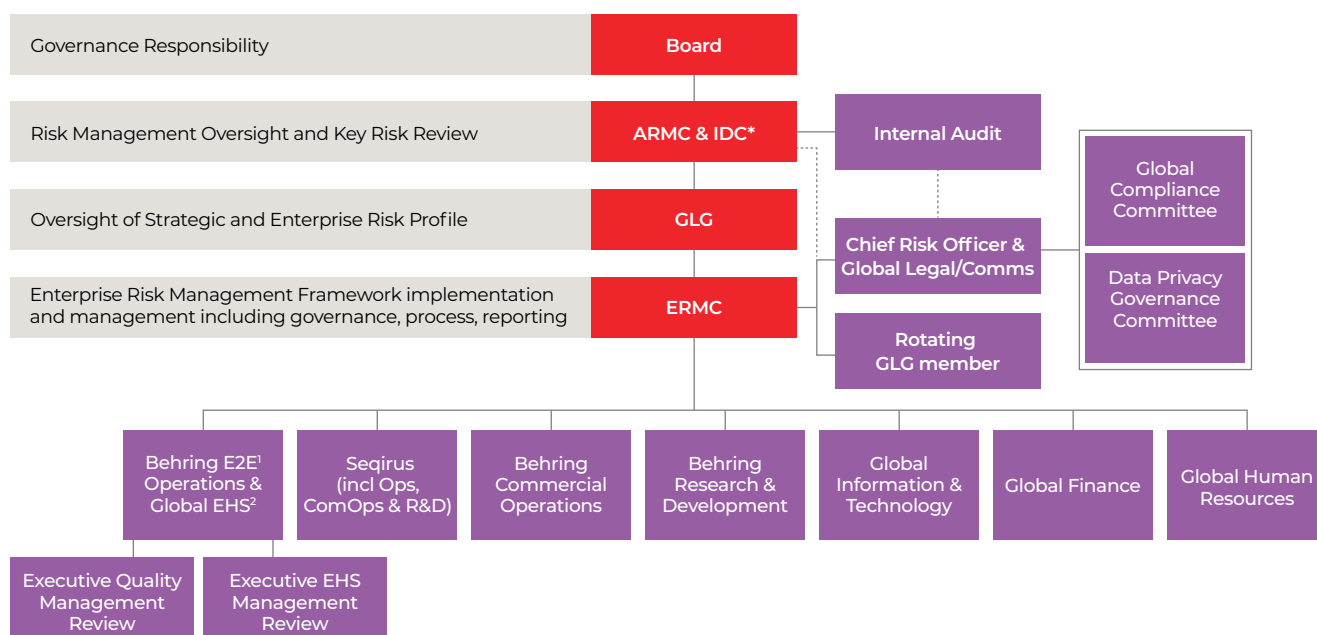
CSL's external auditor for the financial year was Ernst & Young, who was appointed by shareholders at the 2002 AGM.

The Audit and Risk Management Committee has established a policy in relation to the engagement of the external auditor for non-audit services to review the independence of the external auditor. The Audit and Risk Committee has considered the nature of the non-audit services provided by the external auditor during the financial year and is satisfied that the services provided, and the amount paid for those services, did not compromise the independence of the external auditor. Details of fees paid (or payable) to Ernst & Young for non-audit services provided to the CSL Group in the year ended 30 June 2021 are set out in the 2021 Directors' Report, available on CSL.com.

Ernst & Young has provided an independence declaration to the Board for the reporting period. The declaration forms part of the 2021 Directors' Report. The Audit and Risk Management Committee undertakes a formal review of the appropriateness of continuing with the incumbent audit firm prior to approving the appointment of a new signing partner by rotation.

The external auditor attends each Annual General Meeting and is available to answer questions from shareholders relevant to the audit and the preparation and content of the auditor's report.

CSL's Enterprise Risk Management Framework Governance



* Only as it pertains to Pharmacovigilance and Patient Safety Risks.

1 E2E (end-to-end)

2 EHS (Environmental Health & Safety)

5.4 Internal Auditor

Another important function of the Audit and Risk Management Committee is to review and monitor the performance of CSL's internal audit operation. CSL's internal auditor for the financial year was PricewaterhouseCoopers.

The role of CSL's internal audit function is to provide independent and objective assurance to the Audit and Risk Management Committee and management team regarding the effectiveness of CSL's risk management processes (including the state of any material risks) and internal compliance and control systems.

As noted in section 5.2, the internal compliance and control systems are made up of various CSL policies, processes, practices and procedures.

An internal audit plan is prepared by the internal auditor and reviewed and approved by the Audit and Risk Management Committee on an annual basis (for the upcoming financial year). The internal audit plan seeks to cover, over a rolling basis, all significant activities of CSL, including its controlled entities and their operations.

In addition, CSL's internal auditor may be requested to perform investigative reviews on suspected fraudulent activities or reports made under the Speak Up Policy.

5.5 Integrity in Financial Reporting and Regulatory Compliance

The Board is committed to ensuring the integrity and quality of its financial reporting, risk management and compliance and control systems.

Prior to giving their directors' declaration in respect of the annual and half-year financial statements, the Board requires the Managing Director and the Chief Financial Officer to each sign a written declaration to the Board, to the effect that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that their opinion has been formed on the basis of a sound risk management and internal control system, which is operating effectively.

This written declaration was received by the Board prior to its approval of the full-year and half-year financial statements for the financial year ended 30 June 2021.

5.6 Verification of Unaudited Reports

CSL has a corporate reporting process in place to review the accuracy of information (which includes whether the information is balanced) so that investors can make informed investment decisions.

This includes establishing processes to verify the integrity of any periodic corporate report that CSL releases to the market that is not audited or reviewed by the external auditor. The verification process varies depending on the particular release but generally involves:

- confirmation by individuals responsible for the information that, to the best of their knowledge and belief, the information is accurate and not misleading;
- providing source material or supporting information for particular disclosures;
- review of the report or document by the relevant internal subject matter expert(s), and in some case external advisers; and
- approval by the individual responsible for the corporate report and confirmation that it is appropriate for release.

5.7 Sustainability Risks

In the course of CSL's business operations, CSL is exposed to a variety of risks that are inherent to the pharmaceutical industry, and in particular the plasma therapies industry.

Key business/industry risks and key financial risks, including economic, environmental and social sustainability risks, are set out in the 2020/21 Annual Report available on CSL.com.

In addition, further detail regarding CSL's ongoing efforts to operate ethically and responsibly with respect to sustainability are also set out in the 2020/21 Annual Report and on CSL.com (Our Company > Corporate Responsibility).

Relevant governance documents:

- Code of Responsible Business Practice

6.1 Communications and External Disclosure

CSL has a Communications and External Disclosure Policy. This policy operates in conjunction with CSL's more detailed internal continuous disclosure policy. Together, these policies are designed to facilitate CSL's compliance with its obligations under the ASX Listing Rules and the Corporations Act by:

- providing guidance as to the types of information that may require disclosure, including examples of practical application of the rules;
- providing practical guidance for dealing with market analysts and the media;
- identifying the correct channels for passing on potentially market-sensitive information as soon as it comes to hand;
- establishing regular occasions at which senior executives and directors are actively prompted to consider whether there is any potentially market sensitive information which may require disclosure; and
- allocating responsibility for approving the substance and form of any public disclosure and communications with investors.

The Board receives copies of all material announcements promptly after they have been released and notification has been received that they have been published on the ASX platform.

The Communications and External Disclosure Policy is available on CSL.com (Our Company > Corporate Governance > Core Policies).

6.2 Shareholder Communication

In addition to its formal disclosure obligations under the ASX Listing Rules and the Corporations Act, the Board uses several additional means of communicating with shareholders and investors. These include:

- the half-year and annual report and shareholder review;
- posting media releases, public announcements, notices of general meetings and voting results, and other investor-related information on CSL.com; and
- Annual General Meetings, including webcasting which permits shareholders worldwide to view proceedings.

CSL has a dedicated governance page on CSL.com, which supplements the communication to shareholders in the annual report and this Corporate Governance Statement regarding CSL's corporate governance policies and practices. CSL also provides other information on its website, including a financial calendar for the current financial year, ASX and media announcements, dividend information, presentations and other information for investors.

CSL seeks to facilitate effective two-way communication with investors and encourage participation at shareholder meetings by allowing shareholders to receive communications from and send communications to CSL electronically, and inviting shareholders to provide CSL with their questions ahead of the AGM. This helps CSL understand shareholder issues and concerns and enables CSL to address key shareholder feedback. At the AGM, it is CSL's practice to put all substantive resolutions to a vote by poll.

So that shareholders and other stakeholders have a full understanding of CSL's performance and strategies, CSL convenes a number of analyst briefings and investor presentations and roadshows each year. Any new and substantive investor or analyst presentations are also released on the ASX platform ahead of the presentation.

CSL also convenes two shareholder briefings each year. These updates provide an opportunity for analysts, investors and shareholders to speak directly with the management team and ask questions. This year, although COVID-19 restrictions were in place, CSL continued to deliver its shareholder and investor briefings via online technologies.

The Board is committed to monitoring ongoing developments that may enhance communication with shareholders, including technological developments, regulatory changes and the continuing development of 'best practice' in the market.

7 Securities

Relevant governance documents:

- Securities Dealing Policy
-

By promoting director and employee ownership of shares, the Board hopes to encourage directors and employees to become long-term holders of CSL securities, aligning their interests with those of CSL.

The Securities Dealing Policy prohibits short-term or speculative trading in CSL securities by directors and employees. In addition, directors and employees are not permitted to enter into any price-protection arrangements to hedge CSL securities or margin loan arrangements in relation to CSL securities. This includes securities awarded under CSL's equity incentive schemes.

CSL has a comprehensive Securities Dealing Policy which applies to all directors and employees. The policy aims to inform directors and employees of the law relating to insider trading and provide them with practical guidance for avoiding unlawful transactions in CSL securities.

A copy of CSL's Securities Dealing Policy has been lodged with the ASX in accordance with Listing Rule 12.9 and is available on CSL.com (Our Company > Corporate Governance > Core Policies).

8 Approval

This Corporate Governance Statement was current and approved by the Board on 17 August 2021 and signed on its behalf by:



Dr Brian McNamee AO
Chair

17 August 2021

Corporate Directory

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street Abbotsford VIC 3067
GPO Box 2975
Melbourne VIC 3001
Enquiries within Australia: 1800 646 882
Enquiries outside Australia: +61 3 9415 4178
Investor enquiries online: Investorcentre.com/contact

Auditors

Ernst & Young
8 Exhibition Street Melbourne VIC 3000
GPO Box 67
Melbourne VIC 3001
Telephone: +61 3 9288 8000
Facsimile: +61 3 8650 7777

Registered Head Office

CSL Limited
ABN 99 051 588 348
45 Poplar Road
Parkville VIC 3052
Australia
Telephone: +61 3 9389 1911
Facsimile: +61 3 9389 1434
CSL.com

Further Information

For further information about CSL and its operations, refer to Company announcements to the Australian Securities Exchange and CSL.com