



CSL



Driven by **Our Promise**

## Our Purpose

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

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## Introduction from the Chief Financial Officer



I am pleased to present CSL's Tax Transparency Report for the year ended 30 June 2023. The report is in keeping with the Australian Voluntary Tax Transparency Code and aims to provide a greater understanding of CSL's tax profile, tax contributions, and the manner in which we govern and manage our tax obligations. The report provides information in relation to our international tax footprint and our related party dealings, reflecting the global and integrated nature of our business.

Our success as a globally integrated biopharmaceuticals company is built around key capabilities that span research and development of new technologies, educating patients and providers toward better diagnoses, and the specialised manufacture and distribution of our life-changing therapies and vaccines. Being able to create value in these ways is a great privilege, but also a responsibility. Good governance is an essential part of this responsibility.

CSL's approach to tax is underpinned by our value of Integrity. This is consistent with our commitment to complying with all tax laws in the countries in which we operate, despite the ever-evolving nature of the tax regulatory landscape from both a global OECD perspective as well as in local jurisdictions. CSL has a low appetite for tax risk and does not engage in aggressive tax planning. Operating with transparency forms a core part of CSL's tax management philosophy.

While CSL's roots are proudly Australian, CSL is a truly global company, with more than 90% of our revenues derived outside of Australia. Our specialised manufacturing operations span Australia, China, Germany, Switzerland, the United Kingdom, and the United States. We operate in over 40 countries and serve patients in more than 100 countries, and we welcome the opportunity to explain the global nature of our business in this report.

CSL is subject to different tax regimes in each of the countries we operate in and we comply with the applicable taxation laws in all of these jurisdictions, including the OECD Country-by-Country reporting measures. This information provides Tax Authorities around the world with details of how we conduct our business and how CSL's international related parties transact with each other.

**In the year to 30 June 2023, CSL paid US\$743 million of taxes globally, processed US\$1.1 billion of indirect tax credits, and collected and remitted US\$1.1 billion in indirect and employee taxes. CSL's tax payment profile aligns with our profit generation profile – we pay taxes in the jurisdictions where we make profits.**

Efforts to improve tax transparency and promote fairer economies are important to ensuring the community have confidence in the robustness of country tax regimes. CSL supports the work undertaken by the OECD in relation to Pillar One and Two requirements, and the position that income earned in a country should be reflective of economic activity undertaken in that country. We continue to advocate that governments adopt globally consistent approaches to both disclosure requirements and implementation of OECD initiatives, in order to balance cost and compliance complexity for companies operating across a number of territories.

CSL's purpose and values remain steadfast and ever more relevant in today's complex, and evolving world. We will continue to be transparent with our stakeholders, just as we will continue to work towards making a difference to people's lives.



**Joy Linton**  
Chief Financial Officer

## About CSL

CSL is a global biotechnology leader that has delivered biotechnology excellence for over a century. With the combined expertise of CSL Behring, CSL Seqirus and CSL Vifor, we develop and deliver innovative medicines to help people with serious and life-threatening conditions live full lives, and protect the health of communities around the world.

The Commonwealth Serum Laboratories was established in Australia in 1916 to service the health needs of a nation isolated by war. CSL Limited was incorporated in 1991 and listed on the Australian Securities Exchange (ASX) in 1994.

Since that time, CSL has expanded rapidly through strategic acquisitions of a number of businesses:

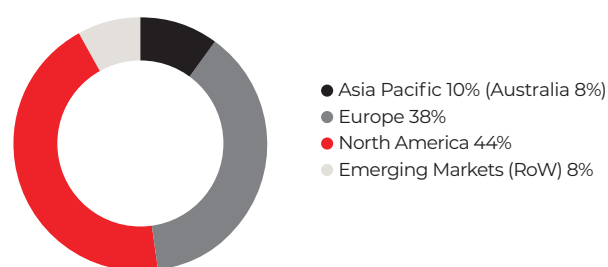
- Swiss company, ZLB, was acquired in 2000, and Aventis Behring was acquired in 2004, with operations predominantly in the US and Germany;
- Novartis' influenza vaccine business was acquired in 2015;
- Vitaeris was acquired in June 2020, expanding our transplant therapeutic area portfolio;
- CSL entered the cell and gene therapy field in 2017 with the acquisition of Calimmune, and expanded our reach in this therapeutic area through the commercialization and license agreement with uniQure for HEMGENIX® (etranacogene dezaparvovec), which was approved in financial year ended 2023 for the treatment of haemophilia B in the United States, Europe and the UK;
- In August 2022, CSL completed the acquisition of Vifor Pharma AG, a global pharmaceutical company listed on the Swiss stock exchange. This acquisition broadens CSL's global reach and capabilities in the areas of iron deficiency, dialysis, nephrology and rare disease; and
- In December 2022, CSL finalised a global collaboration and license agreement with Arcturus Therapeutics Holdings Inc, which provides CSL with access to Arcturus' late stage self-amplifying mRNA vaccine platform technology.

In the year to 30 June 2023, CSL generated US\$13.3 billion in revenue. CSL's global footprint is reflected in our sales profile. As at 30 June 2023, the CSL Group employed over 32,000 people across more than 40 countries, and delivered medicines to patients in more than 100 countries.

In the year to 30 June 2023, CSL earned Profit Before Tax of US\$2,663 million, paid US\$743 million of taxes globally, processed US\$1.1 billion of indirect tax credits, and collected and remitted US\$1.1 billion in indirect and employee taxes.

CSL distributed US\$13.2 billion in supplier payments, employee wages and benefits, shareholder returns, government taxes and community contributions. In addition, we invested US\$1,692 million in capital expenditure<sup>1</sup> to support future growth.

### External Operating Revenue



<sup>1</sup> Excluding PPE and intangible assets acquired in connection with the CSL Vifor acquisition.



## CSL at a glance – 30 June 2023



40+

**Countries** of operations  
around the world



32,000+

**employees** around  
the world



US\$13.3

**billion** in annual  
revenue



2,000+

**R&D** employees across  
10 countries



US\$5.1

**billion** in R&D  
investments in  
the last 5 years  
to advance  
product pipeline



342

**Plasma** collection  
centres across  
China, Europe and  
North America

## CSL's Businesses

### CSL Behring

CSL Behring is a global biotherapeutics leader driven by CSL's promise to save lives. Focused on serving patients' needs by using the latest technologies, CSL Behring discovers, develops and delivers innovative therapies for people living with conditions in the immunology, haematology, cardiovascular and metabolic, respiratory, and transplant therapeutic areas. CSL Behring uses three strategic scientific platforms of plasma fractionation, recombinant protein technology, and cell and gene therapy to support continued innovation and continually refine ways in which products can address unmet medical needs and help patients lead full lives.

CSL Behring operates CSL Plasma, one of the world's largest plasma collection networks.

### CSL Seqirus

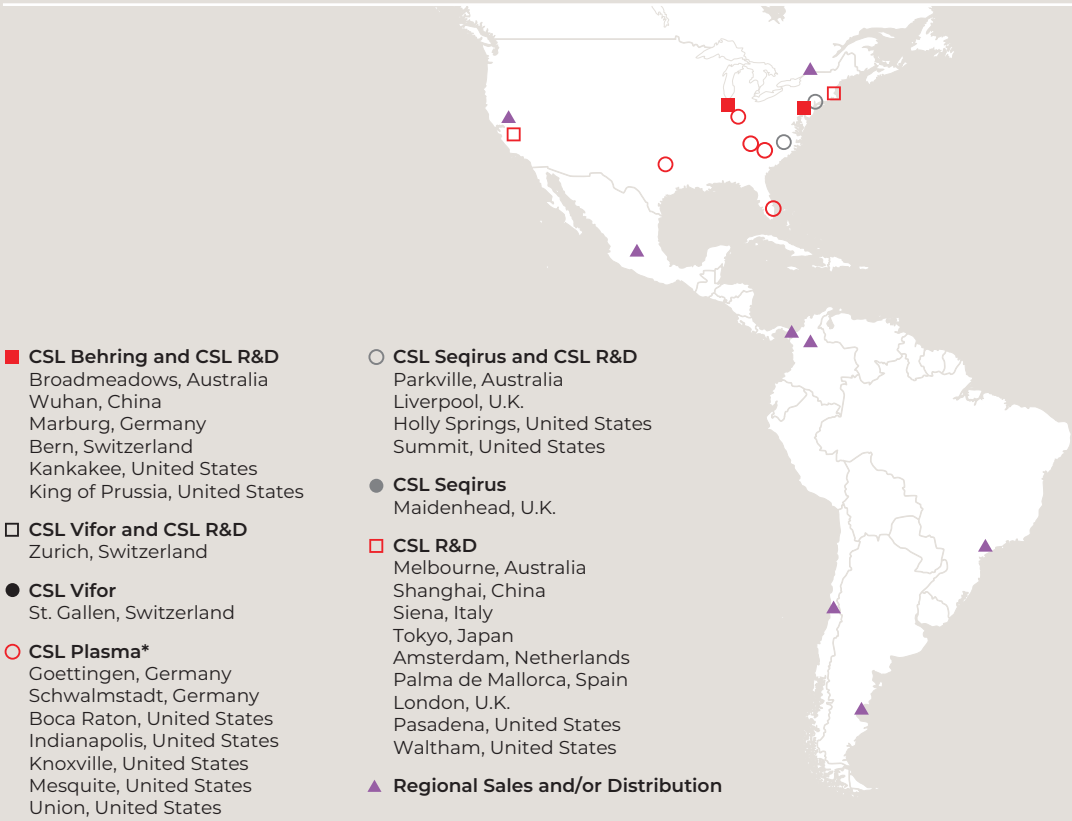
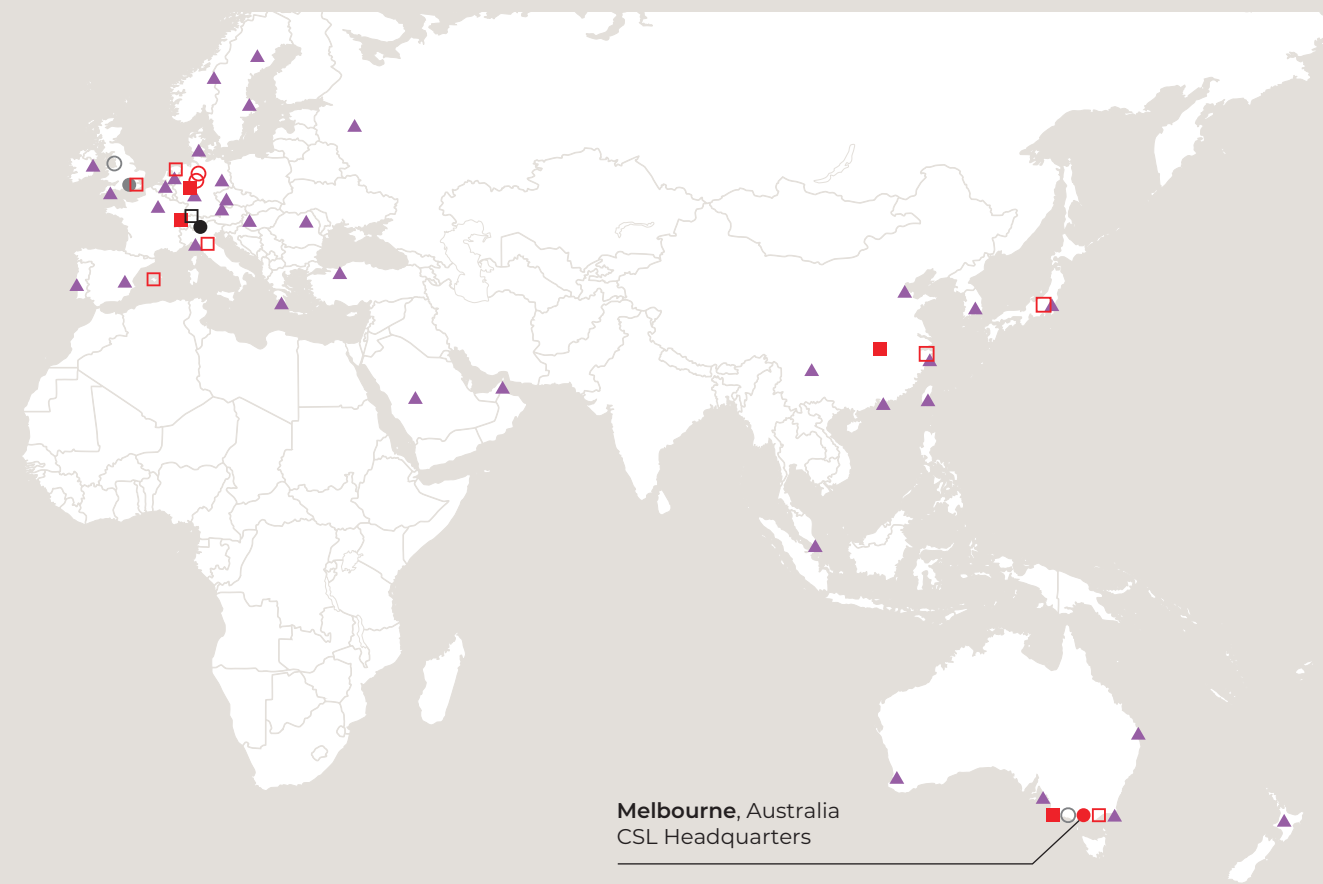
As one of the leading influenza vaccine providers in the world, CSL Seqirus is a major contributor to the prevention of influenza globally and a transcontinental partner in pandemic preparedness.

CSL Seqirus operates state-of-the-art production facilities in the United States, the UK and Australia and uses both egg-based and cell-based manufacturing technologies as well as a proprietary adjuvant. It has leading research and development (R&D) capabilities, a broad and differentiated product portfolio and commercial operations in more than 20 countries.

### CSL Vifor

CSL Vifor is a global partner of choice for pharmaceuticals and innovative, leading therapies in iron deficiency and nephrology. CSL Vifor specialises in strategic global partnering, in-licensing and developing, manufacturing and marketing pharmaceutical products for precision healthcare, aiming to help patients around the world lead better, healthier lives. Headquartered in St Gallen, Switzerland, CSL Vifor also includes the joint company Vifor Fresenius Medical Care Renal Pharma (with Fresenius Medical Care).

# CSL's Locations



\* CSL Plasma operates 342 plasma collection centres in the United States, Europe and China.

## CSL's Value Creation Chain

## The unmet health need and CSL's resources and assets

## Unmet need

Opportunities to improve and protect the quality of life of patients and communities in CSL's therapeutic areas.

## Natural resources

Includes: plasma donations for rare and serious diseases; influenza virus strains for product manufacture; iron sources (including synthetic) for iron-based products; and environmental inputs such as water and energy.

## Physical assets

Plasma centres to collect raw material, dialysis clinics for our joint-venture, manufacturing facilities for our products, warehouses, offices for our people.

## Our people

32,000+ people with diverse skills that are driven by our purpose and values.

## Financial resources

Cash, equity and debt for future growth.

## Collaborators and business partners

Accessing and sharing intellectual know-how to develop and innovate our products.

## CSL's Strategy



## Our expertise and operations



## CSL's Purpose, Values and Code of Responsible Business Practice

## Value we create

## A healthier more productive society

Protecting global health and the wellbeing of individuals, families, businesses and communities from life-threatening and/or complications resulting from influenza.

Saving and/or improving the quality of life of hundreds and thousands of people with rare and serious diseases.

## Sustainable financial growth

Delivering consistent, profitable and responsible growth for our investors, which fuels innovation and development.

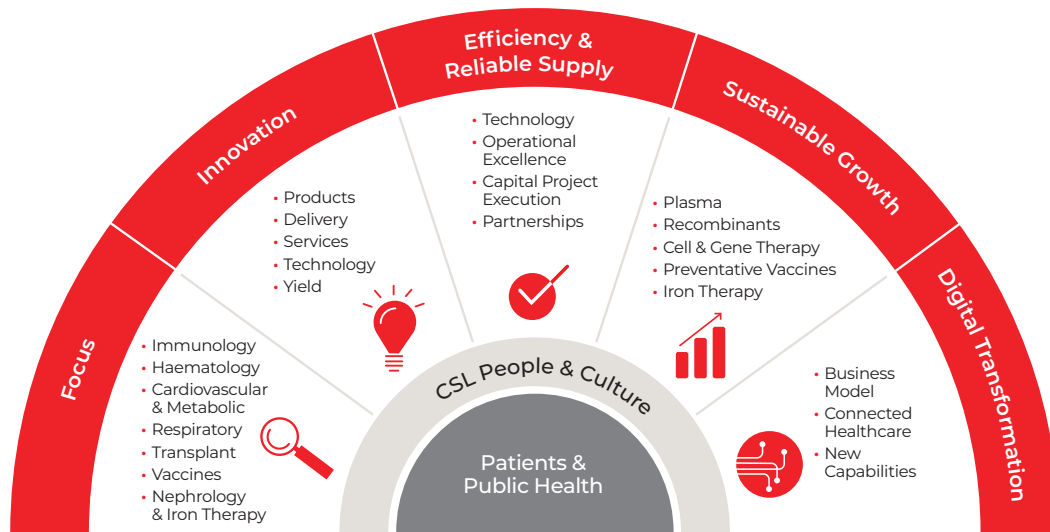
## Social and economic opportunity

Enabling hundreds of thousands of people to benefit from opportunity created by growing along with us, including employees, suppliers, plasma donors and research partners.

## Our promise to patients



## CSL's 2030 Strategy



CSL's long-term priorities are focused on delivering sustainable, profitable growth. This will allow CSL to continue to provide a reliable supply of our life-saving therapies and to fund innovation that improves the health of patients and the public. We are leaders in protein therapies, influenza vaccines and the treatment of iron deficiency. For CSL Behring, our immunoglobulin franchise is growing strongly, driven by record levels of plasma collections. CSL Seqirus is delivering strong sales growth driven by differentiated products and has future growth potential with next-generation mRNA vaccine technology that is in late-stage development with our partner Arcturus Therapeutics. CSL Vifor provides new opportunities to grow the iron deficiency treatment franchise and in nephrology where there is significant unmet need to drive new indications, expand into new geographies and improve access.

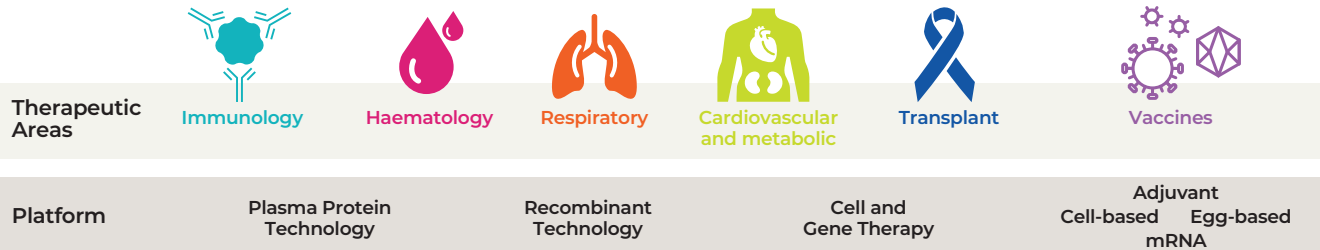
CSL provides life-saving products to patients in more than 40 countries and employs around 32,000 people globally. We have an extensive network of manufacturing sites across Australia, the United States, Europe and China. In addition, we look beyond our walls to partner with leading organisations across the value chain to support manufacturing, innovation, technology and other areas of our business.





# Powered by Innovation

CSL remains committed to investing in targeted and disruptive research and development (R&D) innovation to better meet the needs of patients and public health. This commitment is evidenced by the continued investment in R&D, surpassing US\$1 billion annually in recent years, and the dedicated work of over 2,000 R&D employees across 10 countries who collaborate in integrated teams. CSL’s R&D organisation has made significant progress in key clinical programs spanning our four strategic scientific platforms and six therapeutic areas.



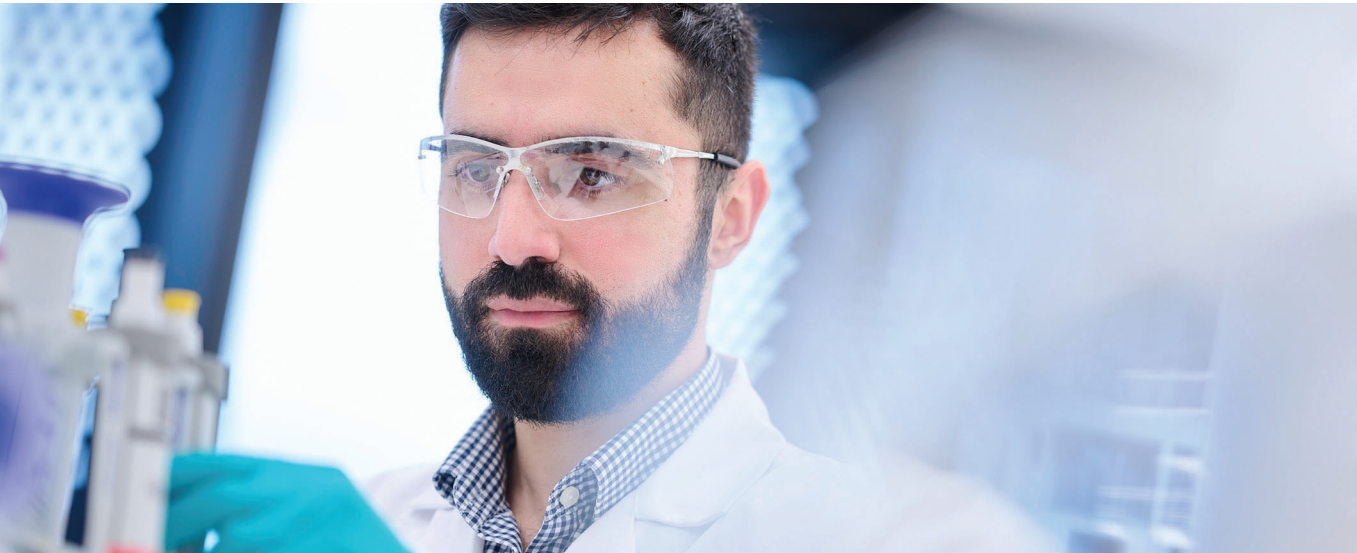
While our R&D portfolio focuses on innovation in new products, improved products and enhanced manufacturing expertise, we acknowledge the importance of collaboration and recognise that we cannot – and should not – tackle this alone. Consequently, our R&D endeavours involve identifying and establishing strategic partnerships that align with our therapeutic areas of focus and increase the likelihood of introducing disruptive and beneficial innovations. Notable examples include the partnership with UniQure where CSL has exclusive global licence rights to commercialise HEMGENIX® (etranacogene dezaparvovec), an AAV5 (adeno-associated virus) gene therapy for the treatment of adult patients with haemophilia B and which was first launched in 2023, as well as the collaboration with sa-mRNA-focused Arcturus Therapeutics, which complements CSL’s long-term vaccines strategy.

In our United States and European plasma collection centres, we use modern techniques and technologies to facilitate the safest, most efficient donation process. We consistently update our plasma collection centres to seek to provide a comfortable and safe donor experience. External sources of plasma may be used as needed and available to supplement collections to meet demand.

We endeavour to invest in manufacturing capacity ahead of projected demand to ensure that we can supply the needs of patients and boost throughput of our existing facilities. Our operations accommodate investments in technology and process improvements to enhance efficiency and reduce costs. We are actively engaged in developing an array of new therapies, including plasma-derived, recombinant, iron-based, cell-based and sa-mRNA vaccines, and gene therapies to maximise the utilisation of our global R&D and manufacturing network. Our global network strategy continually evaluates short to long-term needs of the business to inform decisions on capital and operational expenditures, including the use of expert third party providers to ensure a resilient, reliable and sustainable supply chain.

CSL has more than 2,000+ R&D employees in 10 countries working in R&D centres located in leading biomedical locations including:

- Melbourne, Australia
- Shanghai, China
- Marburg, Germany
- Tokyo, Japan
- Bern and Zurich, Switzerland
- London, UK
- Holly Springs, Kankakee, King of Prussia, Pasadena and Waltham, United States



# CSL's FY24 Global Research and Development Portfolio

(as at October 2023)

Phase I	Phase II	Phase III	Registration/Post-Registration		
<b>CSL889</b> Hemopexin (SCD)	<b>Anumigilimab (CSL324)</b> Anti-G-CSFR mAb (HS)	<b>HIZENTRA®</b> (DM)	<b>HAEGARDA®</b> (HAE)	<b>FILSPARI™ (Sparsentan)</b> Dual ET <sub>A</sub> & AT <sub>1</sub> antagonist (IgAN)	<b>AUDENZ™</b> Adjuvanted Cell-based Monovalent Influenza A (H5N1) Vaccine
<b>Anumigilimab (CSL324)</b> Anti-G-CSFR mAb (CAP ARDS)	<b>VAMIFEPORIT</b> Ferroportin inhibitor (SCD)	<b>KCENTRA®</b> 4F-PCC (Trauma)	<b>HIZENTRA®</b> (SClg) 20% Liquid	<b>KORSUVA®/KAPRUVIA®</b> KOR. agonist (CKD-aP)	<b>FOCLIVIA®/AFLUNOV®</b> Adjuvanted Egg-based Influenza A (H5N1) Vaccine
<b>Trabikibart (CSL311)</b> Anti-Beta Common mAb	<b>CSL301</b> α2AP mAb (PE)	<b>CSL112</b> apoA-I (AMI)	<b>PRIVIGEN®</b> (IVlg) 10% Liquid	<b>RAYALDEE®</b> Oral ext. release calcifediol (SHPT)	<b>FLUAD® Trivalent</b> Adjuvanted Egg-based Influenza Vaccine
<b>CSL787</b> Nebulised Ig	<b>Garadacimab</b> Anti-FXIIa mAb (ILD/IPF)	<b>SNF472</b> Calcification inhibitor (CUA-ESKD)	<b>Garadacimab</b> Anti-FXIIa mAb (HAE)	<b>TAVNEOS®</b> Oral C5a receptor inhibitor (AAV)	<b>FLUAD® Quadrivalent</b> Adjuvanted Egg-based Influenza Vaccine
<b>C1 Inhibitor</b> (AIS)	<b>Clazakizumab</b> Anti-IL-6 mAb (ESKD)	<b>FILSPARI™ (Sparsentan)</b> Dual ET <sub>A</sub> & AT <sub>1</sub> antagonist (FSGS)	<b>AFSTYLA®</b> rFVIII (Haem A)	<b>VELPHORO®</b> Sucroferric oxyhydroxide (Serum P control in CKD)	<b>FLUCELVAX® Quadrivalent</b> Cell-based Influenza Vaccine
<b>CSL040</b> Complement RI Inhibitor	<b>Mavrilimumab</b> Anti-GM-CSFR mAb (GCA, COVID)	<b>Clazakizumab</b> Anti-IL-6 mAb (ca-AbMR)	<b>IDELVION®</b> rFIX-FP (Haem B)	<b>VELTASSA®</b> Oral potassium binder (HK)	<b>ARCT154</b> sa-mRNA Vaccine (COVID)
<b>SQ009</b> Cell-based Influenza (H2N3) Vaccine	<b>Eblasakimab (CSL334)</b> Anti-IL-13R mAb (AD)	<b>CSL964</b> Alpha 1 Antitrypsin (Treatment of aGvHD)	<b>HEMGENIX®</b> (Haem B)		<b>INJECTAFER®</b> (Ferric carboxymaltose) (HF-ID)
<b>SQ012</b> sa-mRNA Influenza (H5N1) Vaccine		<b>CSL964</b> Alpha 1 Antitrypsin (Prevention of aGvHD)	<b>ZEMAIRA®/RESPREEZA®</b> Alpha 1 Antitrypsin		
<b>ARCT2138</b> sa-mRNA Quadrivalent Influenza Vaccine		<b>SQ036 (aQIVc)</b> Adjuvanted Cell-based Quadrivalent Influenza Vaccine			
<b>LASN01</b> Anti-IL-11R mAb (IPF,TED)					

Immunology	Haematology	Respiratory	Cardiovascular & Metabolic	Nephrology & Transplant
Vaccines	CSL Vifor	Outlicensed Programs	Partnered Projects	

# Our Approach to Tax Governance and Tax Strategy

CSL's approach to tax governance and tax strategy is guided by our Code of Responsible Business Practice, which sets out CSL's values and principles of conduct. Our decisions in relation to tax are consistently made in accordance with this code. At CSL, we are committed to conducting all aspects of our business in an ethical and transparent way.

CSL has a low appetite for tax risk, and seeks to manage its global tax affairs in a manner that maintains the integrity and reputation of CSL at all times.

Tax is considered a core part of CSL's corporate responsibility, and tax governance is overseen by the Board.

## CSL's approach to tax is underpinned by our values of Integrity

CSL's approach to tax is guided by the following principles, which are the basis of our Tax Strategy:



### Compliance

CSL is committed to complying at all times with the requirements of the law, and also with CSL's understanding of the intent of the law. Tax positions adopted must be cogent and well grounded. The principles in the OECD Transfer Pricing Guidelines will be adopted when determining the appropriate transfer price for transactions between International Related Parties.



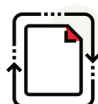
### Governance

The Board approves the Tax Policy, and has ultimate responsibility for ensuring there is an effective process to manage tax risk. The CFO is responsible for monitoring the effectiveness of the Tax Risk Management Framework.



### Business Structure

CSL will only implement transactions that are aligned with our business activity, have clear commercial objectives, and do not rely on tax for their commercial viability. We will not operate artificial or aggressive tax structures.



### Transparency

Publish an annual tax transparency report to explain our tax payments and a reconciliation between tax and financial results.



### Relationships

CSL operates with integrity and transparency to maintain open, respectful and co-operative relationships with Tax Authorities. Where appropriate, CSL will seek advance rulings from Revenue Authorities to provide certainty to CSL.

# Summary of CSL's International Related Party Dealings



Collaboration is at the heart of CSL's success, and this is reflected in our globally integrated value chain which employs more than 32,000 people and operations in over 40 countries. In order to best serve the needs of our patients, CSL's companies and employees conduct business with each other throughout the entire value chain to drive an integrated enterprise wide approach and meet the global demand for our lifesaving medicines.

The majority of CSL's related party transactions are between our subsidiary companies located in Australia, Germany, Switzerland, UK and the US. Over 92% of our employees are located in these countries, working across manufacturing, R&D and commercial operations.

A significant proportion of CSL's growth has been achieved through global acquisitions, resulting in a broad geographical manufacturing network, and products that are owned by different entities within the CSL group.

To facilitate the development, manufacture, and sales of our products across a global value chain, the relevant 'product owner' will engage other CSL related entities to carry out certain supply chain functions, such as contract R&D, supply of intermediate product, distribution and, in some cases, components of manufacturing.

CSL continues to work towards greater integration across our business segments, with a key focus on consistency and simplification of our organisational structures and processes. Our three business segments are supported by global enabling functions and centres of excellence such as finance, IT, legal, procurement and HR, as well as an integrated global R&D organisation.

## Pricing of Intercompany Transactions

In line with our Tax Policy, CSL has a robust transfer pricing policy and transfer pricing guidelines in place that comply with the OECD transfer pricing guidelines.

Transactions between related parties are undertaken as if the transactions were carried out between unrelated parties. This is referred to as 'the arm's length principle' and determines how profits are allocated between countries, which in turn impacts the amount of tax paid in a country. CSL ensures that transactions in our value chain are priced consistently across the group, and in accordance with both OECD and local tax compliance obligations to reflect the value created in country, with pricing determined by reference to benchmark data.

Transfer pricing is a complex area and its application can be subject to differences in interpretation by global Revenue Authorities.

CSL has applied for a series of bilateral Advanced Pricing Arrangements (APAs) with certain tax authorities on pricing in respect of our related party dealings. CSL appreciates the confidence that future focussed agreements provide in relation to ensuring compliance with tax laws.



## The following activities are conducted between CSL related parties

### Research and Development (R&D)

CSL's world-class R&D organisation is an integrated global function operating across our three business segments (CSL Behring, CSL Seqirus and CSL Vifor) and continues to advance as a biotechnology leader by delivering high-quality science and technologies developed by our own high calibre scientists and innovative collaborations. Approximately 9% of global revenue was invested in R&D in 2022/23 to discover new molecules and develop clinical candidates, and CSL invests heavily across all phases of the R&D lifecycle – including research, product development and clinical trials. Our R&D pipeline fuels the company's sustainable growth.

Where one CSL entity owns a product, that entity will be responsible for future R&D in relation to that product and may engage other entities around the CSL group to conduct contract R&D on its behalf. Contract R&D services result in arm's length charges for the R&D services provided by one CSL company to another.

### Licensing of IP

There are limited instances in the group where IP is owned by one entity, and that IP is licensed to another company in the group. Where this occurs, an arm's length royalty is paid to the licensor of the IP.

### Manufacturing

CSL has specialized and integrated manufacturing sites in Australia, Germany, Switzerland, the United Kingdom and United States. CSL's End to End Supply Chain model and our Enterprise Resource Planning system ensures integration across the network, better utilisation of assets, diversification of risks and improvements in supply reliability. There are a number of possible related party dealings that occur during the manufacturing stage:

- Raw material (i.e. plasma) for production can be sourced from the CSL network. For example, plasma sourced in the US is provided to Germany and Switzerland, where the plasma is used to manufacture intermediate or finished goods.

- Intermediate product can be provided by one manufacturing facility to another for further processing. For example, our manufacturing site in the US provides intermediate product, typically a 'paste' to manufacturing operations in Germany, Switzerland and Australia, where it is converted into finished goods.
- Products can be manufactured by one CSL entity on behalf of another – this can occur where the product owner does not have sufficient manufacturing capacity; also managing supply risk.

The manufacturer is compensated with an arm's length return for the manufacturing services performed.

### Sale of Product

Finished goods are principally sold into local markets through subsidiary distributors. Where the distributor is not the manufacturer, the distributor purchases the finished product at an arm's length price from the product owner. CSL has distribution entities throughout the world.

### Financing

CSL has limited instances of inter-company loans. Arm's length interest rates are charged in respect of any intercompany loans.

### Management and Marketing Fees

A number of management, marketing, finance and administrative functions are performed by certain entities within the group that benefit other CSL entities worldwide. This is more efficient than if each country was to also perform the same function. The entity providing the service charges the recipient entities an arm's length fee.

### Note

*For the purposes of clarity for Australian tax transparency reporting, Australia engages with its related parties in each of the above categories.*

### CSL's material subsidiaries\*

Company	Country of Incorporation	%
CSL Limited	Australia	
<b>Subsidiaries of CSL Limited:</b>		
CSL Innovation Pty Ltd	Australia	100
CSL Behring (Australia) Pty Ltd	Australia	100
CSL Behring LLC	USA	100
CSL Plasma Inc	USA	100
CSL Behring GmbH	Germany	100
CSL Behring AG	Switzerland	100
CSL Behring Lengnau AG	Switzerland	100
CSLB Holdings Inc	USA	100
CSL Finance Plc	UK	100
CSL Finance Pty Ltd	Australia	100
CSL Behring Holdings Limited	UK	100
CSL Behring (Holdings) Pty Ltd	Australia	100
Seqirus UK Limited	UK	100
Seqirus Pty Ltd	Australia	100
Seqirus Vaccines Limited	UK	100
Seqirus USA Inc	USA	100
Seqirus Inc	USA	100
Vifor Pharma Participations Ltd	Switzerland	100
Vifor (International) Ltd	Switzerland	100
Vifor Fresenius Medical Care Renal Pharma Ltd	Switzerland	55

\* Extracted from Note 17 of the 2022/23 CSL Limited Annual Report.

## Overview of Activities in Key Jurisdictions

# Australia



**US\$1,019m**

External operating revenue

**US\$6m**

Profit

**US\$6m**

Income tax paid

**US\$29m**

Total tax paid

**US\$457m**

R&D expenditure

**2,916**

Number of employees

CSL is headquartered in Melbourne, Australia and listed on the Australian Securities Exchange. CSL is investing A\$2 billion plus of capital in Australia.

### CSL Behring

CSL Behring's biotherapies manufacturing site at Broadmeadows, Victoria, is a substantial part of the Australian business. CSL Behring is the national plasma fractionator for the Australian Government and manufactures a range of life saving plasma-derived therapies for the treatment of the Australian community.

The Australian manufacturing plant also provides plasma fractionation services to Hong Kong, Malaysia, New Zealand, and Taiwan.

In Broadmeadows, CSL also opened its US\$600-million Plasma Fractionation Facility in FY23. This facility will be able to process up to 9.2 million plasma equivalent litres per annum, a nine-fold increase on previous production capacity and supports end-to-end manufacturing of plasma-derived therapies.

### CSL Seqirus

Seqirus Australia manufactures egg based influenza vaccine and products of national significance to Australia at its Parkville facility, including antivenoms and Q fever vaccine. CSL Seqirus is also a leading provider of in-licensed vaccines and specialty pharmaceuticals and markets and distributes a range of vaccines and specialty pharmaceuticals in Australia.

Construction of a new US\$530+ million cell culture vaccine production facility in Tullamarine commenced in FY22 which will further enable supply of cell-based influenza vaccines to Australia and the rest of the world. The facility is expected to be operational in 2026.

### Research & Development

CSL's strong commitment to funding and conducting R&D in Australia is demonstrated by CSL's continued investment in Melbourne as an important R&D centre for the group. CSL is a significant contributor to driving innovation and jobs growth in the R&D sector in Australia.

CSL officially opened its new CSL Global Headquarters and Centre for R&D in Melbourne, Australia, in August 2023. This cutting-edge facility houses over 850 employees, with 9 levels of leading-edge, world-class laboratories 500 metres from the Bio21 Institute, where CSL's early stage research team has been based for over 10 years. CSL Melbourne also houses biotech incubator – Jumar Bioincubator – which is a third party incubator developed in partnership with WEHI and the University of Melbourne with initial investment from Breakthrough Victoria. Jumar Bioincubator is a space for external collaborators, innovators, and start-ups to translate their medical research.

Much of the R&D activity undertaken is eligible for the Australian government's R&D tax incentive, which was introduced to encourage investment and jobs growth in this sector. The R&D Tax Incentive provides tax offset benefits for eligible R&D expenditure up to a capped amount of A\$150 million.

CSL Australia owns and funds a significant proportion of new research projects, and incurs significant R&D expenditure that contribute to net losses in Australia. These R&D projects present significant opportunities for future profit generation if successful. The largest clinical trial ever undertaken by CSL (for CSL112) is in Phase III currently awaiting top line results. If successful, CSL112 will be the first therapy to demonstrate cardiovascular risk reduction and has the potential to transform how acute myocardial infarction patients at high risk of recurrent cardiovascular events are treated.

### Dividends

CSL Limited – as the parent entity of the CSL group, receives dividends from subsidiary entities. Dividends received from wholly owned subsidiaries are not subject to further taxation in Australia. The intra group dividends of US\$1 billion received have been excluded in deriving the net profit number above.

## Overview of Activities in Key Jurisdictions

# Switzerland



**US\$1,853m**  
External operating revenue

**US\$1,112m**  
Profit

**US\$25m**  
Income tax paid

**US\$27m**  
Total tax paid

**US\$342m**  
R&D expenditure

**2,595**  
Number of employees

### CSL Behring

CSL's operations in Switzerland primarily manufacture finished products, and is the owner of intravenous and subcutaneous immunoglobulin products PRIVIGEN® and HIZENTRA®. Immunoglobulins are used in the management of primary and secondary immunodeficiency diseases, neurology and oncology conditions. The Swiss entities sell the products to Swiss third parties, and sell to the CSL group distribution entities for on sale to third parties overseas.

In order to meet patient demand for product, CSL Switzerland's technology is used by other manufacturing entities in the CSL network to manufacture products. CSL's Swiss operations sell intermediate paste that is not required for its own manufacturing operations to other network companies for further manufacturing.

CSL's existing Swiss manufacturing facilities are based in Bern. The 'Protinus' state-of-the-art immunoglobulin production facility is now operational, with two additional manufacturing lines for immunoglobulin bulk manufacturing, space for a future sterile filling line, utility and logistics rooms, as well as new office workspaces and meeting rooms. This major capital program expands manufacturing capacity to deliver additional volumes of existing immunoglobulin products to patients globally and allow an additional 90,000 patients to live an improved quality of life.

CSL has a strategic partnership with Thermo Fisher Scientific Inc. for the long-term lease of the state of the art recombinant manufacturing facility in Lengnau. Thermo Fisher have assumed oversight and operation of the facility in Lengnau, and will manufacture and supply CSL Behring with IDELVION®, which will be produced in Lengnau.

### CSL Vifor

The acquisition of the Swiss listed group Vifor Pharma in August 2022 has enhanced CSL's product portfolio, complementing existing products and offering a wider range of treatments for conditions such as chronic kidney disease (CKD), anaemia and renal disorders. CSL Vifor Switzerland is the owner of various products in the Vifor portfolio. CSL Vifor Switzerland sell products to Swiss third parties as well as CSL Vifor distribution entities for on sale to third parties overseas. CSL Vifor are headquartered in Switzerland and operates manufacturing facilities in St. Gallen.

A number of the CSL Vifor entities in Switzerland have carry forward tax losses which are utilised to offset taxable profits.

### Research & Development

Our Swiss operations perform R&D activities such as product development and regulatory affairs, for the local business entity and for other companies in the CSL group. Our Swiss operations derive income from product related intellectual property that qualifies for the Swiss patent box regime, including PRIVIGEN® and HIZENTRA®. 'Patent box' is a generic term for concessional tax treatments available, on profits earned by entities who hold eligible intellectual property in that jurisdiction.

CSL's Swiss Institute for Translational and Entrepreneurial Medicine – known as sitem-insel – is based on the campus of the University of Bern hospital. CSL's Biologics Research Centre is situated at sitem-insel. CSL is the sole large biotechnology company on-site which conducts research and enters into meaningful collaborations with scientists from both the academic and start-up arenas. These collaborations will support the growth of our research pipeline and cutting edge therapeutics. CSL Vifor has research and development facilities in St Gallen and Zurich.

## Overview of Activities in Key Jurisdictions

# Germany



**US\$872m**

External operating revenue

**US\$617m**

Profit

**US\$159m**

Income tax paid

**US\$166m**

Total tax paid

**US\$49m**

R&D expenditure

**3,970**

Number of employees

### CSL Behring

CSL's German operations own and manufacture plasma based coagulation products used to manage bleeding in patients with bleeding disorders such as haemophilia, along with critical care products and a broad range of specialty products, such as HAEGARDA® and BERINERT®.

The German entity sells their products to third parties in Germany, and to the CSL group distribution entities for on sale to third parties overseas.

CSL's German operations purchase and sell plasma and intermediate product to and from other network companies, for use in manufacturing operations. The German business also manufactures product on behalf of other entities in the CSL network.

In March 2023, CSL opened the base fractionation facility at the company's Marburg site. This facility will enable CSL to better meet global demand for its specialty medicines, by leveraging best practice equipment and processes to further improve efficiency.

### CSL Plasma

CSL Plasma's EU headquarters are based in Marburg. CSL Plasma Germany collects, purchases and sells source plasma to CSL network companies for further processing into intermediate, semi-finished and finished products. CSL Plasma in Germany also has plasma testing and logistics capabilities.

### Research & Development

Our German R&D team is based at Marburg, and undertake R&D activities across the full spectrum of R&D functions, including research, product and clinical development and global regulatory affairs. The German based R&D team conduct activities in relation to German owned products and provide R&D services to other CSL companies.

Following three years of construction, CSL opened the new M600 centre which is a R&D campus located in Marburg, Germany. This site is home for up to 500 CSL R&D employees, combining all disciplines under one roof. The R&D campus is around 40,000 square metres, including 7,400 square metres of laboratory space, 10,300 square metres of working space, a state-of-the-art vivarium and 905 square metres of collaborative laboratory space.



## Overview of Activities in Key Jurisdictions

# United States



**US\$5,622m**

External operating revenue

**US\$1,004m**

Profit

**US\$190m**

Income tax paid

**US\$335m**

Total tax paid

**US\$360m**

R&D expenditure

**17,750**

Number of employees

### CSL Behring

CSL Behring's operational headquarters is located in King of Prussia, Pennsylvania, and manufacturing operations in Kankakee, Illinois. The Kankakee operation primarily manufactures intermediate products that are shipped worldwide to the CSL manufacturing network for further manufacture into final finished products. Finished products manufactured include albumin, which is used to treat blood volume loss as a result of trauma or surgery and Zemaira, which is used to treat hereditary emphysema. CSL Behring US also manufactures some products on behalf of other CSL companies where the IP owner has manufacturing capacity constraints.

### CSL Plasma

CSL operates one of the largest plasma collection networks in the world, through our subsidiary CSL Plasma. CSL Plasma is headquartered in Boca Raton, Florida, and is responsible for the efficient sourcing of plasma for use in the CSL Behring business for the manufacture of plasma protein therapies. There are now in excess of 300 plasma collection centres in the US.

Innovation with respect to plasma collection is of increasing importance and CSL Plasma has developed some of the most efficient processes and systems in the plasma industry.

### CSL Seqirus

CSL Seqirus has a state-of-the-art facility at Holly Springs, North Carolina, where cell-based technology is used for the production of FLUCELVAX® QUADRIVALENT influenza vaccine. With testing now based in Holly Springs, CSL Seqirus has been able to simplify and streamline the testing process to release FLUCELVAX® influenza vaccine into the US each season. Fill and finish capacity expansion for CSL Seqirus at our manufacturing facility in Holly Springs is now complete, providing CSL Seqirus with the ability to streamline production process more efficiently, and help better meet patient and public health needs. This site provides increased capacity for fill and finish manufacturing of both cell-based and adjuvanted influenza vaccines as well as retaining capacity for rapid ramp up of pandemic vaccine production.

### Sale of Product

The US market is a key market for CSL products, and CSL US entities act as distributors across all of CSL's product segments (CSL Behring, CSL Seqirus and CSL Vifor) in the US market.

### Research & Development

The US based R&D team has a strong focus on clinical development, gene therapy and product commercialisation. In FY23, the first ever gene therapy treatment option HEMGENIX®, used to treat adults with haemophilia B, was approved in the United States, Europe and the UK. This breakthrough therapy was commercialised and licensed by CSL from UniQure.

CSL has also entered into a collaboration agreement with sa-mRNA-focused Arcturus Therapeutics to develop and deliver next-generation mRNA vaccines. Our collaboration with Arcturus complements our long-term strategy in vaccines with benefits including faster clinical development with higher probability of success; application to additional pathogens including those with pandemic potential; access to an established manufacturing network; and access to lipid nanoparticles and a lipid library with application across vaccines.

CSL's new state-of-the-art R&D centre in Waltham, Massachusetts, in the United States, officially opened in March 2023 and will support CSL's growing R&D portfolio, including the next-generation of mRNA vaccine technology, for seasonal and pandemic influenza vaccines. The custom-built facility consists of approximately 13,000 square metres overall with 5,000 square metres of laboratory space – including the first biosafety level 3 laboratory (BSL-3) in Waltham – and the ability to house about 300 full-time employees.

CSL claims R&D and Orphan Drug credits for qualifying R&D work performed in the US.

# United Kingdom



**US\$723m**

External operating revenue

**US\$587m**

Profit

**US\$138m**

Income tax paid

**US\$141m**

Total tax paid

**US\$56m**

R&D expenditure

**1,045**

Number of employees

## CSL Behring

CSL Behring UK is a distributor of CSL products to third parties in the UK market. It does not have any manufacturing facilities in the UK, nor does it own any product technology.

## CSL Seqirus

CSL Seqirus was newly formed in 2015 when CSL acquired the influenza vaccine business of Novartis.

CSL's principal business in the UK is CSL Seqirus. CSL Seqirus has corporate hubs in Maidenhead, Berkshire and Liverpool that provide various central headquarter and shared services to CSL entities around the world.

CSL Seqirus UK own and manufacture the differentiated product FLUAD<sup>®</sup>, which is an adjuvanted product for the elderly market.

CSL Seqirus' Liverpool site is the largest vaccine manufacturing facility in the UK, and one of the largest in Europe. This site is able to produce over 50m doses of seasonal influenza vaccine each year, with the ability to increase production to 200m doses in the event of an influenza pandemic.

The Liverpool site manufactures and formulates bulk material for a range of influenza vaccines, and also produces MF59<sup>®</sup>, which is CSL Seqirus' novel immune-enhancing adjuvant used in the production of FLUAD<sup>®</sup>.

With high-speed fill and finish capabilities at the Liverpool site, this means that CSL Seqirus is able to provide start-to-finish onshore manufacturing in the UK.

The UK relies on CSL Seqirus for pandemic influenza preparedness. The government reserves pandemic vaccine doses from our state-of-the-art manufacturing facilities in the UK to protect the population in the event of an influenza pandemic. CSL Seqirus also supplies pre-pandemic vaccine stockpiles that could be deployed to first responders upon a declaration of an influenza pandemic.

## Research & Development

There are R&D facilities based at Liverpool. The focus of the UK R&D team is on the vaccines therapeutic area.

Developing new and better vaccines across all age groups in expanded markets is a strategic priority for CSL Seqirus. CSL Seqirus is focused on developing differentiated vaccines protecting against respiratory viruses, influenza and COVID-19 utilising innovative technologies, including further advancing our MF59<sup>®</sup> adjuvant. Through these technologies, CSL Seqirus aims to enhance the immune response of those particularly vulnerable to influenza and COVID-19, such as children and older adults. A key investigational product in the CSL Seqirus R&D portfolio includes a higher dose adjuvanted cell-based influenza vaccine (aQIVc) which combines FLUCELVAX<sup>®</sup> antigen with MF59<sup>®</sup> adjuvant. Adjuvants help to improve immune response and reduce the amount of antigen needed for each vaccine, enabling more doses to be manufactured more rapidly.

# Our Global Tax Profile

## Calculation of Tax Expense

The Global Effective Tax Rate represents the tax expense calculated in accordance with Australian Accounting Standards, and is included in CSL's annual report. This is calculated by dividing the income tax expense by the profit before tax. It reflects the amount of tax that arises on the year's activities.

### Consolidated Entity

Values Per CSL Limited 2023 Annual Report

	2023 US\$m
<b>Profit before income tax expense</b>	<b>2,663</b>
Income tax expense	(419)
<b>Net profit for the period</b>	<b>2,244</b>
Attributable to:	
– Shareholders of CSL Limited	2,194
– Non-controlling interests	50
<b>Global Effective Tax Rate</b>	<b>16%</b>

## Reconciliation of Accounting Profit to Tax Expense

The effective tax rate differs from the statutory tax rate of 30% due to differences in tax rates in the countries in which we operate, incentives such as R&D or any other country specific allowances and disallowance or limitation of certain deductions in some countries.

### Consolidated Entity

	2023 US\$m
<b>Profit before income tax</b>	<b>2,663</b>
<b>Income tax calculated at 30%</b>	<b>799</b>
Effects of different rates of tax on overseas income <sup>1</sup>	(282)
Research and development <sup>2</sup>	(74)
Under provision in prior year	(20)
Revaluation of deferred tax balances	23
Other (non-assessable)/non-deductible amounts <sup>3</sup>	(27)
<b>Income tax expense</b>	<b>419</b>

1 This arises due to the global nature of CSL's business. CSL pays tax in the jurisdiction where the income is earned. Some of the jurisdictions we operate in, such as the US, the UK and Switzerland have lower corporate income tax rates than Australia.

2 Governments around the world offer tax incentives to companies that spend money on qualifying research and development activity. This is in recognition of the value and importance of such expenditure. CSL claims tax incentives as a result of R&D activities in Switzerland, Australia and the US.

3 This includes non-assessable/non-deductible amounts such as foreign exchange movements.

## Australian Income Tax Expense

Australian Income Tax Expense is based on Australian Accounting Standards, and relates to profits earned by Australian entities in the CSL group. It reflects the amount of tax expense that arises on the year's activities.

	2023 US\$m
<b>Profit before income tax expense</b>	<b>1,263</b>
Less exempt dividend <sup>1</sup>	(1,257)
<b>Net profit for the period (after adjustment for tax exempt dividend)</b>	<b>6</b>
<b>Income tax calculated at 30%</b>	<b>2</b>
Research & Development	(6)
(Over)/under provision in prior year	(1)
Other (non-assessable)/non-deductible amounts <sup>2</sup>	(17)
<b>Australian Income tax expense</b>	<b>(22)</b>

1 Under Division 768A of the Income Tax Assessment Act 1997, foreign dividends received from subsidiaries are not subject to Australian income tax.

2 This includes expenses such as non-assessable or non-deductible foreign exchange movements.

## Calculation of Effective Cash Tax Rate

The Effective Cash Tax Rate represents the tax rate based on total income tax paid to tax authorities during the year. This will always differ from the Effective Tax Rate for the period, calculated for accounting purposes. This is due to a variety of factors, such as, cash tax paid in the year may relate to the profits from prior years or determined by reference to fixed instalment rates set by tax authorities. In some key jurisdictions, there may therefore be a significant time lag with respect to tax payments for a particular year. There are also differences in accounting and tax depreciation rates that impact the timing of tax payments, and other tax and accounting timing differences.

### Consolidated Entity

	2023 US\$m
Profit before income tax expense	2,663
Income taxes paid	563
Global Consolidated Entity Cash Tax Rate	21%

## Reconciliation of Tax Expense to Income Tax Payable in respect of Current Year Profits

	2023 US\$m
Tax Expense on profit before tax	419
Total net deferred tax movements affecting tax payable	237
Amounts charged to other comprehensive income	(17)
Amounts credited to equity	28
Income Tax Payable in Respect of Current Year Profits	667

## Taxes Paid

Country of Operation	Corporate Income Tax Paid US\$m	Employee Taxes Paid US\$m	Other US\$m	Total Taxes Paid US\$m
Australia	6	21	2	29
Switzerland	25	0	2	27
Germany	159	5	2	166
US	190	116	29	335
UK	138	3	0	141
RoW <sup>1</sup>	45			45
<b>Total</b>	<b>563</b>	<b>145</b>	<b>35</b>	<b>743</b>

<sup>1</sup> For materiality reasons, only corporate income tax has been disclosed for RoW.

## Other Taxes Collected and Remitted

Country of Operation	GST/VAT Collected US\$m	GST/VAT Paid but reclaimed US\$m	Employee Taxes Remitted US\$m	Other US\$m	Total Taxes Collected and Remitted US\$m
Australia	83	(72)	88		99
Switzerland	176	(405)	6		(223)
Germany	149	(540)	76		(315)
US			315	61	376
UK	141	(110)	36		67
<b>Total</b>	<b>549</b>	<b>(1,127)</b>	<b>521</b>	<b>61</b>	<b>4</b>



# Basis of Report Preparation

The purpose of this report is to provide an overview of the tax contribution made by CSL and provide further information in relation to CSL's tax governance process and tax profile.

The Australian component of the report, has been prepared in line with the Voluntary Tax Transparency Code. Publication of our approach to tax strategy and tax governance is regarded as satisfying Paragraph 16(2), Schedule 19, Finance Act 2016 (UK).

Financial data disclosed in this report includes amounts attributable to non-controlling interests. Non-controlling interests in the financial results and equity of subsidiaries are shown separately in CSL's consolidated statement of comprehensive income. Please refer to CSL's 2023 Annual Report Notes to the Financial Statements for further detail on the treatment of Non-Controlling Interests. <<https://www.csl.com/-/media/shared/documents/annual-report/csl-annual-report-2023.pdf>>

CSL Vifor was acquired in August 2022 and as a result the financial results shown represent the profit contribution from that date.

## Currency

Unless specifically noted otherwise, the data has been disclosed in US dollars.

Income Tax payments have been translated at the exchange rate at date of payment. The balance of tax payments have been translated at the average exchange rate for the year.

## External Operating Revenue

This represents revenue earned by CSL entities operating in each respective jurisdiction, and includes sales to third parties as well as any other third party operating revenue. It does not include revenue from sales by the product owner to the group distribution companies.

## R&D Expenditure

This represents the expenditure incurred in each country and does not include any impairments otherwise accounted for through R&D Expense for purposes of the annual report.

## Income Tax Paid

Income tax paid is calculated as the cash tax paid in the year 1 July 2022 – 30 June 2023. It is the amount of tax paid by the CSL companies in that country. It includes both payments made to the local Revenue Authority, and also any withholding taxes paid to foreign governments.

## Number of Employees

In relation to individual countries, this is calculated based on FTE's. Total global employees is based on employee headcount numbers, including part time employees (as per the annual report).

## Other Taxes

This includes items such as property taxes, pharmaceutical taxes, sales and use tax, carbon taxes etc.

## Profit

Profit is disclosed on a Country Level Basis across all CSL business segments. The profit disclosed is based on the local statutory profit before tax, excluding intercompany dividends.

