CSL

Driven by Our Promise

CSL Limited Annual Report 2022/23

Contents

CSL Calendar

2023

15 August	Annual results and final dividend announcement
11 September	Shares trade ex-dividend
12 September	Record date for final dividend
4 October	Final dividend paid
11 October	Annual General Meeting
31 December	Half Year ends

2024

14 February	Half Year results and interim dividend announcement
11 March	Shares trade ex-dividend
12 March	Record date for interim dividend
3 April	Interim dividend paid
30 June	Full Year ends
15 August	Annual profit and final dividend announcement
9 September	Shares trade ex-dividend
10 September	Record date for final dividend
2 October	Final dividend paid
9 October	Annual General Meeting
31 December	Half Year ends

Annual General Meeting

The 2023 Annual General Meeting (AGM) of CSL Limited (ABN 99 051 588 348) will be held on Wednesday, 11 October 2023 at 10am (Melbourne time) Clarendon Auditorium, Melbourne Convention and Exhibition Centre (MCEC), South Wharf, Melbourne 3000.

Find out more **CSL.com**

About this report

This Annual Report combines CSL's financial and non-financial performance in one comprehensive account, linking our sustainability and strategic priorities to our business results.

CSL conducts a detailed sustainability materiality assessment every two years, with our most recent assessment undertaken in early 2022. The prioritised results of our assessment are available within this report and on CSL.com. In addition, this year, we compared CSL's materiality assessment with that of Vifor Pharma, and while there were minor variations, an enterprise-wide assessment will be conducted in financial year 2024. In addition to an independent audit of our consolidated financial accounts, limited assurance on a selection of corporate responsibility (CR) metrics has been provided by Ernst & Young, and an assurance statement for non-financial indicators can be found on page 81. Further, more detailed Group and sustainability information, including CSL's materiality assessment, can be found on CSL.com (Sustainability).

CSL Limited ABN 99 051 588 348

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.

CSL has delivered biotechnology excellence for over a century. Today, with the combined expertise of CSL Behring, CSL Seqirus and CSL Vifor, CSL's offerings are more diverse than ever to help patients and people everywhere get the treatments they need.

Isabelle is an 8 year old girl from Melbourne, Australia who has received the CSL Seqirus Afluria Quad™ flu vaccine.

1 Chair and CEO message

Chair Message

Dear Fellow Shareholders,

I am pleased to share our results and operating review for the 2022/23 financial year. In the following pages you will see that CSL has once again performed strongly, with many operational highlights around the world.

A Purpose-Driven Company

To begin, I'd like to share my view on why our organisation exists. Your Board is grateful to have many long-term shareholders who have followed our story for decades. Our businesses, and certainly the science that underpins them, can be quite complex. Our purpose though is simple.

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. The great thing about our company is that in fulfilling this purpose, we create value for a variety of stakeholders.

First and above all else, our most important task is to contribute to a healthier and more productive society. We do this by saving lives and protecting public health.

Our second aim is financial growth – delivering consistent, profitable growth for our investors. It is our sustainable, financial growth that provides the fuel for more innovation and research. If done successfully, it is a great continuous loop: quality research leads to more research, which has the potential to create innovate therapies that benefits society. CSL has been able to demonstrate this over many years.

Our third objective is about creating social and economic opportunities and enabling people to benefit as we grow as an organisation, be it employees, suppliers, plasma donors or research partners.

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.

Leadership Transition

The role of the Board is to guide our company in navigating the complexities of the world to create value over the long run. One aspect of this is talent: monitoring the composition of the Board and management teams so that we have the right skills to lead our company.

During the year, Paul Perreault retired from his role of Chief Executive Officer (CEO) and Managing Director. The Board and I wish to acknowledge the remarkable leadership of Paul as CEO for 10 years. With Paul at the helm, CSL delivered sustainable growth and innovation with a patient-focused culture.

Following a thorough process conducted by the Board, Dr Paul McKenzie was appointed as CEO and Managing Director of CSL from 6 March 2023. Dr McKenzie's detailed work history can be found later in this report; he brings more than 30 years of leadership experience in the global biotechnology industry to CSL. He is a patient-focused leader with a demonstrated track record of leading complex organisations and delivering outstanding business results. This includes his time at CSL as the Chief Operating Officer, where he has been accountable for optimising CSL's operations as well as growing the CSL Seqirus, CSL Behring and CSL Vifor businesses.

Despite there being no changes to CSL's non-executive Board members this year, the composition of the Board is an ever-present priority. We aim to have the right skills and expertise to navigate our industry and the broader macro environment. We believe we have a strong and complementary dynamic that will continue our long record of exceptional governance.

Bruce Brook will retire as a Director at this year's Annual General Meeting. I'd like to thank Bruce for his service over the last 12 years. His guidance has been of immense value to the Board and our shareholders. Alison Watkins will become Chair of the Audit and Risk Management Committee following Bruce's retirement.

Our Evolving Footprint

As we grow and our operations become more complex, your Board continues to prioritise meeting our employees and spending time at our facilities around the world.

This year we visited our European operations, including our manufacturing plants and research and development facilities in Bern (Switzerland), St Gallen (Switzerland) and Marburg (Germany).

We also spent a very productive week with our Australian teams and inspected our Australian facilities. Underpinned by the confidence we have in the long-term prospects for our company, we have invested a significant amount of capital in our Australian operations over the past few years. This includes the recently completed Plasma Fractionation Facility in Broadmeadows, and our new US$530-million state-of-the-art cell-based vaccine manufacturing facility in Tullamarine, which will be operational in 2026. These investments will enhance our capacity to meet patient needs into the future.

We also officially moved into our new Global Headquarters and Centre for R&D in Melbourne in March. Located in the heart of the city's biomedical precinct, the building represents the progress CSL has made during its journey from a small, local company to the global biotech leader we are today. This is a significant milestone not just for CSL, but for Australia, and I look forward to the scientific and commercial developments that will no doubt come from collaboration in the precinct.

Environment and Sustainability

In August last year, we took the next step in our sustainability strategy by announcing CSL Group carbon emission reduction targets for the first time. The specific targets build on our previous work by serving as a tangible, transparent roadmap to decarbonising CSL's operations by reducing the company's direct and indirect emissions footprint. You can read more in the Environment section of this report, but I am pleased to see the progress we've already made.

In addition to reducing carbon emissions, CSL is prioritising integrating environmental considerations into key business decisions; minimising end-to-end production of waste through removal, reduction and recycling; and reducing waste in our supply chain. This year, our teams will also be focusing on advancing the social pillar of our sustainability strategy. We will continue to be transparent with our stakeholders, and will share more information as our efforts progress.

A Bright Future

I can assure you that CSL will remain true to the formula that has largely driven our success to date. There is so much potential to make a difference to people's lives – so many problems to solve and so much science to translate. CSL has been very deliberate about targeting areas where we know we can develop a competitive advantage. This will not change; we will remain dedicated to our strategy.

But this should not be seen as a conflict with our growth aspirations. The two goals are very much complementary: our strategy is built for sustained, long-term growth.

Our confidence about this is built around a few key factors. Firstly, the underlying demand for our products will remain robust. It is an unfortunate reality that patients will continue to be diagnosed with rare and serious diseases. We have a high-quality range of safe and effective products that help these patients, and will continue to do so well into the future.

Secondly, our research and development (R&D) pipeline is constantly maintained and evaluated. The nature of our business means we have to think decades ahead. We have certainly done this, and a number of key prospective treatments are nearing the commercialisation phase. Importantly, we also have key early-stage options to take their place.

And finally, as we grow we will benefit from the capital we have reinvested back into the business. Our global network is built for efficient, reliable supply that we aim to deliver with some of the best margins in the sector. We will continue to drive value across the organisation.

The Board and I believe that CSL is in a strong position and we look forward to sharing our progress with shareholders.

Brian McNamee AO
Chair

More on CSL.com (Investors > Financial Results and Information)

1 Chair and CEO Message

CEO Message

Dear Shareholders,

I am honoured to be writing to you as Chief Executive Officer and Managing Director of CSL, a role in which I began in March 2023.

Since joining CSL as Chief Operating Officer, I have been accountable for optimising CSL's operations as well as growing the CSL Seqirus, CSL Behring and CSL Vifor businesses. Along with the current management team, I have been intimately involved in developing CSL's 2030 Strategy – from development to execution. My predecessor Paul Perreault was an exceptional leader and oversaw a decade of great success for CSL. I have inherited a highly motivated, values-based team with a relentless focus on continuing our purpose-driven journey of sustainable and profitable growth.

Building on Success

At CSL, given the essential nature of our work, the iconic history of our company, and the world-class quality of our team, I am truly humbled and, at the same time, extremely excited to be your CEO.

For more than a century, we have been driven by our promise to patients. This has distinguished CSL, defining our strong position as one of the world's leading biotech companies. Our purpose, values, and promise remain steadfast and even more relevant in today's complex, and evolving world.

The formula that has enabled CSL to deliver value for a variety of stakeholders throughout our history is proven. On page 23 you can read about 2030 Strategy. CSL will continue to follow this strategy under my leadership, but as I look forward over the medium term, I see the following five priorities:

1. Leverage our scale and execute on our commercial portfolios and innovation agendas.
2. Evolve and differentiate our vaccine platform.
3. Unlock the value and growth within CSL Vifor.
4. Drive further improvement in CSL Behring margins.
5. Be an employer of choice and a strategic partner of choice.

Playing to Our Strengths

I believe CSL is uniquely equipped to contribute in the next era of innovation and to make a lasting impact on communities around the world. CSL's many strengths position us well for the future, as shown in the following examples.

- We deliver innovative life-saving medicines in over 100 countries.
- Every day, more than 342 plasma collection centres enhance donor experiences and provide our critical raw material to save lives.
- Our R&D pipeline has never been more robust or more promising.
- Productivity and efficiency remain hallmarks and competitive advantages for CSL. Our network strategy is robust, and we are bringing on new capacity and capabilities around the globe.

The Board of Directors and management team are aligned in our focus. We understand our strengths and are guided by our 2030 Strategy, which defines the guardrails for accelerating sustainable and profitable growth.

We unashamedly operate with long-term success in mind. This involves making smart, bold choices today that seek to benefit people and patients well into the future. This year, several important capital investments were completed. As I visited our sites around the world, I was impressed to see these, and the teams responsible for their success, firsthand.

In August, we successfully closed the acquisition of CSL Vifor. The integration into the CSL group is well advanced and I want to recognise all the hard work that has gone into this so far. While we have only owned CSL Vifor for a short time we're excited by the opportunity to grow the iron franchise, to drive new indications, expand into new geographies and improve access.

In Broadmeadows, Victoria, we opened our US$600-million Plasma Fractionation Facility. This is the largest of its kind in the Southern Hemisphere, and allows us to process up to 9.2 million plasma equivalent litres per annum, a nine-fold increase on the previous capacity. In March, we opened its sister facility in Marburg, Germany. Featuring identical equipment and processes, we aim to leverage best practice to further improve the efficiency of our network strategy.

Also in Marburg, after three years of construction, we opened our new US$160-million R&D site. Covering around 40,000 square metres, the M600 centre provides space for up to 500 R&D employees, making it CSL's largest R&D hub worldwide and combining all disciplines under one roof. In March, we opened the company's new state-of-the-art vaccine R&D centre near Boston, Massachusetts, United States. At this site, we will aim to accelerate the development of next-generation mRNA technology for vaccines and collaborate with local partners within this world class research ecosystem.

Innovation Agenda

These new facilities are intended to underpin the next phase of innovation for CSL. But this doesn't happen without our people who spend their days investigating new ways to serve patients and public health. R&D, coupled with relentless and disruptive innovation across all parts of the business, has been vital to our success. CSL will continue to build a full and innovative pipeline that has the potential to make a meaningful difference to the lives of patients and to public health.

A key part of CSL's innovation agenda is forming strategic partnerships with others. This includes partnering with Arcturus Therapeutics to develop and deliver next-generation mRNA vaccines, and with UniQure on gene therapy.

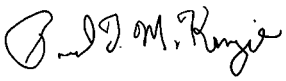
At times, this means disrupting ourselves. In 2016, we launched IDELVION®, a recombinant factor IX albumin fusion protein, and it quickly became the standard of care for thousands of patients suffering from haemophilia B.

However, we did not stop innovating. Haemophilia B is caused by a gene mutation, so we partnered with UniQure to commercialise the world's first gene therapy for adults with haemophilia B, called HEMGENIX®. This year we received approval for HEMGENIX® in the United States, Europe and the UK. While there may be some patients who decide to switch from IDELVION® to HEMGENIX®, we recognise that we need to disrupt ourselves so we can make more breakthrough therapies available to those who can benefit.

We must take innovation of all shapes and sizes and move it to commercial reality. This is a strategic imperative for us, and can generate speed, efficiency and value.

Outlook

I remain optimistic about the prospects of CSL. CSL is well placed in markets where we operate. We have a strong financial base, and we have the right leaders to guide our next phase of growth. I can assure you that our people are committed to our purpose and the great vision we share for our company.



Paul McKenzie
CEO and Managing Director

CSL's Values

CSL's strong commitment to its values has guided us for many decades. Our Values are fundamental to our success – helping us to save lives, protect the health of people and earn our reputation as a trusted and reliable global leader. They are at the core of how our employees interact with each other, make decisions and solve problems.

PATIENT FOCUS

MAKE PEOPLE AND PATIENTS YOUR PASSION

INNOVATION

REACH FOR THE UNREACHABLE

COLLABORATION

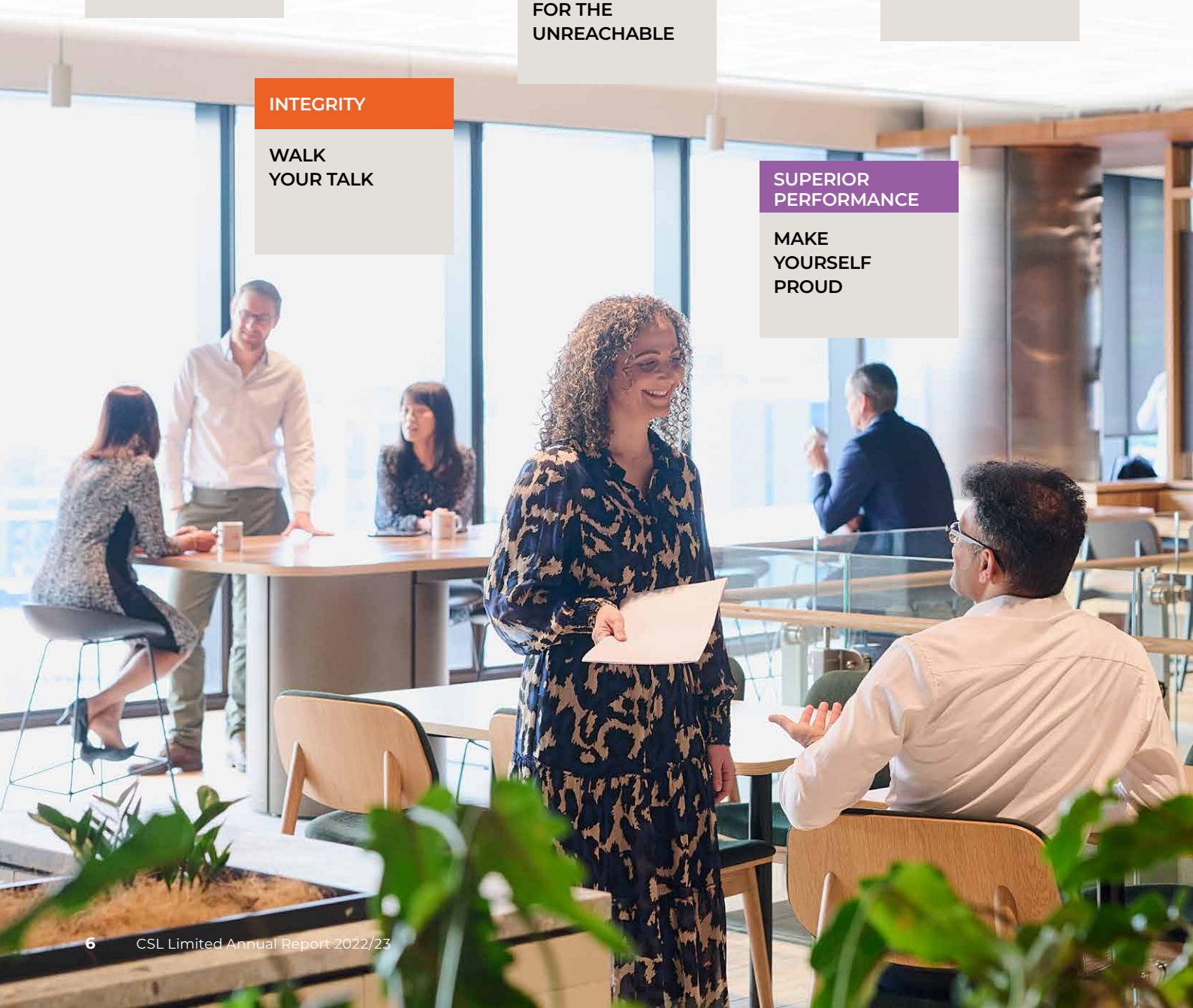
ADVENTURE TOGETHER

INTEGRITY

WALK YOUR TALK

SUPERIOR PERFORMANCE

MAKE YOURSELF PROUD



Patient focus

Matthias's story

Matthias works for CSL Vifor and is a packaging team leader based in St Gallen, Switzerland.

He has been employed since 2016 and enjoys the sense of purpose that comes from working for a company that thinks about the future for both patients and employees. Matthias likes the atmosphere in the packaging team and the fact that each day brings something new. He also feels his opinions and ideas are valued when new challenges confront his team.

2 Our Company

CSL at a glance

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

Our 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 R&D Pipeline

CSL's world-class R&D organisation continues to advance as a biotechnology leader by delivering high-quality science and technologies developed by our own high-calibre scientists and innovative collaborations. CSL R&D uses its expertise in CSL's strategic platforms – plasma protein technology; recombinant protein technology; cell and gene therapy; and vaccines technology. This means CSL can develop and deliver innovative medicines and vaccines that address unmet medical needs, help prevent infectious disease and protect public health, and help people lead full lives.

CSL's strong R&D pipeline includes potential new treatments that use these platforms and align with its leading-edge scientific expertise and commercial capabilities across CSL's six therapeutic areas: immunology; haematology; cardiovascular and metabolic; respiratory; transplant; and vaccines. The addition of CSL Vifor allows the R&D team to build on a heritage and expertise in iron deficiency therapy and grow CSL's presence in nephrology, with a focus on dialysis and rare disease.

In 2022/23 CSL invested US$1.2 billion* in R&D across its three businesses. Looking towards 2030, R&D continues to strive to deliver on the current portfolio of prospective medicines and vaccines and build a full and innovative pipeline that has the potential to make a meaningful difference to the lives of patients and to public health. This pipeline is intended and expected to contribute new revenue streams well into future decades.

* Limited assurance by Ernst & Young

Global Research and Development Pipeline 2022/23

Immunology

	Clinical	Registration	Post-Launch
HAEGARDA®/BERINERT® (C1 Esterase Inhibitor SC & IV) Hereditary Angioedema			
HIZENTRA® (20% subcutaneous Ig) Multiple Indications			
PRIVIGEN® (10% intravenous Ig) Multiple Indications			
Garadacimab (Anti-FXIIa mAb) Hereditary Angioedema			
HIZENTRA® (20% subcutaneous Ig) Dermatomyositis			
HIZENTRA® (20% subcutaneous Ig) Systemic Sclerosis			
Anumigilumab (Anti-G-CSFR mAb) Hidradenitis Suppurativa			
CSL730 (Recombinant Trivalent Human IgG1 Fc Multimer) Multiple Indications*†			

Haematology

	Clinical	Registration	Post-Launch
AFSTYLA® (Recombinant FVIII) Haemophilia A			
IDELVION® (Recombinant FIX-FP) Haemophilia B			
HEMGENIX® (Recombinant adeno-associated viral vector with codon-optimized Padua derivative of Human FIX cDNA) Haemophilia B*			
KCENTRA® (Prothrombin Complex Concentrate) Trauma			
VAMIFEPORT® (Ferroportin inhibitor) Sickle Cell Disease			
CSL301 (α2 Anti-Plasmin mAb) Sub-acute Pulmonary Embolism*			
CSL889 (Hemopexin) Sickle Cell Disease			

Respiratory

	Clinical	Registration	Post-Launch
ZEMAIRA®/RESPREEZA® (Alpha 1 Antitrypsin) AAT Deficiency			
Garadacimab (Anti-FXIIa mAb) Interstitial Lung Disease/Idiopathic Pulmonary Fibrosis			
Trabikibart (Anti-Beta Common mAb) Asthma			
CSL787 (Nebulised Ig) Non-Cystic Fibrosis Bronchiectasis			

Cardiovascular and Metabolic

	Clinical	Registration	Post-Launch
CSL112 Apolipoprotein A-I (human) Acute Myocardial Infarction			
Clazakizumab (Anti-IL-6 mAb) End Stage Kidney Disease			

Transplant

	Clinical	Registration	Post-Launch
Clazakizumab (Anti-IL-6 mAb) Chronic Active Antibody-Mediated Rejection			
CSL964 (Alpha 1 Antitrypsin) Prevention of Acute Graft-versus-Host Disease			
CSL964 (Alpha 1 Antitrypsin) Treatment of Acute Graft-versus-Host Disease*			

Vaccines

	Clinical	Registration	Post-Launch
AUDENZ™ (Adjuvanted Cell-based Pandemic Vaccine) Influenza A (H5N1)			
FLUAD® (Adjuvanted Trivalent Vaccine) Influenza			
FLUAD® (Adjuvanted Quadrivalent Vaccine) Influenza			
FLUCELVAX® (Quadrivalent Cell-based Vaccine) Influenza			
FOCLIVIA®/AFLUNOV® (Adjuvanted Egg-based Pandemic Vaccine) Influenza A (H5N1)			
ARCT-154 (COVID-19 Vaccine)*			
Adjuvanted Quadrivalent Cell Culture Vaccine Influenza (aQIVc)			

CSL Vifor

	Clinical	Registration	Post-Launch
FERINJECT® (Ferric carboxymaltose) Iron Deficiency			
KORSUVA®/KAPRUVIA® (Kappa Opioid Receptor Agonist) Chronic Kidney Disease-associated Pruritus[1]			
RAYALDEE® (Oral ext. release Calcifediol) Secondary Hyperparathyroidism[2]			
TAVNEOS® (Oral C5a Receptor Inhibitor) Anti-Neutrophil Cytoplasmic Antibody (ANCA)-Associated Vasculitis[3]			
VELPHORO® (Sucroferric Oxyhydroxide) Serum Phosphorous control in Chronic Kidney Disease			
VELTASSA® (Oral Potassium Binder) Hyperkalemia			
INJECTAFER® (Ferric carboxymaltose) Heart Failure in Iron Deficiency			
Sparsentan (Dual ET_A & AT_1 antagonist) IgA Nephropathy[4]			
Sparsentan (Dual ET_A & AT_1 antagonist) Focal Segmental Glomerulosclerosis[4]			
SNF472 (Vascular Calcification Inhibitor) Calcific Uraemic Arteriolopathy in End Stage Kidney Disease†			
SNF472 (Vascular Calcification Inhibitor) Peripheral Artery Disease in End Stage Kidney Disease			
INS-3001 (Calcification Inhibitor) Peripheral Artery Disease, Aortic Valve Stenosis			

Outlicensed Programs

	Clinical	Registration	Post-Launch
Eblasakimab (Anti-IL-13R mAb) Atopic Dermatitis			
Mavrilimumab (Anti-GM-CSFR mAb) Giant Cell Arteritis, Rheumatoid Arthritis[5]			
LASN01 (Anti-IL-11 mAb) Idiopathic Pulmonary Fibrosis, Thyroid Eye Disease			

*Partnered Project. †Project discontinued.

1. KORSUVA®/KAPRUVIA® is a registered trademark of Cara Therapeutics, Inc.; 2. RAYALDEE® is a registered trademark of OPKO Health, Inc.; 3. TAVNEOS® is a registered trademark of ChemoCentryx Inc.; 4. Sparsentan is licensed from Travere Therapeutics, Inc.; 5. Mavrilimumab Phase II studies in GCA & RA complete. Kiniksa evaluating development in rare cardiovascular diseases. CSL's pipeline also includes Life Cycle Management projects that address regulatory post-marketing commitments, pathogen safety, capacity expansions, yield improvements, and new packages and sizes.

CSL's Product Portfolio and Therapeutic Areas

Therapeutic Areas	Immunology	Haematology	Respiratory	Cardiovascular and metabolic	Transplant	Vaccines
Platform	**Plasma Protein Technology**	**Recombinant Technology**	**Cell and Gene Therapy**			**Adjuvant** **Cell-based** **Egg-based** **mRNA**

CSL Behring

CSL Behring discovers, develops and delivers the broadest range of products in the industry for treating rare and serious diseases such as haemophilia, von Willebrand disease (vWD), primary and secondary immune deficiencies (PID/SID), chronic inflammatory demyelinating polyneuropathy (CIDP), hereditary angioedema (HAE) and inherited respiratory disease. CSL Behring's products are also used in cardiac surgery, for burns treatment and for urgent warfarin reversal. We strive to meet patients' needs using the latest recombinant and plasma-derived technologies as well as gene therapy approaches.

Immunology

CSL's world leading immunoglobulin franchise is the cornerstone of the immunology therapeutic area and is focused on developing and delivering trusted products and technologies to serve patients with a range of serious immunologic and neurologic diseases, including primary and secondary immunodeficiencies (PID/SID), chronic inflammatory demyelinating polyneuropathy (CIDP) and hereditary angioedema (HAE). Key CSL Behring products on the market include PRIVIGEN®, HIZENTRA®, BERINERT®, HAEGARDA® and a range of hyperimmunes.

Building on CSL's long history of providing patients with immunoglobulin products, it continues to optimise the patient experience by developing more convenient and flexible ways to dose and administer existing immunoglobulin products. Key recombinant assets are also progressing in early development to treat underserved immune-mediated diseases. CSL continues to build on its strong 40-year legacy in HAE, working to expand on current medicines to provide optimal treatments for the full range of HAE patients. Garadacimab, CSL's first-in-class monoclonal antibody targeting activated Factor XII (FXIIa), is being developed as a prospective long-term prophylactic treatment for patients with HAE.

Haematology

CSL remains focused on easing the burden of disease and improving the lives of patients with rare bleeding disorders. Major advances have been made in haemophilia A and B in recent years with the launch of novel recombinant coagulation factor medicines and through the acquisition of exclusive global licence rights to commercialise HEMGENIX® (etranacogene dezaparvovec), an AAV5 (adeno-associated virus) gene therapy for the treatment of haemophilia B, which has been approved in the United States, Europe and the UK. Other key CSL Behring products on the market include IDELVION®, AFSTYLA®, HUMATE P®/HAEMATE®, BERIPLEX®/KCENTRA®, RIASTAP®/HEMOCOMPLETTAN®, VONCENTO®/BIOSTATE® and albumin.

Additionally, exciting R&D efforts are underway to explore new indications in benign haematology as well as novel therapeutics in haemostasis and thrombosis. This includes initiating an important global Phase III study to evaluate the early administration of KCENTRA® (4-factor prothrombin complex concentrate) on survival in trauma patients suffering life-threatening bleeding, and a Phase II study under a licensing agreement with Translational Sciences using CSL301 (α2 anti-plasmin), a first-in-class, chimeric monoclonal antibody as thrombolytic treatment in adults with acute sub-massive pulmonary embolism.

Respiratory

Respiratory diseases impose an enormous burden on patients and society and are a leading cause of death and disability worldwide.

In addition to CSL's existing product, ZEMAIRA®/RESPREEZA® for patients with alpha-1 antitrypsin deficiency, CSL is investigating potential new clinical treatments for respiratory diseases using novel recombinant monoclonal antibodies and plasma-derived therapies to address this need. Trabikibart, an anti-beta common monoclonal antibody, is being investigated for the treatment of severe uncontrolled asthma and severe chronic obstructive pulmonary disease (COPD). In idiopathic pulmonary fibrosis (IPF), a severe debilitating disease, a clinical development program has started with garadacimab, the first of CSL's compounds being explored in this disease area. CSL787, a plasma-derived, inhaled immunoglobulin is being investigated for patients with bronchiectasis.

Cardiovascular and metabolic

CSL is focused on improving and extending the lives of patients with cardiovascular and metabolic diseases. Many patients with cardiovascular disease also have some degree of renal impairment and CSL recognises the critical need to address the unique challenges faced by this patient population.

CSL112, apolipoprotein A-I (human), is being developed to reduce the risk of recurrent cardiovascular events during the 90-day high-risk period following a heart attack, the period when the majority of first-year recurrent cardiovascular events occur. If successful, CSL112 will be the first therapy to demonstrate cardiovascular risk reduction through the novel apoA-I mechanism and has the potential to transform how acute myocardial infarction patients at high risk of recurrent cardiovascular events are treated. In addition, clazakizumab, first-in-class anti-interleukin-6 (anti-IL-6) monoclonal antibody is being developed for the reduction of major adverse cardiovascular events (MACE) in End Stage Kidney Disease (ESKD) dialysis patients.

Transplant

While advances in transplantation techniques and therapies have markedly improved short-term patient survival, transplant rejection remains one of the greatest limitations to long-term graft and patient survival for both solid organ and haematopoietic stem cell transplant recipients. CSL is focused on developing therapies to address transplant rejection and while current solid organ focus lies in kidney transplants, this vision encompasses a broader scope to help treat patients undergoing various solid organ transplantations.

In kidney transplant recipients, antibody-mediated rejection (AMR) is a leading cause of allograft loss, and there is significant unmet need for effective treatments. Clazakizumab, our anti-IL-6 monoclonal antibody, is currently being investigated in a Phase III clinical trial (IMAGINE) for the potential treatment of chronic active antibody-mediated rejection. In haematopoietic stem cell transplantation, acute graft-versus-host disease (GvHD) is a life-threatening type of rejection where the donor cells attack the recipient; it is a leading cause of mortality and morbidity following transplant. There is a significant unmet need for more effective, less toxic therapies for GvHD. We are investigating alpha-1 antitrypsin (AAT, ZEMAIRA®) for the prevention and treatment of acute GvHD in two Phase III studies.

CSL Seqirus

CSL Seqirus' broad range of influenza vaccines addresses the needs of different populations around the world. In Australia and New Zealand, CSL Seqirus is also a leading provider of in-licensed vaccines and specialty pharmaceuticals. It is also the world's only supplier of a unique range of products of national significance for the Australian Government, including Q fever vaccine and antivenoms for venomous creatures in Australia and other Pacific countries.

Vaccines

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 cell-based manufacturing technology, our MF59® adjuvant, and developing the next-generation messenger RNA (mRNA) platform, targeting seasonal and pandemic potential viruses.

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. The portfolio includes a number of key investigational products, including a higher dose adjuvanted cell-based influenza vaccine (aQIVc), multiple monovalent and quadrivalent influenza candidates using the sa-mRNA technology and a COVID-19 seasonal booster. In addition, our collaboration with sa-mRNA-focused Arcturus Therapeutics 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. Key CSL Seqirus influenza vaccines on the market include AGRIPPAL®, AFLURIA®, FLUAD®, and FLUCELVAX® for seasonal use, and AFLUNOV® for zoonotic use.

As a trusted partner to more than 30 countries throughout the world, CSL Seqirus is the leader in preparedness for pandemic influenza, and is constantly working to expand its offerings to new countries and to address emerging pandemic threats. Key approved CSL Seqirus pandemic vaccines include PANVAX®, FOCLIVIA® and AUDENZ®.

In-licensed vaccines and pharmaceuticals

Key CSL Seqirus in-licensed products on the market in Australia and New Zealand include CATIONORM®, GARDASIL-9®, IKERVIS®, PALEXIA®, REAGILA®, RYALTRIS®, XADAGO® and ZOSTAVAX®.

CSL Vifor

Iron deficiency and nephrological disorders pose significant unmet medical needs globally. The CSL Vifor portfolio provides a strong and rapidly growing presence in nephrology, particularly in patients requiring dialysis. CSL Vifor is committed to launching the next generation of therapies as it endeavours to truly address the full spectrum of kidney disease, with a focus on dialysis and rare disease. This is supported by a founding heritage and expertise in iron deficiency therapy, helping to support a broad range of patients.

The acquisition of 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. Key CSL Vifor products on the market include TAVNEOS®, KORSUVA®/KAPRUVIA®, MIRCERA®, RETACRIT®, VELTASSA®, RAYALDEE®, VELPHORO® and our iron products FERINJECT®/INJECTAFER®, VENOFER® and MALTOFER®.

With the combination of resources, research capabilities, scientific insights and CSL's patient-centred approach, CSL can develop innovative therapies, accelerate the development of novel treatments, improve patient outcomes, and contribute to advancements in these specialised fields. This expanded portfolio positions CSL to address a wider range of unmet needs in patients with iron and nephrological disorders and should support a more comprehensive range of options for patients with improved access to effective treatments leading to better disease management, enhanced quality of life and improved patient care overall.

In June, we initiated further activities to progress the integration of the CSL Vifor R&D teams and programs into the overall CSL R&D organisation and processes. This includes incorporating them into our Therapeutic Areas and Project Operating Model, as well as aligning them with our R&D governance framework. More information about the CSL Vifor R&D integration will be communicated at our annual R&D update to the market.

New products to market

CSL continues to broaden the geography and use of its medicines for rare and specialty diseases across the globe within the immunology and haematology therapeutic areas as well as in nephrology and iron deficiencies, and the use of vaccines to help prevent infectious disease and protect public health.

Within the immunology portfolio, regulatory indication expansion and new registrations are primarily focused on subcutaneous immunoglobulin, HIZENTRA®, and our human C1-esterase inhibitor, BERINERT®, each with four new registrations including, importantly, BERINERT® S.C. Injection 2000 in Japan for the treatment of HAE. The new HIZENTRA® registrations supported indications for primary immunodeficiency (PID), a chronic disorder in which part of the body's immune system is missing or malfunctioning, and chronic inflammatory demyelinating polyneuropathy (CIDP), a chronically progressive, rare autoimmune disorder that affects the peripheral nerves and may cause permanent nerve damage. With CIDP, the myelin sheath, or the protective covering of the nerves, is damaged, which may result in numbness or tingling, muscle weakness, fatigue and other symptoms, which worsen over time. Additionally, indication expansion was approved for HIZENTRA® for secondary immunodeficiency (SID) in two countries. SID is similar to primary immunodeficiency (PID); however, SID occurs when the immune system is compromised as a result of disease or due to an environmental factor (e.g., chemotherapy, disease complication).

In CSL's haematology therapeutic area, there is continued focus on the expansion of the current portfolio as well as the first registrations of HEMGENIX®, etranacogene dezaparvovec, a one-time gene therapy for the treatment of adults with haemophilia B. Five new registrations were achieved for our recombinant factor VIII product, AFSTYLA®, which is used to control and prevent bleeding episodes in people with haemophilia A. Four new registrations were achieved for our human coagulation factor VIII/vWF, HAEMATE® and seven for human albumin. One new registration was achieved for BERIPLEX®, our human prothrombin complex concentrate and one for BERIPLAST® P, our combined human fibrinogen, factor XIII and bovine aprotinin product. Four new registrations were achieved for HAEMOCOMPLETTAN® P, our human fibrinogen concentrate. Three new registrations and expansions were achieved for IDELVION®, our recombinant factor IX albumin fusion protein (rFIX-FP) which is used to control and prevent bleeding episodes in people with haemophilia B.

For our CSL Seqirus business, FLUAD® QUADRIVALENT, our adjuvanted influenza vaccine, was authorised for persons 65 years and older in Taiwan, Brazil and South Korea.

For CSL Vifor, there were seven new registrations for KORSUVA® (difelikefalin), for the treatment of moderate-to-severe pruritus associated with chronic kidney disease in adult patients on haemodialysis. Four new registrations were achieved for TAVNEOS® (avacopan) to treat adults with severe active anti-neutrophil cytoplasmic autoantibody (ANCA)-associated vasculitis. For VELPHORO®, there were two new registrations for the control of serum phosphorus levels in adults with chronic kidney disease on haemodialysis or peritoneal dialysis. There was one new registration for VELTASSA® (patiromer sorbitex calcium) for the treatment of high blood potassium. There was one new registration, and two label expansions for FERINJECT® (ferric carboxymaltose) and one indication expansion for INJECTAFER®, ferric carboxymaltose injection, for the treatment of iron deficiency in patients with heart failure.

Product Registrations and Indications 2022/23*

Immunology Focus and deliver enhanced patient convenience, plasma yield improvements, expanded labels and indications, new formulation science and recombinant therapies for underserved immune-mediated conditions

Product	Type	Country/Region
BERINERT® C1-Esterase Inhibitor (Human) Intravenous or Subcutaneous[1]	**NR**	Japan (2000 IU); Qatar & United Arab Emirates (500, 2000, 3000 IU); Argentina (2000, 3000 IU)
HIZENTRA® Immune Globulin Subcutaneous (Human) 20% Liquid	**NR**	Saudi Arabia, Qatar, United Arab Emirates, Oman
HIZENTRA® Immune Globulin Subcutaneous (Human) 20% Liquid	**NI**	Switzerland, Russia (SID)

Haematology Maximise the value and performance of our new and existing therapies and discover and develop new innovative therapies in benign (non-malignant) haematology

AFSTYLA® Coagulation Factor VIII (Recombinant)	**NR**	Turkey (500, 1000, 2000 IU); Kuwait & Oman (250, 500, 1000, 2000, 3000 IU); Chile (250, 500, 1000, 1500, 2000, 3000 IU); Brunei (250, 500 IU)
Albumin (human) 20% Behring, low salt	**NR**	Qatar, United Arab Emirates, Morocco
ALBURX® Human Albumin	**NR**	Costa Rica, El Salvador, Guatemala, Trinidad and Tobago
BERIPLAST® P Combi-Set Human thrombin, Aprotinin, Human Fibrinogen, Calcium chloride	**NR**	Singapore
BERIPLEX® Prothrombin Complex (Human)	**NR**	Trinidad and Tobago
HAEMATE® Coagulation Factor VIII/vWF (Human)	**NR**	Saudi Arabia (250, 500 IU); United Arab Emirates, Bulgaria & Algeria (250, 500, 1000 IU)
HAEMOCOMPLETTAN® P Fibrinogen Concentrate (Human)	**NR**	United Arab Emirates, Malaysia, Morocco, Oman
HEMGENIX® Etranacogene dezaparvovec	**NR**	United States, European Union, Great Britain
IDELVION® Coagulation Factor IX (Recombinant) Albumin Fusion Protein	**NR**	New Zealand (3500 IU), Turkey (250, 500, 1000, 2000 IU); Kuwait (250, 500, 1000, 2000, 3000 IU)
IDELVION® Coagulation Factor IX (Recombinant) Albumin Fusion Protein	**NI**	European Union, Great Britain & Switzerland (PUP); South Korea (21d dosing)

Vaccines Develop products for the prevention of infectious diseases

FLUAD® QUADRIVALENT[2] Influenza Vaccine, Adjuvanted (surface antigen, inactivated)	**NR**	Taiwan, Brazil, South Korea (for the prevention of influenza in persons aged 65 yrs and older)

CSL Vifor Focus and deliver products for the treatment of iron deficiency, dialysis, nephrology & rare disease

FERINJECT® Ferric carboxymaltose	**NR**	China
FERINJECT® Ferric carboxymaltose	**NI**	European Union, Great Britain (for the treatment of iron deficiency in patients aged 1-13 years)
INJECTAFER® Ferric carboxymaltose	**NI**	United States (for the treatment of iron deficiency in patients with heart failure)
KORSUVA® Difelikefalin[3,4]	**NR**	Switzerland, Canada, Australia, Singapore, United Arab Emirates, Kuwait, Israel
TAVNEOS® Avacopan[5]	**NR**	Australia, Switzerland, United Arab Emirates, Kuwait
VELPHORO® Sucroferric oxyhydroxide	**NR**	China, Thailand
VELTASSA® Patiromer sorbitex calcium	**NR**	Russia

* First-time registrations or registered indications for CSL products in the listed countries/regions over the reporting period.
1 In some markets, subcutaneous version of C1-esterase inhibitor is marketed as HAEGARDA®.
2 In some markets, FLUAD® QUADRIVALENT is marketed as FLUAD® QUAD and FLUAD® TETRA.
3 In some markets, KORSUVA® is marketed as KAPRUVIA®.
4 KORSUVA®/KAPRUVIA® is a registered trademark of Cara Therapeutics, Inc.
5 TAVNEOS® is a registered trademark of ChemoCentryx, Inc.
IU = International Unit, **NI** = New Indication, **NR** = New Registration, **PUP** = Previously Untreated Patients, **SID** = Secondary Immunodeficiency.

Our operating review

CSL Behring

Total revenue was US$9,290 million, up 12%[1] when compared to the prior comparable period.

Immunoglobulin (Ig) product sales of US$4,675 million, increased 21%[1] with strong growth recorded across all geographies as global supply recovered strongly.

PRIVIGEN® (Immune Globulin Intravenous (Human), 10% Liquid) sales delivered strong growth of 29%[1] as demand continues to recover from the pandemic with patient diagnosis and new patient starts steadily increasing.

HIZENTRA® (Immune Globulin Subcutaneous (Human), 20% Liquid) sales were up 12%[1] as patient diagnosis rates continue to improve and new patients emerge.

Underlying demand for Ig continues to be strong due to significant patient needs in core indications – namely Primary Immune Deficiency, Secondary Immune Deficiency and Chronic Inflammatory Demyelinating Polyneuropathy (CIDP).

Albumin sales of US$1,109 million, were up 11%[1]. Sales in China were up strongly as COVID restrictions eased. Solid growth was also recorded in the United States and Europe as supply improved.

Haemophilia product sales of US$1,193 million increased 8%[1].

IDELVION®, CSL Behring's novel long-acting recombinant factor IX product, achieved strong growth of 13%[1] as patient interactions with health care providers increased post COVID.

HEMGENIX®, the first and only gene therapy for haemophilia B was successfully launched in the United States.

The haemophilia A market continued to be competitive resulting in a modest increase in sales for AFSTYLA®, a novel recombinant factor VIII product, and a decline in sales for plasma-derived products.

Specialty product sales of US$1,831 million, up 6%[1] led predominately by demand for KCENTRA® and ZEMAIRA®.

KCENTRA® (4 factor prothrombin complex concentrate) recorded sales growth of 10%[1], as social mobility increased post COVID.

ZEMAIRA® Alpha1-Proteinase Inhibitor (Human) sales were up 24%[1] as supply returned.

Plasma Collections

Plasma collections were robust with plasma volumes up 31% and now at record levels.

Improved social mobility post COVID, targeted marketing campaigns and enhanced digital initiatives to attract donors all contributed to this unprecedented growth.

The cost of collecting plasma, which includes donor compensation and labour, declined ~14% over the previous year end and ~17% down from the peak in March 2022.

The significant increase in plasma supply underpins the company's ability to manufacture plasma products and enables CSL to meet the underlying patient demand for core plasma products.

CSL Seqirus

Total revenue of US$2,031 million, was up 9%[1] driven by growth in seasonal influenza vaccines, in particular FLUCELVAX® which increased 30%[1].

This growth was achieved against a backdrop of reduced rates of immunisation and highlights the strength of CSL Seqirus' strategy and its high value, differentiated product portfolio.

During the period:

- A licence agreement was signed with Arcturus Therapeutics for next-generation mRNA vaccine technology.
- The United States Centers for Disease Control and Prevention recognised FLUAD® as a preferentially recommended seasonal vaccine option for adults aged 65+ years.
- Fill and finish capacity expansion now fully operational at Holly Springs and Liverpool.
- Good progress was made on construction of the new cell-culture facility in Melbourne.

CSL Vifor

Total revenue was US$1,989 million representing approximately 11 months contribution since the business was acquired on 9 August 2022. This amounts to approximately 14% growth[1,2] compared to the 11 months in FY22 before CSL ownership, reflecting solid growth across all key product areas.

The integration of CSL Vifor is well advanced and the cost synergies are well on track.

During the period INJECTAFER® (ferric carboxymaltose) was approved in the United States for the treatment of iron deficiency in adult patients with heart failure and FERINJECT® was launched in China in April 2023.

Outlook

The strong growth in the immunoglobulins franchise is expected to continue following record plasma collections in FY23.

There are a number of initiatives underway to improve efficiencies which include a focus on optimising plasma collection costs, improving manufacturing yields and bringing new products to market, all of which will support the medium term recovery in CSL Behring's gross margin.

The launch of HEMGENIX®, in the United States last quarter will continue to deliver this paradigm-shifting treatment to the haemophilia B community in the United States and Europe in the year ahead. The R&D pipeline includes a number of late-stage programs nearing completion which will lead to more options for patients.

CSL Seqirus is anticipated to deliver another strong year driven by demand for its differentiated products. CSL Seqirus is progressing global registrations for its next-generation mRNA COVID vaccine.

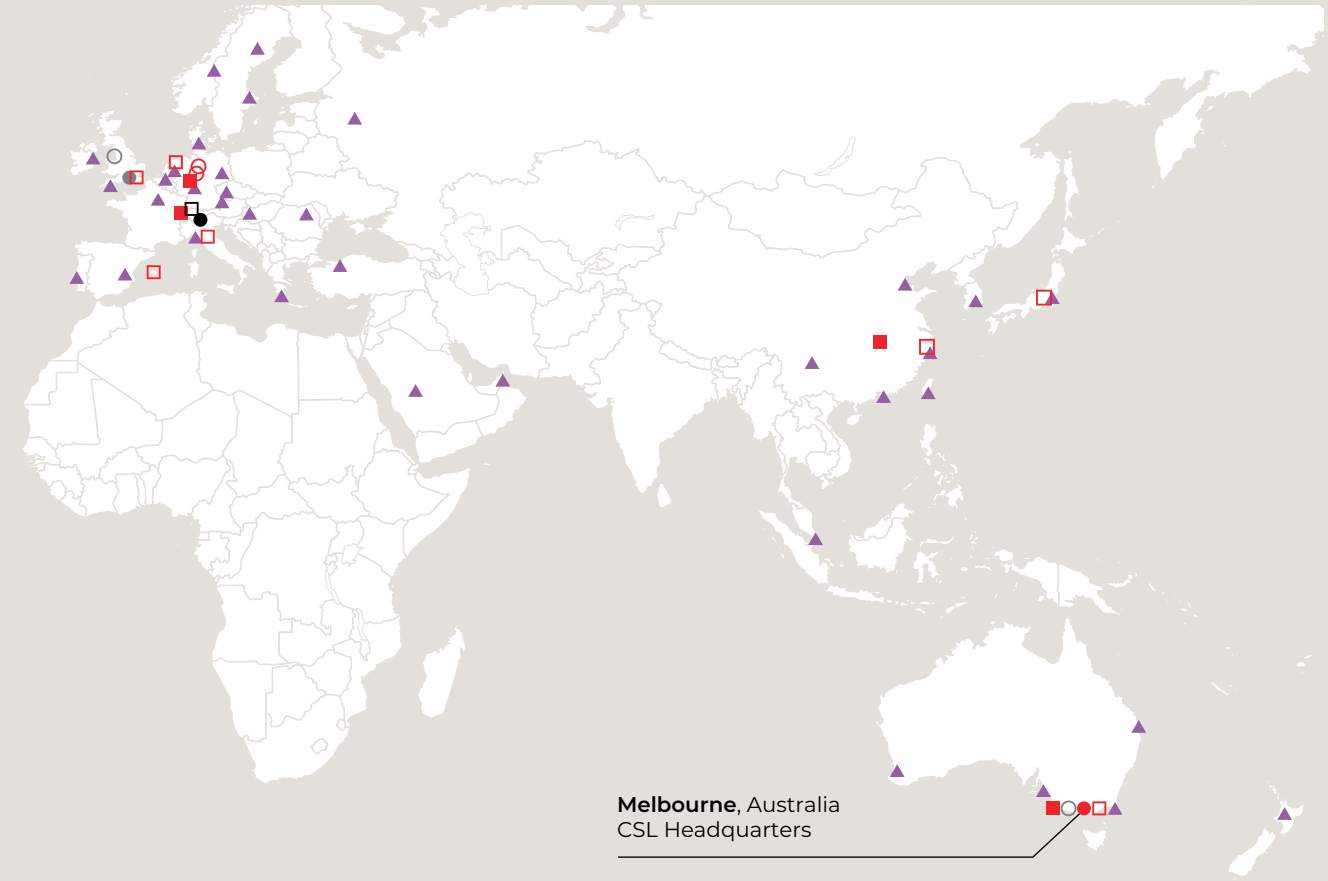
For CSL Vifor, there is a focus on unlocking the value and growth within this newly acquired business. Supporting the medium-term outlook, research and development capabilities are being brought into the one R&D organisation. Nephrology and transplant therapeutic areas are being brought together and a number of patient blood management initiatives are underway that will cross between CSL Vifor and CSL Behring businesses.

Further information

Additional details about CSL's results are included in the company's 4E statement, investor presentation slides and webcast, all of which can be found on CSL's website csl.com. A glossary of medical terms can also be found on the website.

1 Constant currency (CC) removes the impact of exchange rate movements, facilitating the comparability of operational performance. For further detail refer to CSL's Financial Statements for the Full Year ended June 2023 (Directors Report).
2 Eleven months to FY22 pre-CSL ownership and unaudited v eleven months to FY23.

CSL's locations



- **CSL Behring and CSL R&D**
  Broadmeadows, Australia
  Wuhan, China
  Marburg, Germany
  Bern, Switzerland
  Kankakee, United States
  King of Prussia, United States
- **CSL Vifor and CSL R&D**
  Zurich, Switzerland
- **CSL Vifor**
  St. Gallen, Switzerland
- **CSL Plasma***
  Goettingen, Germany
  Schwalmstadt, Germany
  Boca Raton, United States
  Indianapolis, United States
  Knoxville, United States
  Mesquite, United States
  Union, United States
- **CSL Seqirus and CSL R&D**
  Parkville, Australia
  Liverpool, U.K.
  Holly Springs, United States
  Summit, United States
- **CSL Seqirus**
  Maidenhead, U.K.
- **CSL R&D**
  Melbourne, Australia
  Shanghai, China
  Siena, Italy
  Tokyo, Japan
  Amsterdam, Netherlands
  Palma de Mallorca, Spain
  London, U.K.
  Pasadena, United States
  Waltham, United States
- **Regional Sales and/or Distribution**

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

Integrity

Bukola's story

Bukola is currently a Field Marketing Manager at CSL Plasma.

She joined CSL in December 2016 and within two years was named the Centre Manager. In her tenure with CSL, she has gained experience across operations and quality, supporting her current marketing role. She is currently pursuing a graduate business degree supported by CSL's tuition reimbursement benefit.

3 CSL's Performance and Strategy

Business performance and highlights

Focus

- Focus on serving patients and protecting public health.
- US$13.7 million supporting product access across the world.*
- CSL Vifor integration is well advanced with synergies on track.
- Multiple manufacturing yield initiatives underway.
- Achieved 98 product registrations or new indications in 34 countries around the globe.
- HEMGENIX® (Haemophilia B gene therapy) launched in the United States.
- FERINJECT® approved in China for the treatment of iron deficiency in adult patients.
- INJECTAFER® approved in the United States for the treatment of iron deficiency in adult patients with heart failure.
- TAVNEOS® (avacopan) approved in Australia for the treatment of ANCA-associated vasculitis.

Innovation

- Research and development (R&D) investment of US$1.2 billion.*
- US$42.6 million in global community investment across our strategic areas of support.
- HIZENTRA® (Immune Globulin Subcutaneous (Human) 20% Liquid) Pre-Filled Syringe approved by the FDA.
- BERINERT® S.C. Injection 2000 (lyophilised human C1-esterase inhibitor concentrate) approved by Japan MHLW.
- Garadacimab (Anti-FXIIa mAb) Phase III study met its primary and secondary endpoints, demonstrating that monthly subcutaneous injections of garadacimab significantly reduced attack rate compared to placebo in patients with Hereditary Angioedema.
- CSL112 (ApoA-1) enrolment in Phase III study complete.
- Clazakizumab (Anti-IL-6 mAb) Phase IIb/III study commenced in patients with end stage kidney disease.
- KAPRUVIA® (difelikefalin) recommended by England's NICE for the treatment of adults with moderate-to-severe CKD-associated pruritus.
- Phase II study for aQIVc (adjuvanted QIV cell-based influenza vaccine) completed.
- A licence agreement was signed with Arcturus Therapeutics for late-stage next-generation mRNA vaccine technology.

Efficiency and reliable supply

- Record levels of plasma collections.
- In 2022/23, 12 new plasma collection centres opened.
- 130 million influenza vaccine doses distributed by CSL Seqirus.
- Base fractionation capacity completed at Broadmeadows and Marburg.
- Participated in 475 regulatory inspections of our manufacturing facilities and plasma collection centres.*

Sustainable growth

- A strong year with underlying profit (NPATA) of US$2.61 billion for the 12 months ended 30 June 2023, up 20% on a constant currency[1] basis when compared to the prior comparable period.
- Strong growth in Immunoglobulins portfolio, up 21% at constant currency[1].
- CSL Seqirus revenue up 9% at constant currency[1] driven by strong growth in FLUCELVAX.
- US$13.2 billion distributed in supplier payments, employee wages and benefits, shareholder returns, government taxes and community contributions.*
- Across CSL's European manufacturing facilities, achieved 100% renewable electricity purchased from certified sources.

Digital transformation

- CSL Plasma App which has been downloaded over 3 million times, with more than 530,000 users logged in every month.
- Continuing to support life and data scientists with automation, artificial intelligence and stronger data and analytics platforms.
- CSL R&D is using digital technology and analytics to simulate, automate, monitor and enhance productivity and experimentation. These technologies offer new insights through the use of big data sets generated by CSL platforms, and have the potential to fundamentally change the way CSL works in R&D.

People and culture

- 76.2% employee engagement* index.
- 44% women at the Board level and 59% women across the Group*.
- Early career programs for STEM talent around the globe help to build CSL's future talent pipeline.
- Wide range of professional and personal development programs to meet the evolving needs of current and future leaders.
- Ranked among the best large employers in America by Forbes magazine and named to Forbes Global 2000; also among Work180 Top Workplaces for Women in Australia and Prosple Top 100 Graduate Employers in Australia.

* Limited assurance by Ernst & Young

Financial highlights & reported results

Interim unfranked dividend of

US$1.07

per share

+

Final 10% franked dividend of

US$1.29

per share

=

Total ordinary dividends for 2023

US$2.36

per share

CSL announced an underlying profit (NPATA) of

US$2.61 billion

for the 12 months ended 30 June 2023

Sales revenue was

US$13,310 million

Expense Performance

Research and development (R&D) expenses were US$1,232[2] million, up 22%[1] when compared to the prior comparable period. The increase in expenses reflects the inclusion of CSL Vifor and progression of pipeline.

Selling and marketing expenses (S&M) were US$1,454 million, up 58%[1] when compared to the previous year. The inclusion of CSL Vifor for the first time, accounts for the increase in S&M expenses while other S&M expenses were held in line with the prior year.

General and administrative (G&A) expenses were US$907[2] million, an increase of 27%[1] when compared to the prior comparable period. The increase in G&A expenses were related to the inclusion of CSL Vifor.

Depreciation, amortisation (D&A) expense and impairment was US$831 million, up 27%[1] in comparison to the prior comparable period. The increase in D&A was largely due to the acquisition of CSL Vifor.

Net finance costs were US$406 million, up 165%[1]. The increase in net finance costs was due to the debt associated with the acquisition of Vifor Pharma and higher interest rates.

Financial position

Cashflow from operations was US$2,601 million, down 1%. Cash earnings growth was offset by growth of plasma collections.

Cash outflow from investing was US$11,843 million, up significantly when compared to the prior comparable period driven by the acquisition of Vifor Pharma.

CSL's balance sheet remains in a strong position with net assets of US$17,826 million.

Current assets decreased by 44% to US$9,259 million. The main driver was the cash payment relating to the acquisition of Vifor Pharma.

Non-current assets increased by 127% to US$26,975 million in comparison to the previous year. The increase is largely due to the acquisition of Vifor Pharma and the intangible assets recognised by the acquisition.

Current liabilities decreased by 35% to US$4,608 million. The decrease was mainly due to the reclassification of the 144A senior notes from current to non-current following the removal of a mandatory redemption feature on the close of the Vifor Pharma acquisition.

Non-current liabilities increased by 107% to $13,800 million compared to last financial year. The increase was due to the draw down in bank borrowings in connection with the acquisition of Vifor Pharma in addition to interest-bearing liabilities and borrowings assumed on the acquisition of Vifor Pharma.

1 Constant currency (CC) removes the impact of exchange rate movements, facilitating the comparability of operational performance. For further detail refer to CSL's Financial Statements for the Full Year ended June 2023 (Directors Report).

2 Underlying results have been adjusted to exclude impairment and amortisation of acquired intellectual property, business acquisition and transaction costs and unwind of the inventory fair value uplift.

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

Strategic Sustainability Pillars & Focus Areas
- Environment
- Social
- Workforce

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.

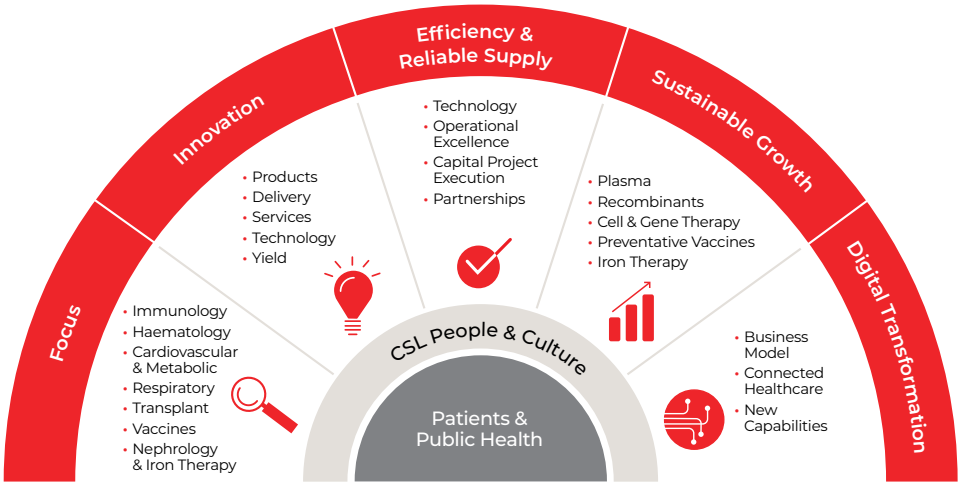
Social and economic opportunity
Enabling hundreds of thousands of people to benefit from opportunity created by growing along with us, including employees, suppliers, plasma donors and research partners.

Our promise to patients

CSL's 2030 Strategy

CSL operates with a long-term mindset. Over time, we have served patients with life-saving therapies and effective vaccines. We have achieved consistent top-line growth and strong margins, which helps fuel further growth by allowing us to re-invest in our own businesses.

CSL is committed to the 2030 Strategy which includes Focus in core therapeutic areas, Innovation, Efficiency & Reliable Supply, Sustainable Growth, and Digital Transformation, with people at the centre of our strategy. We believe this is the best path, given our capabilities in an increasingly challenging and competitive world. The core elements of the 2030 Strategy are represented below.



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.

Delivering R&D

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. Our R&D portfolio includes promising projects such as garadacimab, our anti-FXIIa monoclonal antibody for the potential long-term prophylactic treatment of patients with hereditary angioedema (HAE), CSL112, which aims to reduce the risk of recurrent cardiovascular events during the 90-day high-risk period following a heart attack, alpha-1 antitrypsin (AAT; ZEMAIRA®) for the prevention and treatment of acute graft-versus-host disease (GvHD), KCENTRA® for improving survival in trauma patients experiencing life-threatening bleeding, clazakizumab for the treatment of patients with end stage kidney disease and for patients who have received a kidney transplant, and next-generation vaccine technologies like sa-mRNA and aQIVc to safeguard public health.

Moreover, our early-stage pipeline consists of other promising projects where CSL's R&D team strives to challenge the status quo and explore improved options for people and patients.

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.

Delivering digital

CSL's digital transformation journey continues with efforts to improve our foundation while driving innovation. Demand for information and technology services continues to increase across the CSL Group, a by product of growth and business integration.

From a digital foundation perspective, CSL continues to move from physical infrastructure to a virtual environment. Benefits of this include the ability to scale up and down quickly to meet business needs and improve data accessibility across the enterprise. CSL continuously reviews its enterprise resource plan and looks for opportunities to improve productivity by using data.

An example of how digital has helped with growing CSL's plasma collections is the use of the CSL Plasma App which has been downloaded over 3 million times. Digital investments like the CSL Plasma App also help to create personal and integrated relationships with our donors in addition to the more traditional methods of connecting via text, phone, in-person and the website.

CSL continues to support its life scientists and data scientists with automation, artificial intelligence and a stronger data and analytics platform. Moving more to the cloud will enhance our ability to work with an ever-growing ecosystem of partners and help us prepare for future growth by being better integrated.

Advancing promising futures

CSL's people – which include more than 32,000 colleagues around the world – and our values-based culture are at the core of CSL's 2030 Strategy. Investing in people and culture is an enterprise-wide priority. There are a variety of initiatives in place to continue attracting, developing, rewarding and retaining top talent while fostering a collaborative, inclusive, global and dynamic environment that drives innovation and motivates the best and brightest to succeed.

At CSL, we believe our people can enjoy promising futures where they fulfill their individual career aspirations and potential and are inspired by a purpose-driven company that saves lives and protects public health. At every level of the organisation, we focus on:

- enabling career management and development with special attention to our front-line leaders;
- ensuring successor readiness through leadership development planning and rotational assignments that support a robust leadership pipeline now and into the future;
- enhancing our diversity, equity and inclusion (DE&I) outcomes; and
- engaging employees and key stakeholders to continuously improve the employee and patient experience.

For additional information about our people and culture priorities and progress, please refer to the CSL's People section of this report on page 40.

Sustainability

Sustainability is a focus of our strategy. Being a responsible partner across our three strategic pillars of environment, social and sustainable workforce is important to our ambitious vision for a healthier world.

For our environmental pillar last year, we set meaningful Paris Climate Agreement-aligned emissions reduction targets. This year, we have embedded foundational management processes to support execution against these targets (see section 8 for more information) and have submitted our near-term ambition for direct and indirect emissions reduction targets to the Science Based Targets initiative for validation and endorsement.

We have also made clear progress on our social pillar. Subject matter expert working groups from across functions have begun to explore areas of opportunity and strength across our identified focus areas of plasma donor experience, patient experience and access to our therapies (see section 9 for more information). As a science-based organisation, we are working pragmatically to develop meaningful objectives across these focus areas to further enhance existing shared value for our stakeholders and communities. Last year, for our workforce, we established near-term and long-term gender-based targets and continue to implement DE&I programs across our regions and operations (see section 7 for more information).

Ultimately, our sustainability strategy, along with a determined focus on constant improvement across our priority material sustainability topics, means that CSL can continue to develop and supply products that save lives and protect public health, now and well into the future.

For more information on performance, material topics and how CSL contributes to the United Nations Sustainable Development Goals, visit our expanded presence on CSL.com (Sustainability).

4 CSL's Material Risks

CSL operates in a fast paced and constantly evolving environment of science, technology and healthcare. Although there are many risks inherent with operating in these environments and industries, for example research and development, intellectual property and clinical trial risks, CSL regularly reviews its group risk profile to identify and assess material business risks. This includes external and emerging risks that could affect CSL's global operations.

We are also exposed more broadly to external risks such as the escalating trend of cyber threats and data privacy breaches and we regularly review our group risk profile to proactively identify material business risks and opportunities and assess external risks that could affect our global operations. Managing risks includes both the mitigation of disruptive risks and the preparation for seizing opportunities. Our global Enterprise Risk Management Framework is designed to ensure robust risk oversight that is fit-for-purpose for both the operation of our business and to support our strategy and deliver on our commitments to patients and public health.

As part of CSL's enterprise risk management process, the Board and management team have identified the key risks that are material to CSL. These material group risks are described below along with an explanation of our approach to managing them in the context of delivering on our 2030 Strategy. Key financial risks are set out in Note 11 (Financial Risk Management) to the Financial Statements.

There are other risks that are inherent in the vaccine, plasma therapies and pharmaceutical industries, including iron deficiency and nephrology, besides those detailed below or in the Financial Statements, that could also adversely affect CSL's business and operations.

Patient safety and product quality

Patient safety is paramount for CSL's ongoing sustainability as a global biotechnology leader and our long-term strategy of efficiency and reliable supply. When we talk about patient safety, we mean both in the use and administration of registered products as well as in the conduct of our clinical trials. While it is inherent in our industry that patients and trial participants may sometimes experience adverse reactions to therapies, CSL's manufacturing, product quality assurance and pharmacovigilance practices serve to ensure the highest standards of safety and the preservation of our reputational integrity.

Our processes and procedures adhere to global good pharmacovigilance practice (GPV) and good clinical practice (GCP) standards, and we seek to ensure that product information is up-to-date and contains all relevant information to assist healthcare practitioners to appropriately prescribe CSL products. For clinical trials, participants are informed about and acknowledge awareness of the potential benefits and risks of participation in the trial through use of Informed Consent Forms approved by relevant regulators, institutional review boards and independent ethics committees. Comprehensive qualitative and quantitative safety signal detection activities are performed throughout the development programs and the lifecycles of our marketed products. Furthermore, our pharmacovigilance risk management systems seek to ensure that potential and identified safety risks are proactively addressed and above all appropriately mitigated.

In terms of meeting product quality requirements through our manufacturing and supply, we adopt and comply with a broad suite of internationally recognised standards through the CSL Quality Management System, including good manufacturing practice, and good distribution practice (GDP) that includes audits of third-party vendors and suppliers. We are frequently inspected by independent regulatory authorities auditing compliance with these standards.

Product innovation and competition

We recognise that an impediment to delivering on our innovation and sustainable growth strategies is the changing competitive landscape for new technologies and disruptive therapies, such as gene and cell therapies. This material risk may alter the economics and characteristics of, and the demand for, CSL's plasma and adjacent therapies, and may also affect our platforms and capabilities in plasma fractionation, recombinant technology, cell and gene therapy and vaccines technology.

We strategically review our existing and future product pipeline against market demand and continually evaluate our competitive landscape. A key part of our strategy includes diversity through our multiple therapeutic areas and scientific platforms. We incorporate product lifecycle development and management, as well as development of new therapies, in strategies for each therapeutic area. In addition to proprietary research, CSL's competitive approach includes licensing, acquiring or partnering with third parties to remain competitive and advance growth within our chosen therapeutic areas.

With respect to continued growth and innovation in the competitive global influenza vaccine market, we recognise the need to continue leading in the development and manufacture of influenza vaccines including cell-culture technology and investigating the use of next-generation mRNA technology for the development of both influenza and COVID-19 vaccines. Failure to capitalise on innovative technology will diminish growth in this product sector, whereas success will deliver competitive advantages.

Supply, capacity and operations

Having a sustainable and reliable supply chain is critical to the success of our 2030 Strategy, particularly to achieving consistent, economical and efficient supply. Any disruption to supply has the potential to impact our operations. We constantly monitor the demand for our products over a 10-year horizon as well as our capacity to collect and acquire human plasma, iron, eggs and other raw materials essential to the manufacture of our products.

We also monitor the scalability of specialised companies that supply raw materials, software and bespoke manufacturing equipment to match our business demand and growth objectives.

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. Our operations also accommodate investments in technology and process improvements to enhance efficiency and reduce costs. Such improvements encompass strategies to increase the yield of both immunoglobulin and cell-based influenza vaccines, along with boosting the throughput of our existing facilities. 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-, mid-, and long-term needs 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. We examine and prioritise our operational effectiveness efforts, capital plans, inventory targets, supply chain visibility, distribution and regulatory strategies to enhance the positions of our products from a business continuity and supply chain resilience standpoint.

Market access

Policy making around market access is a multi-stakeholder engagement process, which includes governments, payers/insurers, patient advocacy groups, medical societies and non-governmental organisations. We recognise that if we are not successful in maintaining an economic and reliable supply of our therapies for our stakeholders, or do not adopt responsible pricing, it may adversely affect our ability to execute our strategy, deliver sustainable growth and uphold our corporate reputation. We further recognise that macroeconomic pressures on governments and payers may impair access, growth and new market entries. We work closely with stakeholders in all countries where we market our products and continually seek to ensure pricing of our therapies reflects the value they bring to the people who need them and to health systems, and remains competitive and responsible. By continuing to innovate in our product portfolio, we can serve the unmet needs of more people and expand our access to more countries.

People and culture

CSL's people and our commitment to fostering an inclusive, values-driven culture are integral to meeting and exceeding the standards expected by our stakeholders and the community. We have a variety of programs and policies in place, including our Speak Up Policy and our Code of Responsible Business Practice (CRBP), to ensure that our CSL Values guide how we work and operate around the world. We recognise that having a strong values driven culture where our employees act with integrity helps build internal and external trust and ultimately protects and builds CSL's reputation.

We also recognise the need to have the right people with the right skills in the right roles in order to execute our 2030 Strategy. As we focus on attracting, developing and retaining top talent in this globally competitive environment, we regularly review best practices, and benchmark ourselves against the markets in which we operate with the goal of offering total rewards that are both compelling and competitive with our peers and competitors.

In addition, we understand that the workplace and our employees' needs are constantly evolving, and we offer flexible work options and opportunities for them to stay connected regardless of location. We constantly challenge ourselves to create an engaging and collaborative environment where our people can drive innovation and focus on meaningful, valuable work. Our employee brand, Promising FUTURES, represents CSL's investment in the overall employee experience, with an emphasis on digitalisation and automation, collaboration, connectivity and inclusion, employee development and customised rewards for attracting and retaining next-generation talent.

Privacy and cybersecurity

Ensuring the privacy and security of our data, including that of our patients, donors and employees, is of critical importance to CSL. We recognise the escalating risk of cyber threats and data privacy breaches targeting individuals and organisations. These cyberattacks constantly evolve, ranging from sophisticated phishing scams to attacks on critical infrastructure. Additionally, breaches of our information technology (IT) security and unauthorised or inadvertent release of information, caused by human error, malware or espionage, may compromise the privacy and security of the data we hold.

To address these challenges, CSL maintains a proactive stance by continuously monitoring and assessing cybersecurity threats. We have designed and implemented robust security controls for our IT systems, infrastructure and data, based on our understanding of known threats and industry best practices, and external testing to ensure their effectiveness.

Furthermore, we understand that awareness and preparedness are key in responding to cyberattacks and safeguarding data privacy. As such, we place great emphasis on providing ongoing education and training to our employees. By equipping them with the knowledge and skills to recognise and appropriately respond to cyber threats, we strive to empower our employees to effectively mitigate risks and promptly report any privacy breaches.

CSL remains dedicated to upholding the privacy and security of all data entrusted to us. Through our monitoring, privacy and security controls, and training programs, we commit to maintaining high standards of cybersecurity and data protection.

Further details about our enterprise risk management framework and how we manage our business risks is provided in our 2023 Corporate Governance Statement available on CSL.com (We Are CSL > Corporate Governance).

5 CSL's Future Prospects

Over the last 12 months CSL has taken steps to create an integrated and simpler organisation with focus on its three businesses, CSL Behring (which includes CSL Plasma), CSL Vifor and CSL Seqirus.

These businesses are supported by CSL's global enabling functions, global R&D organisation and global centres of excellence.

The ongoing integration of CSL Vifor, combined with continued investment in CSL's people and in digital transformation provides a good foundation for CSL to continue executing its 2030 Strategy.

In the medium term

CSL Behring expects to continue to grow through fulfilling unmet demand for products driven by increased plasma collections, developing differentiated plasma-derived and recombinant products, expanding markets and indications for those products and developing cell and gene therapies.

CSL Seqirus expects growth with its portfolio of differentiated products, including its adjuvanted quadrivalent influenza vaccine in the 65 years and over market.

CSL Vifor's growth is largely focused on unlocking the value and growth within this newly acquired business by bringing together CSL's research and development capabilities into the one R&D organisation. We are also combining nephrology and transplant therapeutic areas and have a number of patient blood management initiatives underway that cross between CSL Vifor and CSL Behring.

In the longer term

CSL expects sustained demand for immunoglobulins driven by significant need in Primary Immune Deficiency and Secondary Immune Deficiency. In the haematology therapeutic area, HEMGENIX®, CSL's one-time gene therapy for the treatment of adults with haemophilia B, provides another option to patients, complementing IDELVION®, a long-acting recombinant factor IX product. CSL also expects demand for vaccines to continue and be supported with its new recombinant protein and next-generation mRNA technologies. There remains significant unmet need for products to address anaemia, and CSL Vifor will continue to play an important role in this therapeutic area.

Further information about CSL's product pipeline is set out on pages 10 and 11 and details of new products being brought to market are set out on pages 14 and 15.

Driven by its promise to patients, and guided by its Values in decision making, CSL remains committed to delivering innovative medicines that save lives, protect public health and help people with life-threatening medical conditions to live full lives.

More information in relation to CSL's outlook is provided in the Chair and CEO messages, and further information on the factors that could affect this section is provided in CSL's Material Risks on page 26.

CSL's $2 billion-plus capital investment in Australia includes CSL Melbourne, a next-generation cell-based influenza vaccine manufacturing facility for CSL Seqirus in Tullamarine, Australia and also a Plasma Fractionation Facility in Broadmeadows, Australia.

Australia

Melbourne

Pictured left, is CSL Melbourne, CSL's new Global Headquarters and Centre for R&D located in the heart of the Melbourne Biomedical Precinct.

Tullamarine

CSL's new manufacturing facility under construction in the Melbourne Airport Business Park in Tullamarine, is set to be Australia's latest world-class biotech manufacturing facility and the only cell-based influenza vaccine manufacturing facility in the Southern Hemisphere when it opens in mid-2026. The facility will also manufacture seasonal and pandemic influenza vaccines, CSL Seqirus' proprietary adjuvant MF59® and unique products of national significance important to Australia's public health needs.

Broadmeadows

CSL's new Plasma Fractionation Facility opened in Broadmeadows, Victoria in December 2022. It is the largest of its kind in the Southern Hemisphere and is part of CSL's multi-billion dollar investment in Australia – reinforcing CSL's commitment to patients. The facility will process domestic plasma from Australian, New Zealand, Taiwanese, Hong Kong and Malaysian donor plasma, in addition to commercially sourced plasma through CSL Plasma, one of the world's largest collectors of human plasma.

Germany

Marburg

CSL's new R&D campus, in Marburg, Germany opened its doors in September 2022 and is now home to about 500 CSL R&D employees. In addition, it will host academic partners and collaborators.

United States

Waltham

A 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 mRNA technology platform for seasonal and pandemic influenza vaccines.

6 Powered by Innovation

Overview of R&D at CSL

What stands CSL in good stead is its quantitative approach to understanding the nature and biology of a disease at a molecular and cellular level, combined with a deep understanding of the clinical and commercial aspects of those diseases where the aim is to introduce new and advanced products.

We understand that true breakthroughs in medicine often arise from challenging conventional thinking and exploring novel approaches. As such, our R&D teams are at the forefront of disruptive innovation, constantly seeking out new and unexplored avenues to tackle the most pressing medical challenges. By embracing a forward-thinking mindset and pushing the boundaries of what is possible, we strive to revolutionise the treatment landscape for various diseases.

Innovation in CSL is driven by its R&D organisation with employees located within biotech hubs and precincts around the world that are linked to strong research networks and collaborations that we actively establish and foster. A philosophy of global collaboration underpins CSL's presence within those research precincts and provides access to worldwide, leading innovation to advance the discovery and development of pioneering biotherapies to address unmet medical needs.

These dynamic environments provide the perfect ecosystem for fostering innovation and collaboration and provide valuable opportunities for our scientists to interact, discover and ideate with external partners. By situating our employees in these strategic locations, we ensure that they have access to the latest scientific advancements and cutting-edge technologies, inspiring them to think creatively and push the boundaries of knowledge.

Expanding R&D footprint

Integral to accelerating the development of CSL's new products and technologies is investment in its strategic growth. CSL continues to advance its global programs and teams and expand the R&D footprint with:

- more than 2,000 R&D employees in 10 countries, working in integrated teams;
- R&D centres located in leading biomedical locations including:
  - Melbourne, **Australia**;
  - Shanghai, **China**;
  - Marburg, **Germany**;
  - Siena, **Italy**;
  - Tokyo, **Japan**;
  - Amsterdam, **the Netherlands**;
  - Palma de Mallorca, **Spain**;
  - Bern and Zurich, **Switzerland**;
  - London, **UK**;
  - Holly Springs, Kankakee, King of Prussia, Pasadena and Waltham, **United States**;
- access to worldwide, leading innovation that leverages both the knowledge from CSL employees as well as from research and medical institutions/alliances proximate to CSL's R&D centres.

Over the last 12 months, a number of key achievements have been reached regarding CSL's investment in strategic growth.

- Following meticulous planning and construction spanning four years, CSL proudly inaugurated its new CSL Global Headquarters and Centre for R&D in Melbourne, Australia, in March 2023. Situated in the heart of the Melbourne Biomedical Precinct, this cutting-edge facility stands tall with 18 stories, offering a productive and inspiring environment for over 850 employees. The nine levels of leading-edge, world-class laboratories and facilities were completed in June/July 2023. Also located at CSL Melbourne is Australia's first-of-its-kind biotech incubator – Jumar Bioincubator – which was 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. CSL Melbourne has over 35,000 square metres of floor space, including purpose-built wet laboratory space and is just 500 metres from the Bio21 Institute, where CSL's early stage research team has been based for over 10 years and will further enable collaboration with other researchers in this multidisciplinary biomedical precinct.

> *Our new location is perfectly suited for collaborating with external partners, a key component of our CSL R&D strategy. These facilities are world-class, which will not only support CSL's talented R&D teams, but the new space further fosters the type of culture we value as a company – one that's open, collaborative, and transparent.*
>
> **Dr William Mezzanotte,** Head of R&D and Chief Medical Officer

- Following three years of construction, the new R&D campus, in Marburg, Germany, opened its doors in September 2022 and is now home to about 500 CSL R&D employees. In addition, it will host academic partners and collaborators. The R&D campus is almost 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. As one of the homes for CSL's future innovation, innovative sustainability was a key driver when designing the building. The campus was constructed according to KfW (a German state-owned investment and development bank) eligibility criteria for green financing. The investment is consistent with the Sustainable Development Goals of the United Nations – it contributes to the sustainability targets #7 – Affordable and Clean Energy and #13 – Climate Action.
- 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.

Innovation

Elena's story

Living with Iron Deficiency

After suffering years of symptoms including exhaustion, Elena, was finally diagnosed with iron deficiency. Since getting the right therapy to manage her condition, she's back to leading an active life as a mother and radio host in Switzerland.

6 Powered by Innovation

CSL's growing R&D presence in Waltham is the latest example of our investment in our future – which includes advancing our growing capabilities in disruptive technologies like next-generation mRNA. At this site, we aim to develop the vaccines that will help protect the public in the decades ahead and facilitate collaboration with local partners to drive our next wave of innovation.

Dr Jon Edelman, Senior Vice President, Vaccines Innovation Unit

Our digital transformation

The biopharmaceutical industry is on the precipice of significant disruptive innovation and change that will have far-reaching impacts for both companies and the people they serve. Various factors, such as growing demand, escalating costs of product development, pressure to reduce drug prices and the need for enhanced patient access, are intensifying the competitive landscape. Companies that embrace and effectively use digital technology, such as artificial intelligence (AI), machine learning (ML) and large-scale data sets, will gain a competitive advantage in the present and future. As CSL grows, it is undertaking considered and purposeful measures to establish a robust digital framework throughout the organisation to support new levels of productivity, growth and sustainability.

Why do we need disruptive innovation? Because our patients, public health, employees and the CSL business are relying on its transformative impact

To be an innovator means that, at times, you will disrupt the status quo and challenge orthodoxies to achieve better outcomes. At CSL, we have a history of disrupting 'the way things are'. Equally, we are not afraid to also disrupt ourselves if it means an even better experience or outcome for patients and public health. Fast paced digital transformation has the potential to transform manufacturing processes, including pharmaceutical production, but also has the potential to improve the efficiency and effectiveness of how we currently work in R&D. Digital tools to simulate, monitor and drive experimentation, offer new insights into the ability to make use of big data currently generated by CSL platforms, with the potential to fundamentally change the way we work in R&D.

To enhance efficiency through digital technology and analytics, CSL is currently undergoing a transformation in its approach to information and technology (IT) in order to complement laboratory spaces and wet laboratory benchtops.

As the working environment evolves in tandem with advancements in IT, it is crucial for CSL's scientists to adopt a 'bilingual' scientific approach. They must feel equally comfortable designing experiments and employing coding and mathematical techniques to manipulate extensive data sets. With the increasing digitalisation of our lives and processes, data science offers us the capability to delve deeper into analytical insights, optimise workflows and processes, and automate repetitive tasks, all freeing up more time to focus on the science and provide real-time insights to support decision making.

CSL's Biomedical Data Science Initiative (BDSI) aims to enhance R&D capabilities in utilising big data by introducing new technologies, processes, additional resources, personal development opportunities and new collaborative approaches. The initiative emphasises talent acquisition, partnerships, infrastructure development and cloud strategy to address the evolving needs of translational data science and support the transformation of our R&D organisation towards precision medicine. It will complement and bolster our existing R&D strengths and enables us to mitigate program risks by increasing the probability of success, providing deeper insights into diseases and assets, and optimising the design of clinical trials to be more efficient and timely.

In the future, it is likely that CSL's bench scientists will allocate a significant portion of their time to data analytics. Therefore, possessing strong programming and mathematical skills will be just as essential as traditional biomedical competencies, wet laboratory skills and result interpretation. With the right information and technology infrastructure and adaptable scientists who possess a blend of traditional and modern scientific skills, CSL is positioning itself to thrive in the 'Lab of the Future'.

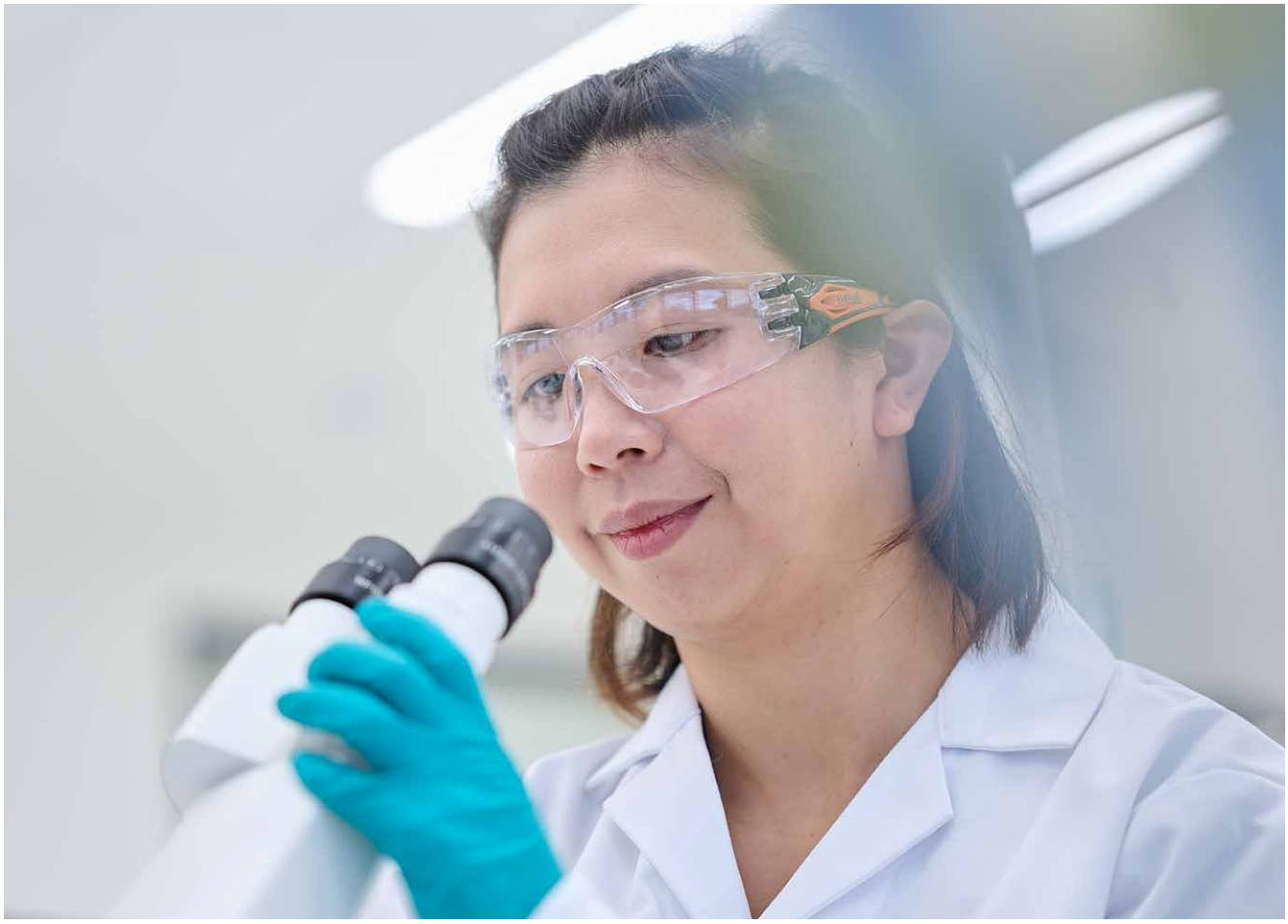
As drug development changes, we invest continuously in upskilling our people. That helps scientists feel safer with change because they understand that they will be part of how the company evolves.

Dr Douglas Lee, Senior Vice President, Plasma Product Development

CSL, along with experts within and beyond the organisation, operates within an ecosystem of digital-to-physical research tools that enhance human capabilities, enabling us to tackle increasingly complex experiments. Automation, robotics, artificial intelligence and machine learning are transforming our interactions with our laboratories. Importantly, this ecosystem fosters integration of external partners and collaborators as extensions of CSL's R&D functions.

CSL's R&D organisation is actively incorporating innovation into its infrastructure across global hubs for future readiness. Here are some examples of innovation within CSL's Product Development teams:

- Automation plays a vital role in our vision for the 'Lab of The Future'. The initial focus is on automating scientific workflows within the laboratory environment to increase accuracy, enhance result reproducibility and improve efficiency by decoupling productivity from scientists. An automation platform including purification and analytical equipment is already deployed in Marburg and is planned for implementation at CSL Melbourne in 2023. Automation systems will enable us to increase productivity independent of the time allocated by our scientists.
- CSL's future of product development and clinical manufacturing lies in the adoption of model-based process development. In-silico models, representing the digital twins of physical assets, are used to simulate processes without undertaking 'wet-lab' experiments, significantly reducing the experimental burden, improving efficiency and accelerating progress towards clinical studies and the market. Continuous refinement of the models further enhances their effectiveness and through this, CSL seeks to bring about a transformative leap in our operational abilities.
- CSL has introduced an innovative technology platform that aims to expedite the delivery of medicine to patients by providing a unified platform for connecting dispersed teams and locations, both internal and external, to accelerate the end-to-end drug product lifecycle. Given CSL's geographic spread in R&D, this offers enormous potential for greater collaboration. When integrated with laboratory facilities, this advanced technology uses an augmented reality headset and a linked tablet, to offer immediate feedback, process instructions and real-time issue resolution within a pre-defined workflow. Currently, it is being used in the clinical manufacturing operations at CSL Melbourne to transition from paper-based records to a digital interface.
- Scientists typically spend a significant amount of time handling samples and conducting experiments in person to make informed decisions. CSL and Monash University have initiated the AI Biochemist collaboration, which aims to enhance the efficiency of scientists by implementing an AI-guided, autonomous laboratory automation system. By integrating cutting-edge instruments with AI capabilities and robotic components, the project focuses on addressing the crucial task of providing a central 'brain' and command centre. By leveraging state-of-the-art technologies, we can automate laboratory operations making them more efficient with the aim of expediting scientific discovery, enhancing research quality and ultimately developing improved treatments for patients.



6 Powered by Innovation

Our strategic scientific platforms

To ensure a robust and diverse innovation pipeline based on a foundation of scientific excellence, CSL continues to strengthen its therapeutic area focus underpinned with robust technical development platforms. CSL uses its strategic technical platforms of plasma protein technology, recombinant protein technology, cell and gene therapy, and vaccines technology to support continued innovation and continually refine ways in which products can address unmet medical needs, help prevent infectious disease to protect public health, and help patients lead full lives.

Plasma Protein Technology	Plasma is a valuable resource for many current and potentially new biological therapies. We rely upon our donors to provide this life-saving resource and as such, CSL Behring has an obligation to maximise the value of each plasma donation through the development and delivery of important therapies for the benefit of patients. CSL's yield and reliability programs for donated plasma continue to be an important, strategic area of focus for CSL as we strive to be the industry leader in plasma-derived therapies.
Recombinant Protein Technology	Recombinant protein technology uses cells, grown in large batches, each as an individual protein production factory. This allows product supply to be reliably scaled (compared to plasma collection), ensuring a robust and resilient supply of products to patients. The capability to further manipulate the sequence of recombinant proteins permits a responsiveness to achieve desired therapeutic goals, such as the ability to replace a patient's own deficient or inactive protein, selectively target specific biological mechanisms, enhance potency and improve pharmacokinetics, resulting in more effective, highly differentiated medicines with the potential to optimise the route and frequency of delivery. CSL's garadacimab program highlights the value of monoclonal antibodies, a specific subset of recombinant proteins that are developed to have a highly specific targeting to block or enhance certain biologic or immune processes which lead to disease states. The specificity of the targeting of monoclonal antibodies ensures very high efficacy with minimal side-effects.
Cell and Gene Therapy	Cell and gene therapies are highly innovative, next-generation products that, after decades of research and development, are now starting to improve the lives of patients with serious diseases. For diseases with few effective therapeutic options, such as certain blood cell cancers, or where successful therapy has required a lifetime of regular symptomatic treatment, such as rare inherited genetic deficiencies, they offer the promise of a long-term cure. The fundamental differentiating characteristic of cell and gene therapies is that the patient's own cells are manipulated to produce the disease-correcting protein, either by removing the patient's cells and modifying them or, as with HEMGENIX®, by using molecular machinery derived from viruses to deliver the therapeutic gene to the desired cell type within the patient's body.
Vaccines Technology	CSL Seqirus is a global leader in influenza vaccine technologies for prevention and control of seasonal disease, and a transcontinental partner in pandemic preparedness. Our egg-based and cell-based manufacturing capabilities in three continents produce more than 100 million doses of influenza vaccines annually. Together with our MF59® adjuvant, our influenza vaccines help to meet the needs of different populations around the world. CSL's ongoing commitment to population protection is evidenced through our innovative vaccines pipeline, which includes next-generation technologies such as next-generation mRNA and recombinant antigen production, to address emerging and present viral threats to human health.

Global collaboration for innovation

Thriving biotech ecosystems worldwide rely on multiple interconnected elements for success: exceptional research and development capabilities, state-of-the-art infrastructure and facilities, financial investment for innovation across the development lifecycle, effective translation and development of research into commercially viable outcomes and, most importantly, a culture of collaboration.

CSL's R&D portfolio focuses on innovation in new products, improved products and manufacturing expertise, ensuring CSL's continued growth. In pursuit of these goals, CSL recognises and embraces that we cannot, and should not, do it alone. When collaboration becomes the driving force behind progress in biomedical ecosystems, it brings benefits to various stakeholders including universities, research institutions, pharmaceutical companies and, crucially, patients. Thus, CSL continues to identify and build strategic collaborations that align with our therapeutic areas of focus and enhance our chances of bringing forward beneficial disruptive innovation.

Jumar Bioincubator, Australia's preeminent biotech incubator, is situated within our new Global Headquarters and Centre for R&D in Melbourne. It is the first and only incubator in Australia co-located with a leading biotechnology company. This has been made possible with financial and in-kind support from CSL, the University of Melbourne and The Walter and Eliza Hall Institute of Medical Research (**WEHI**), who have formed an incorporated joint venture to establish and operate the incubator, plus initial investment from Breakthrough Victoria, an independent company administering the Victorian Government's landmark A$2 billion Breakthrough Victoria Fund.

Operated independently by Cicada Innovations, Jumar Bioincubator offers comprehensive support to biotech start-ups, enabling them to translate groundbreaking biomedical discoveries into tangible commercial outcomes.

Spanning two levels of CSL Melbourne, the incubator will encompass 1,400 square metres of purpose-built laboratory space with support facilities and 1,700 square metres of office and collaboration space. Jumar Bioincubator will be able to accommodate up to 40 early stage companies from around Australia and internationally and will be embedded alongside seven floors of leading-edge laboratory and clinical manufacturing space supporting CSL's own R&D programs.

Beyond providing cost-effective, cutting-edge 'wet-lab' facilities, equipment and office space, Jumar Bioincubator delivers a wide range of services including educational programs on commercialisation, facilitated access to investors, industry mentoring, and access to curated service providers. By capitalising on the investments already made in the Melbourne Biomedical Precinct, Jumar Bioincubator aspires to position Australia as a globally recognised hub for biotech translation and commercialisation, complementing the precinct's renowned reputation for exceptional medical research.

> *Co-located within CSL Melbourne means Jumar Bioincubator residents will be working in an innovation-driven environment alongside a large and focused CSL R&D team, enabling opportunities for peer-collaboration, learning and sharing of ideas.*
>
> **Dr Andrew Nash,** Chief Scientific Officer and Senior Vice President, Research

Identifying early stage external innovation opportunities, such as new technologies and assets, is essential for CSL's research portfolio to grow and diversify in the future. To expedite the commercialisation of promising discoveries that can address unmet patient needs, the Research External Innovation Team have established the CSL Research Acceleration Initiative (RAI) to form partnerships between CSL and research organisations worldwide. By fostering long-term collaborations with talented academic scientists, the RAI promotes innovation and offers crucial early funding as well as access to CSL's R&D experts.

Over the past four years, CSL has successfully established over 30 new collaborations with entrepreneurial scientists in Australia, Europe, and the United States through the RAI. Furthermore, CSL has strategically partnered with selected incubators, accelerators and venture funders worldwide to expand its access to external innovation.

These partnerships include Baselaunch, a Swiss-based venture builder that collaborates with scientists and entrepreneurs across Europe to develop cutting-edge therapeutics. In the United States, CSL joined forces with StartX, a global non-profit community consisting of over 800 companies affiliated with Stanford University and the Philadelphia-based Science Center; whilst in Australia, CSL is an investor in the Brandon BioCatalyst fund, which provides support for the development and commercialisation of early stage biomedical discoveries. Through these collaborative efforts and initiatives, CSL expands its global presence and strengthens its connection with innovative scientists and provides CSL with a significant competitive advantage in accessing ground breaking discoveries to build a sustainable and diverse R&D portfolio of promising biotherapies across various therapeutic areas.

Each year, CSL works to establish longer term strategic partnerships that will benefit CSL, CSL's academic partners and most importantly, our patients.

- CSL and WEHI celebrated an important milestone in May 2023 with the opening of newly refurbished laboratories for the Centre for Biologic Therapies (Centre). The Centre combines WEHI's expertise with CSL's experience in biologic drug discovery and development and its world-class human antibody library which will be the engine room of biologics discovery at the Centre. With its new laboratories within the Royal Melbourne Hospital, the Centre provides access to expert biologic discovery and optimisation capabilities accelerating drug development into the clinic, ultimately addressing a current gap in Australian medical research. The partners will contribute equal funding to the Centre, with a combined investment of A$10 million over five years.

6 Powered by Innovation

Collaborating to pair external unique technologies, assets and equipment with our strengths in research, clinical development, manufacturing, and commercialisation will help us reliably deliver the next and future generations of therapies to our patients. We are very purposeful in the culture, behaviours and mindset we establish when we decide to work with a partner. Better outcomes follow when the goal is both outcome and connection – at the heart of this thinking is a 'combinatorial' culture of complementary leadership and a spirit of true collaboration.

Dr Emmanuelle Lecomte-Brisset, Senior Vice President, Global Regulatory Affairs

- CSL and WEHI have also established the CSL WEHI Translational Data Science Alliance which will leverage CSL's expertise in drug development and WEHI's experience in bioinformatics to gain a deeper understanding of biotherapies and patient populations. Through this alliance, CSL's Research Data Science team will work alongside WEHI's highly skilled and world-renowned computational biologists and bioinformaticians, who will contribute innovative data analysis methods to help us advance therapeutics into the clinic. Additionally, this collaboration will greatly enhance R&D capabilities in bioinformatics, genomics and imaging at both CSL and WEHI through the utilisation of advanced technologies, platforms and talent development.
- The Australian Research Council (ARC) Hub for Digital Bioprocess Development is part of the Industrial Transformation Research Hub grant scheme (ITRH Scheme) and has been established to support the biopharmaceutical industry by fostering digital innovation, productivity and competitiveness. It will draw together expertise from the University of Melbourne, University of Technology Sydney and RMIT University, together with CSL, Patheon and Pall and three leading international universities, forming a substantial team. The Hub will bring together an interdisciplinary team of engineers, scientists, and computing specialists to create digitally integrated advanced manufacturing processes and a platform for industry-wide adoption. This will include the development of novel process and digital models capable of predicting and optimising manufacturing processes resulting in improved yields, more efficient and flexible processes, and enhanced product stability. The ARC Hub for Digital Bioprocess Development will employ six CSL post-doctoral scientists and over 10 PhD students over a five-year period.

In support of the yearly seasonal influenza vaccine epidemic, CSL Seqirus collaborates with the World Health Organisation (WHO) Collaborating Centre in Melbourne, Australia to prepare vaccine seeds and potency reagents that are made widely available. This is an important contribution to assist with the global effort to prepare for the forthcoming vaccination season.

Influenza remains a significant global health concern and CSL is committed to collaborating with like-minded partners to advance our understanding of the human response to influenza and to discover new and innovative vaccine solutions for this and other respiratory viruses. By collaborating with Arcturus Therapeutics, CSL has gained access to Arcturus Therapeutics' advanced next-generation mRNA vaccine platform technology, which has shown promising results in a large Phase III study for COVID-19. Through this collaboration the commercialisation of a prospective COVID (SARS-CoV-2) vaccine has been significantly advanced and the partnership will continue to drive the development of new vaccines including seasonal influenza sa-mRNA vaccines.

This agreement with Arcturus Therapeutics provides CSL with an opportunity to strengthen and accelerate our goals for the next-generation of mRNA vaccines and underscores our commitment to pursuing new and innovative ways of protecting public health. This is a significant leap forward with a demonstrated platform that will allow us to further explore influenza-adjacent therapies.

Dr Paul McKenzie, Chief Executive Officer

Strategic support for innovative medical research

One of CSL's core values is innovation and over the past year we have continued to support collaborative innovation through the endowment of the following awards to researchers around the world.

- The Heimburger Award is a global award available to researchers across the world. Professor Dr Norbert Heimburger, a CSL Behring employee for over three decades, was a pioneer of modern coagulation therapy. Among his many achievements, Prof. Dr Heimburger developed virus-safe plasma products based on pasteurisation, including launching the first effectively virus-inactivated FVIII concentrate in 1981. In his honour, CSL Behring created the Heimburger Award, recognising clinical and/or preclinical research of emerging coagulation specialists who are driven to improve the care of patients with bleeding disorders. In May 2022, five recipients from Australia, Belgium, Ireland, Italy and the Netherlands received this award.
- In October 2022, two Australian scientists were each awarded a CSL Centenary Fellowship, valued at A$1.25 million over five years. Dr Samuel Forster will use his fellowship to fund research to unravel how some bacteria influence the gut's immune system and contribute to inflammatory bowel disease, a chronic, painful and disruptive condition. And the help of the fellowship will assist Dr Michelle Boyle to investigate how the malaria parasite can disrupt the body's immune response, reducing the effectiveness of vaccination in children in malaria-affected communities. Both of these research projects will generate fundamental knowledge that could transform how we fight these diseases to improve outcomes for patients.

Listening to our patients' needs

The ability to collaborate with patients and their support networks remains an essential part of CSL's efforts to make a meaningful difference to the lives of patients and to public health. We have continued to exemplify our dedication to understanding patients' needs by expanding internal and external partnerships and engaging with industry partners who share similar values regarding patient focus. Through these important partnerships, CSL is navigating critically important areas which have a direct impact on areas such as patient diversity and inclusion in drug development, health equity and leveraging enabling technologies to improve how we interact with patients across R&D. CSL is inviting patients to directly comment on how it is discovering and developing the next wave of important therapies. These strategic efforts have resulted in numerous insights, improvements and efficiencies in CSL's development programs and how the R&D pipeline is delivered.

Through actively listening to patients' needs, CSL makes a meaningful impact on patient lives and public health. We partner with industry leaders who share our patient-focused values, addressing diversity, health equity and leveraging technology to enhance R&D. Together, we drive improvements for a better future in drug development, helping us to deliver on our promise.

Deirdre BeVard, Senior Vice President, R&D Strategic Operations

Clinical trials in progress and new

In 2022/23, CSL had 60 clinical trials in operation across all therapeutic areas. Of those, 12 had a first patient enrolled in the trial during the year.

CSL conducts clinical trials ethically and adheres to the highest standards of integrity in the formulation, conduct and reporting of scientific research. This is based upon three primary elements: scientific integrity; patient safety; and investigator objectivity.

60
clinical trials in operation across all therapeutic areas

10
regulatory authority inspections with no impact to clinical trial conduct

The CSL Clinical Quality Management System allows CSL to monitor and effectively oversee the quality of clinical trials and includes both regulatory authority inspections and internal audits for good clinical practice (GCP), good pharmacovigilance practice (GVP), good manufacturing practice (GMP), good laboratory practice (GLP) and good research laboratory practice (GRLP).

Over the reporting period, 16 clinical trials were added, and 11 clinical trial results were posted, on an International Committee of Medical Journal Editors (ICMJE)-recognised public clinical trial registry. These were all disclosed in a timely manner and in compliance with CSL's transparency policy. This policy reflects international requirements and standards including requirements from ICMJE, WHO guidance and legislative requirements.

In addition, 10 inspections were undertaken by regulatory agencies including the US Food and Drug Administration (FDA) and the Japanese Pharmaceuticals and Medical Devices Agency (PMDA). All inspections confirmed adherence with GCP requirements, validated the data integrity of our clinical trials and had no impact on clinical trial operations.

When patients speak, CSL listens

CSL continues to improve clinical trial performance and reduce patient burden of participation, and we listened to patients to make it happen. Over the last 12 months, through direct patient feedback, we made multiple protocol modifications during the design stage for several high priority clinical trials. Addressing these protocol design challenges early resulted in a reduction in the number of protocol amendments during the conduct of the clinical trials. Patient insights also helped drive innovation within R&D by enabling us to identify several new capabilities which were incorporated into our clinical trials. Overall, listening to our patient advisory boards resulted in changes which helped reduce the patient burden in CSL clinical trials; making it more feasible for patients to participate in these studies and thus helping to advance our newer therapies towards those patients in need.

7 CSL's People

Our highest priority is the safety and wellbeing of our employees, donors and patients.

Guided by our Values, CSL's success starts with a workplace where our people can do their best work and continue to develop and grow. Most of CSL's employees work onsite in manufacturing facilities or plasma donation centres to produce life-saving medicines and vaccines for those we have the privilege to serve.

The diverse perspectives, backgrounds and experiences of our more than 32,000 colleagues around the world strengthen our company, inspire our innovation and make CSL an engaging place to work. Fostering a diverse and inclusive culture helps us better understand and connect with our donors, patients and other stakeholders.

Building a diverse workforce, inclusive culture and equitable organisation

Our Diversity, Equity & Inclusion (DE&I) agenda focuses on building a diverse workforce, an inclusive workplace and an equitable organisation. Therefore, DE&I is embedded in everything we do – from how we attract talent and support our employees to how we engage with the communities in which we live and work. We consider diversity in the broadest terms, including gender, nationality, ethnicity, disability, sexual orientation, gender identity, generation/age, socioeconomic status, marital/family status, religious belief, language, professional and educational background, and cultural experience. Focusing on diversity alone is not enough. We also invest in our culture and managers' skills to ensure our people feel like they belong (inclusion), and they are treated fairly and have equal access to opportunities (equity). CSL's Global Diversity and Inclusion Policy is available on CSL.com (We Are CSL > Corporate Governance > Core Policies).

Our DE&I Strategy focuses on three pillars with multiyear, measurable objectives to ensure our ongoing progress.

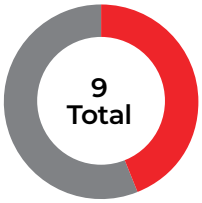
- Diverse workforce: Build a more diverse workforce, including achieving positive progress toward gender diversity within management and senior executive levels, while reflecting ethnic, cultural and disability diversity, so that we bring a wide variety of viewpoints to the important decisions we make and problems we solve.
- Inclusive culture: Foster an inclusive culture in which all employees are respected, valued and inspired to do their best work, including implementing an internal global DE&I series to develop employees on inclusive behaviours and other DE&I topics.
- Marketplace reputation: Enhance our external reputation by partnering with organisations and suppliers who share our passion for DE&I and support us in achieving our objectives.

We review our progress toward meeting our long-term DE&I goals annually, identifying short-term objectives to address areas where additional attention is needed. In addition, we follow both representational data as well as key performance indicators to ensure our talent practices are inclusive and equitable.

We continue to make positive strides in our workforce demographics as we aim to achieve greater diversity in the composition of our senior executive and people manager populations. Looking at our year-end gender composition as of 30 June 2023, the following charts, which include employee data from our CSL Vifor business unit since it joined the CSL family in 2023, highlight the proportion of women and men on the CSL Board of Directors, in senior executive positions (senior director and above), in the role of people managers (with three or more direct reports) as well as all employees across the entire organisation.

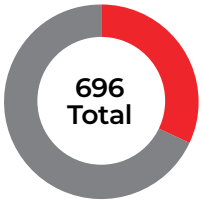
Gender Composition

Board of Directors*
ASX Guidance:
30% representation
by either gender



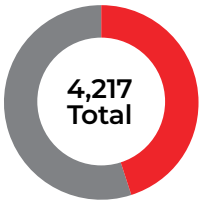
- Women **44%**
- Men **56%**

Senior Executive*
Goal: 40% women
by FY30



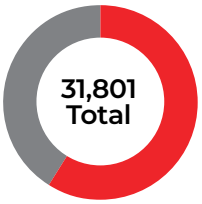
- Women **32%**
- Men **68%**

People Manager*
Goal: 50% women
by FY25



- Women **45%**
- Men **55%**

All Employees*



- Women **59%**
- Men **41%**

* Limited assurance by Ernst & Young. Includes all employees globally (including CSL Vifor data); % calculations exclude 264 employees with unspecified gender. These 264 employees are excluded from the total counts.

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 (WGEA). A copy of this report is available at CSL.com (Sustainability > Sustainable Workforce > Diversity, Equity, & Inclusion).

Our long-term gender goals

In alignment with ASX Corporate Governance Council Principles, we have established measurable long-term gender goals: 30% or better of each gender represented on our Board of Directors, 50% women among our People Manager population by 2025 and 40% women among our Senior Executives by 2030.

Our multigenerational workforce includes employees ranging in ages from Baby Boomer (born 1946–61) to Generation Z (born after 2001). Millennials (born 1980-2000) form the majority of our workforce.

All Employees*

- Gen Y (1980-2000) **54%**
- Gen X (1962-1979) **35%**
- Gen Z (2001+) **6%**
- Baby Boomers (1946-1961) **5%**

Senior Executives*

- Gen X (1962-1979) **80%**
- Gen Y (1980-2000) **10%**
- Baby Boomers (1946-1961) **10%**

People Managers*

- Gen X (1962-1979) **52%**
- Gen Y (1980-2000) **43%**
- Baby Boomers (1946-1961) **5%**

* Limited assurance by Ernst & Young. Data as at 30 June 2023 and includes all employees globally where birthday is recorded (99.5% of population).

CSL is assessing the global legal landscape to capture expanded demographic information related to multiple diversity dimensions. This information will inform our strategies to further build a diverse and inclusive workplace with equitable work processes.

Currently, our global diversity data meets reporting requirements in various geographies and represents gender globally, race/ethnicity in the United States and disability status in Germany and the United States. With that, our combined global diversity is at 69%.

Currently, our ethnically diverse talent represents 55% of our workforce in the United States. Ethnicity of our United States employee population follows.

- White **45%**
- African American/Black **28%**
- Hispanic **17%**
- Asian **5%**
- Two or More Races **4%**
- Other **1%**

We continue to focus on disability inclusion worldwide, and while we look to expand our disability metrics in various geographies soon, we currently measure our progress in the United States and Germany. Representation of people with disabilities is at 6% in Germany and at 8% in the United States.

Germany
6%

United States
8%

7 CSL's People

Providing promising futures

We want our people to have Promising Futures where they fulfill their individual career aspirations and potential and are inspired by a purpose-driven company with a values-based culture. CSL continues to invest in a variety of programs, such as health and wellness, training and development, and rewards and recognition, that reflect our commitment to helping employees develop and thrive.

Additionally, CSL believes in the power of education to create opportunities and change peoples' lives. CSL's Promising FUTURES Scholarship Program provides financial assistance to employees and their dependents for technical school, vocational school, two- and four-year colleges or advanced education. The program was specifically designed to support individuals from traditionally underprivileged, underrepresented communities – those who have had to overcome substantial obstacles to pursue their studies or first-generation college students.

We launched the program in 2021 in the United States, and expanded it to Australia the following year. In Australia in 2022, we awarded two scholarships and in 2023, there were three successful applicants. Our 2023 United States scholarship program also included our CSL Vifor colleagues based in the United States and garnered the highest participation to date with 112 applicants. Of those, 70% identified as women, <1% as nonbinary/third gender and 66% as racially diverse. Thirty-seven scholarships were awarded.

> *I am so incredibly grateful for this scholarship. It will help me complete college, with some financial burden lifted off of my family. I will work my hardest to make sure that CSL has made a good investment in my academic career, as well as my future!*
>
> **Davin Metcalf,** Scholarship Recipient

> *This scholarship is confirmation to me that CSL is a great organisation that is truly looking to invest in young people, future leaders and folks who are interested in the life sciences. Davin is pursuing a Biological Sciences degree that may, one day, lead him to a company like CSL. I'm just so pleased that CSL wants to invest in my son's future and is recognising him not only for his grades and academic pursuits, but also for his leadership qualities.*
>
> **Matt Metcalf,** Regional Access Manager, Commercial

Attracting and advancing future talent

The company's early career programs for STEM talent around the globe help to build CSL's future talent pipeline.

The **Australian Graduate Program** is a two-year rotational program that focuses on attracting, developing and retaining top graduates who are ambitious, innovative and tech-savvy. The program offers undergraduates career opportunities within our global businesses through cross-functional rotations and specialised development. Since the program's inception, we have recruited 84 graduates with 96% conversion into roles post-program and an 84% retention rate.

CSL's **Australian Internship Program** is a paid, 10-week program for university undergraduate and post-graduate students in their last year of study. The program provides hands-on experience and learning and development opportunities with exposure to various teams and functions across the business all while working alongside and learning from a diverse group of professionals who are leaders in their respective fields. Interns can also apply to be considered for early offers to join our award-winning Graduate Program in the following year.

The **EMEA Trainee Program** invites candidates, who recently graduated with a bachelor's, master's or doctorate degree, to participate in a two-year, cross-functional rotation program in the areas of Engineering, Marketing, Medical Affairs, Manufacturing, Quality and/or Research & Development (R&D). Candidates have an assigned mentor and take part in a wide range of development and networking opportunities, including leadership assessments, innovation sessions and project management. In 2022, four of the five Graduate Trainees, who completed the program across CSL Vifor, CSL Behring and CSL Seqirus, have secured full-time employment with CSL.

Our **Apprenticeship and Dual Study Programs** in Germany and Switzerland strengthen our talent pipeline across multiple functions, including Manufacturing and R&D. Programs spanning three or four years adhere to all applicable regulatory requirements and include personal, professional and academic training to develop CSL's workforce of the future. Many of the apprentices and dual study students continue their career within CSL. To date, more than 100 apprentices have completed apprenticeships in Germany and Switzerland, and 30 participants completed the Dual Study Program. In 2022, both programs saw a conversion rate of 80%.

Attracting students enrolled in a four-year college or university, CSL's **North America Internship & Co-op Program** spans 12 to 26 weeks and builds on classroom theory to provide students with practical, hands-on experiences involving multiple CSL entities, functions and locations. Interns and co-op participants participate in a variety of development opportunities, including an Insights Discovery Assessment, skill-building workshops and business-specific training. Additionally, CSL employees serve as mentors, offering career advice and support. This year, CSL hired 43 students across four sites in the United States.

Developing future leaders

We maintain a wide range of professional and personal development programs to meet the evolving needs and expectations of our leaders, whether they manage a team or a project and need to get work done through others. From developing strategy and executing with excellence to driving innovation and fostering an inclusive culture, the role of a leader has never been more critical. That is why we continue to support the ongoing development of CSL's leaders now and for the future. Following are descriptions of some of our development offerings.

Mentoring: Mentoring of people leaders is an important component of our learning and development investments. Currently, more than 500 colleagues – 47% of whom are women – participate in our global mentoring program.

High Potential Talent Development: Our Executive Edge program accelerates the development of high potential senior leaders to help prepare them for executive roles.

The program focuses on leading strategy and people with an enterprise and inclusive mindset and offers an immersive in-market experience, executive exposure and networking, and engagement in a strategic project tied to the company's strategy. It also includes a specialised track for female participants, providing guidance on handling headwinds specific to women's career advancement, exposure to external female C-suite executives and the opportunity for ongoing mentoring and sponsorship. Our first cohort completed the program in 2023 and included 23 participants, of which 48% were women.

Leadership Development: Leadership Excellence is a program specially designed for associate directors and directors across all areas of our business. The curriculum centres on leadership agility and translating future trends into enterprise strategy. It also includes business simulations, peer learning activities and reverse mentoring to broaden participant perspectives. In the past year, we also launched an alumni network to sustain cross-functional learning beyond the program. To date, nearly 491 CSL leaders participated across five cohorts – 50% women and 50% men of those who declared gender identity.

Management Development: Management Essentials is a program for managers and senior managers across all areas of our business. Topics include the role of a leader, building trust, communication and feedback, coaching, change and inclusive leadership with a focus on the individual biases that affect relationships, collaboration and performance. Participants are provided with an immersive learning experience for which they complete self-paced asynchronous modules and engage in moderated chat rooms. They also receive live virtual coaching from a dedicated expert to help reinforce learning and its application. To date, there have been 342 graduates (51% women, 48% men, 1% did not identify gender) from the CSL Behring, CSL Seqirus and CSL Vifor business units and 529 participants (67% women and 33% men) from our CSL Plasma business.

Frontline Leader Development: The Frontline Leader program provides foundational business and people management skills for supervisors and newly promoted managers across the Operations organisation. Coursework is designed to enhance leadership and management skills, Human Resources & Legal compliance knowledge and Enterprise Operations business acumen. Launched in 2022, the program is offered at all CSL manufacturing sites. By the end of the 2022/23 financial year, 1,230 leaders have participated in the program.

Professional Development: Our Discovery program focuses on enhancing the knowledge and capabilities of our self-led, individual contributors through the development of their own personal effectiveness, expanded self-awareness and collaboration capabilities, and improved change and time-management skills. There are 237 participants – 59% female and 41% male – in our 2023 cohort.

Emerging Leader Development: C@talyst is an emerging leader program run within the CSL Seqirus business across the APAC, EMEA and Americas regions. The current cohort of 60 is comprised of 62% women and 38% men. This program will be scaled to additional business units across CSL in the upcoming financial year.

Valuing colleagues' contributions

We strive to create an environment where people excel in their job and make meaningful contributions that drive superior performance and sustainable growth – all while demonstrating our CSL Values.

Over the past year, we refreshed our approach to how we enable our people to perform at their best and reward them for it. Updates to CSL's performance management framework have included:

- reinforcing our CSL Values, considering both 'what' our employees contribute and 'how' they contribute in terms of their behaviours;
- continuing to foster a culture of ongoing feedback and dialogue to ensure a strong link between performance and employee development year-round; and
- improving CSL's Short-Term Incentive Plan, including the ability to differentiate and award bonus amounts that better match our employees' unique contributions, along with an increased maximum bonus potential for our highest performers who achieve stretch objectives.

Our employees are well prepared to set clear goals that are linked to company priorities, share feedback with each other regularly and embrace development opportunities while we work together to deliver for our patients and protect public health.

Another way we recognise employee efforts is through CSL's global recognition program, Celebrate the Promise, an online platform that enables employees and leaders to easily recognise anyone at any time – from a simple thank you to acknowledgement of a major accomplishment.

Each recognition is tied to one of CSL's Values (Patient Focus, Innovation, Integrity, Collaboration and Superior Performance). For significant achievements, employees may receive points, which can be used to purchase merchandise from an online catalogue. Since launching the program in September 2020, employees have shared more than 400,261 global recognition moments, with Collaboration and Superior Performance being the top two most-recognised CSL Values.

Listening to our people

We continue listening to our employees' views on critical aspects related to working at CSL, and each year, we invite employees to provide feedback through our Employee Engagement Survey. This year's survey included our CSL Vifor colleagues. In 2023, a record number of employees – 24,660 – shared their views on a variety of topics, including CSL's vision, the ability to balance work and life, collaboration across the enterprise, demonstration of our CSL Values and support for employee growth and development. That number represents 76%* of our employee population, nearly 4,000 more employee voices than we have ever heard from before.

This year's Engagement Index is **76.2***, relatively flat from last year's survey and on par with the global external benchmark maintained by our survey administrator, Perceptyx, that represents responses from over 11 million employees across multiple industries and geographies. As in prior years, each member of our Global Leadership Group analyses their respective results to identify a few meaningful engagement objectives and related action plans for the new financial year. We also provide training to our people leaders, helping them interpret team results and identify strengths on which to build or opportunities to improve. In addition to these ongoing efforts and new for the 2023/24 financial year, we have established an enterprise action plan, sponsored by senior leadership, that will focus on specific areas identified by employees, including increased recognition of superior performance, more leader-led communications to help our people feel better connected to our purpose and strategy, and continued emphasis on wellness with quarterly, company-wide 'No Scheduled Meetings Weeks' to offer employees more time on innovative solutions to challenges as well as their own development and wellbeing.

Throughout the year, we leveraged our listening strategy as we welcomed our CSL Vifor teammates to the CSL family, soliciting their feedback throughout the integration process. In addition, we conducted Values workshops to familiarise colleagues with our company Values and the behaviours that bring them to life.

Additionally, we are taking steps to enhance the employee experience while meeting the evolving needs of the organisation. We established a cross-functional, cross-geography advisory group to provide input as we work together to ensure that CSL's workforce is connected, productive, engaged and supported with critical capabilities as the needs of our business and the future of work continue to evolve.

Caring for our people

The health, safety and wellbeing of our people is a top priority at CSL, and with a newly established health and wellbeing steering committee, the company is even more focused and coordinated in its efforts to support them. We have implemented numerous programs designed to enhance our employees' physical, emotional and financial health.

Some enhancements have included:

- offering employees two wellness days for the third year in a row so they have time to focus on their physical and emotional wellbeing when they need it most;
- expanding and modernising CSL's global Employee Assistance Program by providing eight behavioural health sessions to all employees and their dependants at no cost and with improved access to providers;
- promoting use of Headspace, a mental health and wellbeing app, among employees in nearly all locations;
- augmenting CSL's existing leave offerings by providing more options to assist global caregivers with paid time off and accommodate those who need additional time away from work;
- reviewing and adjusting health and risk coverage in all major geographies to ensure employees have access to care specifically needed in light of the COVID-19 pandemic, including coverage for death and disability, inpatient and outpatient services, COVID-19 testing, vaccination, telemedicine, and paediatric/maternal care;
- introducing a charitable matching contribution program for employees in the United States and Australia;
- providing family formation benefits and gender affirmation coverage to employees in United States locations; and
- offering employees in United States locations additional support to help them find and pay for back-up care for children, elders and pets.

As our people balance a variety of professional and personal demands, we continue to support workplace flexibility. We established a hybrid work environment for those whose roles permit remote work, and to support those whose presence at work is required, we embedded an ongoing emphasis on safety and enhanced recognition for essential employees.

Ensuring a sustainable workforce

A sustainable workforce is a focus of our business growth and future success, and it's one of the pillars of our Sustainability Strategy.

Over the past year, we have continued taking steps to:

- raise awareness, visibility and action, by promoting sustainability across the end-to-end working experience;
- inform and involve employees in programs that maximise diversity, equity and inclusion; and
- ensure employees have access and opportunity to engage with community-giving programs and volunteering within our communities.

We continually look for ways to engage our workforce on relevant aspects of our Sustainability Strategy. As we further embed activity surrounding the achievement of our environmental targets across the organisation – from manufacturing operations to other functions and levels of management – there is tremendous opportunity to actively engage our colleagues in our collective efforts. We anticipate increased involvement across our sites as we work to establish waste and water reduction targets whereby all our employees can directly support their achievement.

Meanwhile, employees are enthusiastic about the company's sustainability efforts. According to the 2023 Employee Engagement Survey, 76.2%* said they feel good about the ways CSL contributes to the community – consistent with the prior year and on par with the global external benchmark maintained by our survey administrator.

* Limited assurance by Ernst & Young.

Over the reporting period, in Australia, we have advanced our efforts to support reconciliation efforts with Aboriginal and Torres Strait Islanders – the world's oldest continuous living culture. We have formed an employee-led working group of 14 passionate representatives from across our business units and functions to develop CSL's first Reconciliation Action Plan (RAP). Working with Reconciliation Australia – the lead body for reconciliation that aims to inspire and build relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians – we seek to launch our *Reflect* RAP in the second half of 2023. Reconciliation Australia's *Reflect* RAP structure provides a robust and proven framework for scoping and developing relationships with Aboriginal and Torres Strait Islander stakeholders, deciding on CSL's vision for reconciliation and exploring our sphere of influence.

In 2022, we interviewed employees across our regions to help shape the scope and design of expanding our workplace giving programs beyond existing initiatives in the United States and Australia. Additionally, we explored a range of technology-based solutions to support the expansion. While we consider various options, CSL continues to support humanitarian relief efforts in geographies where our businesses operate (see page 58 for more information). We are excited about the prospect of enabling more employees to engage in local community-giving efforts, both through the donation of dollars and the contribution of time and talents.

Promoting safety and wellbeing

CSL is committed to providing safe, healthy and secure workplaces for our employees, other persons present on our premises and the communities in which we operate.

Our Environmental, Health and Safety (EHS) Management System seeks to uphold our EHS principles that aim to keep people safe, protect the environment and build trust internally and externally. Each year, CSL establishes robust key performance indicators to measure our adherence to our values and drive improved results.

The EHS team works collaboratively with site operations management and employees to proactively identify and correct workplace hazards and risks, strengthen communication, define roles and responsibilities and promote a company-wide culture of safety at all of our manufacturing, plasma, laboratory and office locations.

Enablon®, a cloud-based EHS software solution has been implemented across the enterprise and is available for all employees, contractors and visitors to use for event reporting, incident investigation, inspections, corrective measures and metrics. Enablon® is a tool that allows CSL to standardise and automate safety reporting and processes across the organisation.

As part of CSL's commitment to continuously improving our EHS performance, CSL has updated many key aspects of the EHS Management System. These updates include improvements to core EHS elements of audit and governance, management review, incident reporting classification and escalation.

Our people are our most valuable asset. CSL continues to develop, implement, and improve our employee health and safety processes and programs to further promote a strong and inclusive safety culture. In 2022/23, CSL initiated a new global EHS committee to enhance our global health and wellness programs, bringing together health advocates from all over the CSL network to develop a global health and wellness plan for deployment in 2023/24. The work in health and wellness will be paired with an investment into CSL's EHS culture and employee engagement processes, to further strength the employee experience in all areas of environmental health, safety and sustainability.

Our Health and Safety Performance*

Total Recordable Injury Frequency Rate (TRIFR)† (per million hours worked)

Year		Targets‡	Results‡
22-23	Non-CSL Plasma sites#	≤3.5	0.94
	CSL Plasma	≤10.8	12.1
	Fatalities (employees and contingent workers)^ #	0	0
21-22	Non-CSL Plasma sites	≤3.5	1.39
	CSL Plasma	≤10.8	10.67
	Fatalities (employees and contingent workers)^	0	0
20-21	Non-CSL Plasma sites	≤3.5	1.88
	CSL Plasma	≤10.8	11.20
	Fatalities (employees and contingent workers)^	0	0

* Limited assurance by Ernst & Young.

† Total Recordable Injury Frequency Rate (TRIFR) is the rate of injuries resulting in a fatality, lost time from work ≥ one day/shift, and medical treatment beyond first aid calculated as TRIFR = (# Injuries) x (1,000,000)/(hours worked). Includes employees and workers directly supervised by an CSL employee.

‡ Data is calculated over a 36-month period of time. Data is separated into CSL Plasma and non-CSL Plasma sites to account for the difference in the inherent hazards in plasma collection centres as compared to manufacturing facilities.

^ Applies globally to all operations and employees, including part-time employees, contracted employees, contingent workers, and temporary employees (or other individuals) whose work is directly supervised by a CSL employee. This includes contingent workers that perform work that is directly related to the company's core work and provide work direction from the Company. Does not apply to independent contractors: who perform non-core servicing, maintenance or construction related work. Work performed by an independent contractor is not controlled nor directed by CSL and its entities but by the hired party.

Includes CSL Vifor, Switzerland manufacturing facility and head office following the acquisition in August 2022.

While remaining low in relation to industry benchmarks, incident rates over the reporting period in CSL's plasma collection centres closed the year above target. Contributing factors include improved reporting via the deployment of the Enablon incident reporting system software, the continued growth of our plasma network, and the increased onboarding (due to turnover) of new employees. Several measures have been implemented to control the increase in non-serious incidents, and the associated impact on CSL Plasma's safety performance.

8 Environment

Our commitment to a healthier world means delivering for both people and our planet. For a century we have strived to provide our life-saving medicines in an efficient, inclusive and environmentally respectful way.

In addition to material topics featured, our strategic sustainability focus areas are listed below:

- **Integrate sustainability considerations into business decisions.**
- **Reduce carbon emissions.**
- **Minimise end-to-end production of waste through removal, reduction and recycling.**
- **Reduce waste and emissions across our supply chain.**

Promoting environmental protection

CSL recognises that responsible management and efficient use of natural resources is key to its sustainable growth and ability to enable efficient and reliable supply of our life-saving medicines.

CSL has an Environment, Health, Safety (EHS) function, which ensures our facilities operate to industry and regulatory standards. This strategy includes compliance with government regulations and commitments to minimise the impact of our operations on the environment. Our EHS Management System provides the platform for policies, procedures and guidelines, which manage our business processes.

In April 2023, CSL's facility in Wuhan, China, was issued a violation by the environmental protection agency (EPA) for failing to meet discharge limits of chemical oxygen demand (COD) as outlined in the site's discharge permit. The penalty issued was US$16,548 (RMB120,000).

Creating an impact on Earth Day

Earth Day on Saturday, 22 April, is an annual reminder of the impact human activity has on the environment and the need to invest in our planet to protect the future.

For Earth Day in 2023, several CSL sites across North America took part in volunteer activities in their communities, reinforcing both the business and personal commitment to the environment.

South Carolina

Our CSL Plasma facility in Union, South Carolina, proudly signed-up as part of the local county's ADOPT-A-ROAD program – adopting Old Petrie Road in Spartanburg, South Carolina. The ADOPT-A-ROAD program is designed to keep the county's roadways litter-free. CSL has adopted a two-mile section of road and for the next two years will have volunteers working to pick up litter along the roadway across the year.

North Carolina

For the second year in a row, CSL Seqirus in Holly Springs, North Carolina, celebrated Earth Day by helping clean up Bass Lake Park. Over 100 employees volunteered to spread mulch and collect rubbish on trails and along the lake.

CSL Seqirus, Holly Springs in North Carolina celebrating Earth Day by helping to clean up Bass Lake Park.

Illinois

At CSL Behring in Kankakee, Illinois, members of the leadership team and EHS volunteered at the Willowhaven Park Nature Center Earth Day event. During the event there was a grand opening for the new arboretum trail, a rubbish collection activity and a children's gardening program.

At Waltham, Massachusetts, CSL Seqirus ran a photo contest to celebrate environmental consciousness, sustainability and preservation. Photos of nature, conservation efforts and environmental activism were encouraged. The final winner was selected based on photos demonstrating the impacts of litter and garbage on local wildlife.

Environmental trends

Compared with the prior year, total Scope 1 and 2 greenhouse gas (GHG) emissions reduced as CSL moved to increase the proportion of purchased electricity from renewable sources in Europe. This is notwithstanding the acquisition of CSL Vifor and increased production volumes at some locations. There were modest increases across energy and water consumption, with total waste and the proportion of waste recycled also increasing. This upward trend results from the addition of CSL Vifor and the waste solvent generated at that facility, as well as waste solvent from CSL Behring sites, which is subsequently recycled either onsite or offsite.

Our environmental performance includes data from the following operations:

- CSL Seqirus, three manufacturing facilities – Australia, the UK and the United States;
- CSL Behring, five manufacturing facilities – Australia, Germany, Switzerland, the United States and China;
- CSL Vifor, one manufacturing facility – Switzerland;
- CSL Plasma operations, including plasma centres, across China, Germany, Hungary and the United States and two major plasma logistics centres, CSL Plasma laboratory and CSL Plasma's saline manufacturing facility also in the United States;
- administrative and R&D operations co-located with our manufacturing facilities; and
- the respective head offices for CSL Behring (King of Prussia, United States), CSL Plasma (Boca Raton, United States) and CSL Limited (Parkville, Australia).

This year we have also sought limited assurance on energy consumption and emissions data, including baseline data used for the establishment of our emissions reduction targets.

Indicator	Unit	20-21[1,2] (April to March)	21-22[1,2] (April to March)	22-23[1,2,3] (April to March)
Scope 1 and 2 Greenhouse gas emissions[4]	Metric kilotonnes CO_2-e (KT)	324	347	336*
Energy consumption[5]	Petajoules (PJ)	3.74	3.92	4.21*
Water consumption	Gigalitres (GL)	4.44	4.67	4.86
Total waste	Metric kilotonnes (KT)	59.18	55.54	72.00
Waste recycling rate[6]	%	39	38	44

1 Data reported are inclusive of CSL Behring and CSL Seqirus manufacturing facilities, CSL Plasma network and CSL Behring headquarters.

2 CSL Plasma uses validated factors to calculate electrical power, gas and water consumption. Utility invoices were used to establish these factors and calculate natural gas, electricity and water consumption for all CSL Plasma centres. Utility invoices were also used for CSL Plasma Logistic centres, CSL Plasma Laboratories and the Union manufacturing facility (United States). CSL Plasma uses the contracted waste hauler monthly data to calculate the total yearly waste impact. In the absence of hauler information, a factorial is applied to calculate the estimated waste impact per volume of plasma collected.

3 Includes CSL Vifor manufacturing facility in Switzerland following acquisition in August 2022.

4 The majority of greenhouse gas (GHG) emitted from CSL's operation is carbon dioxide (CO_2). In most jurisdictions GHG emission factors used by CSL calculate carbon dioxide, nitrous oxide and methane emissions. Total emissions are expressed as carbon dioxide equivalents (CO_2-e).

5 Includes Scope 1 and 2 energy sources. Scope 1 energy sources are fossil energy sources supplied or used onsite, including fleet fuel use. Scope 2 energy sources are electricity and steam supplied to site, as well as chilled water and compressed air.

6 The recycling rate represents the proportion of total waste generated that is either reused or recycled onsite or offsite.

* Limited assurance by Ernst & Young.

CSL's Scope 1 and 2 emissions profile

Scope 1 greenhouse gas emissions are direct emissions from CSL activities. CSL's Scope 1 emissions primarily come from the combustion of fossil fuels. The greatest proportion of these emissions come from burning natural gas to generate steam at manufacturing facilities. Scope 2 emission are from purchased electricity and to a lesser extent purchased steam, cooling water and compressed air. Manufacturing sites in Germany, Switzerland and the UK currently purchase electricity specifically from renewable sources. In 2022/23, 17% of the electricity purchased by CSL was from renewable sources.

CSL Limited
GHG (CO_2-e) 2022/23

- Scope 1 **34%**
- Scope 2 **66%**

CSL's baseline numbers for emissions reduction targets

Scope and baseline year	Scope 1 and 2 CO_2-e (direct and indirect emissions from sources controlled/owned by CSL e.g., natural gas or electricity) based on average annual emissions across fiscal years 2018/19, 2019/20, 2020/21	Scope 3 (indirect emissions generated by our supply chain/third parties) CO_2-e as of 30 June 2021
CSL's target	40% reduction by 2030	For at least 67% of emissions, applicable third parties have set science-based Scope 1 and 2 targets by 2030
Baseline (number)*	342 kilotonnes of CO_2-e*	2,284 kilotonnes of CO_2-e*
Boundary/ description	Baseline includes CSL Behring and CSL Seqirus manufacturing facilities, CSL Plasma network and CSL Behring headquarters. Scope 1 and 2 baseline does not include CSL Vifor as it represents a fraction of overall emissions.	Baseline includes the following Scope 3 categories 1. Purchased goods and services 2. Capital goods 3. Fuel and energy-related activities (not included in Scope 1 or Scope 2) 4. Upstream transportation and distribution 5. Waste generated in operations 6. Business travel 7. Employee commuting 8. Upstream leased assets 9. Downstream transportation and distribution 11. Use of sold products 12. End-of-life treatment of sold products. Baseline excludes the following emissions categories as CSL does not have significant emissions in these categories: 1. Processing of sold products 2. Downstream leased assets 3. Franchises 4. Investments. Baseline was calculated using spend based or activity-based methods where data is available. Spend based methods included data from CSL Vifor in the baseline. Baselines are an average of FY19-21 data where available and applicable. An average approach was taken to provide as representative as possible a baseline over the period impacted by the COVID-19 pandemic. In some categories only 2020/21 activity data was available for baseline calculation. Business travel baseline was calculated based on FY19 data to reflect the emissions baseline prior to the impact of the pandemic on travel. Estimating Scope 3 emissions is a complex task requiring assumptions and collection of data from multiple sources. The estimates are therefore subject to significant uncertainties. We will continue to improve the accuracy and transparency of our Scope 3 emissions calculations and our understanding of our Scope 3 emissions profile.

* Limited assurance by Ernst & Young

Energy and emissions

The main sources of energy for CSL's manufacturing facilities are electricity and natural gas. Steam is imported to our Wuhan, China, and Marburg, Germany, facilities as an energy source. Chilled water and compressed air are also supplied to the Marburg facility. Small amounts of diesel, gasoline and heating oil are also used as energy sources. For our CSL Plasma network of centres, electricity is the main source of energy. Combined, our manufacturing facilities and CSL Plasma's centres contribute most of CSL's energy consumption and therefore greenhouse gas emissions.

In August 2022, CSL announced emissions reduction targets that aim to serve as a tangible and transparent roadmap by reducing its direct and indirect emissions footprint.

By 2030, CSL aims to:

- target a reduction of 40% of absolute Scope 1 and 2 emissions against a baseline of the average annual emissions across fiscal years 2019–2021; and
- engage with suppliers who contribute 67% of Scope 3 emissions to set Scope 1 and 2 reduction targets, aligned with science-based targets.

To further demonstrate our commitment to minimising our impact on climate change, in June 2023, CSL committed to set near-term company-wide emissions reductions in line with the Science Based Targets initiative (SBTi), paving the way for the validation of our contribution towards minimising global temperature increases to 1.5°C.

New headquarters achieves green design certification

In September 2022, the Green Building Council of Australia certified CSL's new Global Headquarters and Centre for R&D in Melbourne with a 5-star rating under its Green Star rating system. This design certification signifies that our new global headquarters represents 'Australian excellence' in environmentally sustainable building practices.

The Green Star rating is an internationally recognised system for setting the standard for healthy, resilient, positive buildings and places, and rewards buildings that reduce the impact of climate change, enhance health and quality of life, and contribute to maintaining a sustainable economy.

Some of the sustainability features that helped achieve the 5-star certification include:

- sourcing of building materials from responsible manufacturers;
- recycling of building materials and diverting of construction waste from landfill;
- electrical vehicle charging stations available in the car park;
- optimised building insulation and glazing to reduce heating and cooling loads;
- facade designed to reduce the need for artificial lighting;
- highly efficient lifts with regenerative braking;
- water-efficient bathroom facilities and irrigation systems; and
- flicker-free lighting, and the minimisation of glare through windows.

CSL is aiming to obtain a 5-star Green Star as Built rating to validate the sustainability credentials of our new global headquarters post occupation.

Targets and milestones achieved over the reporting period

Scope			
Target	40% reduction by 2030 on baseline (335 kilotonnes of CO_2-e)		For 67% of emissions, applicable third parties have set science-based Scope 1 and 2 targets by 2030
Key abatement levers over the target timeframe	• Increased energy efficiency • Best-in-class facility design for greenfield sites and new buildings • Switching fuels to less carbon intensive energy sources	• A push towards more renewable power • Re-designing some manufacturing sites • Increased energy efficiencies (for Scope 1)	• Revised procurement standards and award criteria • Supplier enablement through advocacy and education • Strategic partnerships to innovate and collaborate
Key achievements for 2022/23	• Portfolio of initiatives established for the 2023/24 financial year, including the allocation of relevant capital expenditure. • Commitment letter submitted to Science Based Targets initiative for CSL's near-term 2030 emissions reduction targets. • Request for proposal for a power purchase agreement covering all of CSL Australia's manufacturing facilities issued.	• Transition to renewable energy for CSL's manufacturing facility in Marburg, Germany, therefore achieving 100% renewable electricity purchased from certified sources across CSL's European manufacturing facilities. • Finalised energy efficiency initiatives to be included in design at CSL's new facility at Tullamarine, Australia.	• Finalised supplier engagement plan. • Developed and launched supply standards and communication materials for supplier outreach. • First of four waves of supplier communication has been completed, representing 8% of CSL's total Scope 3 emissions. This initial wave revealed that all suppliers targeted have set SBTi or science-based aligned targets, or plan to set SBTi or science-based aligned targets by 2024.
	Portfolio and program governance system implemented for target achievement • Established a robust governance and portfolio management system to facilitate the right initiatives being executed at the right time to maximise benefit. The system aligns decision making at an enterprise and site level and ensures sustainability benefit is monitored and verified to achieve our emission reduction targets. • This year we have also sought limited assurance on energy consumption and emission data, including baseline data utilised for the establishment of our emissions reduction targets. • Over the reporting year an independent review of the climate program was undertaken to facilitate effective governance and control. Overall controls and effectiveness were considered good (fourth rating from five options, with the fifth rating being excellent) with the only two findings for management's consideration rated as low priority.		
Definitions	**Scope 1** controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, or vehicles. **Scope 2** emissions are released as a result of one or more activities that generate electricity, heating, cooling or steam that is consumed by the facility, but that do not form part of the facility. **Scope 3** emissions are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly affects in its value chain. Scope 3 emissions include all sources not within an organisation's Scope 1 and 2 boundary.		

Supplier engagement on CSL's Scope 3 emissions

Last year, CSL announced its intention to engage suppliers who contribute 67% of its Scope 3 emissions to set science-based targets aligned Scope 1 and 2 reductions by 2030.

In support of achieving this target, CSL has developed a dedicated supplier engagement program to firstly identify suppliers who have set or are planning to set science-based targets and secondly, to educate and partner with suppliers who have not set targets to support them on their emissions reduction journey.

In late 2022, CSL initiated the first wave of communication targeting a small number of suppliers. All suppliers targeted in this first wave, representing 8% of CSL's total Scope 3 emissions (as at 30 June 2022) have set or plan to set science-based targets, by 2024. We have already initiated wave two of supplier engagement, targeting 72 suppliers. We anticipate communicating with more than 400 suppliers by the end of financial year 2024.

Each year CSL aims to recalculate our Scope 3 baseline to understand our total Scope 3 emissions profile and adjust our supplier engagement strategy to target strategic, ongoing suppliers. Furthermore, we aim to validate supplier data sets utilising the SBTi dashboard and CDP's annual climate change questionnaire. For more than 10 years CSL has participated in annual CDP climate change and water submissions and aims to encourage suppliers to do the same via CDP Supply Chain.

CSL Vifor incentivising employee mobility to reduce emissions

Apart from industrial manufacturing processes and the use of office buildings, employee mobility also generates greenhouse gas emissions, either through business travel or commuting. Internal data at CSL Vifor suggested that, over the last years, the emissions caused by business travel and commuting by employees from our manufacturing operations and associated offices was roughly equivalent to the total emissions generated by the manufacturing facility alone.

In response to these findings, CSL Vifor took a targeted approach to better manage its business travels and introduced a range of measures to reduce the number of work-related flights. This includes continuous investments in video conferencing technology, stricter flight approval rules, streamlining the internal flight management system and the use of climate-focused analytical tools.

Additionally, to encourage employees to rethink how they are coming to work every day, St Gallen, Switzerland, introduced several initiatives geared towards environment-friendly transportation and commuting solutions. These include an app-based car sharing platform (Comovee), an annual Bike-to-Work month, a shuttle service from the site to the train station, or e-bike discounts to employees.

In 2022, all St Gallen-based employees were offered a two-week trial subscription for public transportation to reassess their commuting habits. More than 50 employees participated in this initiative. A follow-up program is already planned.

These measures are a step in the right direction towards supporting achievement of CSL's environmental objectives.

Climate change and resilience

Climate change affects all aspects of businesses and communities, both directly and indirectly, with the severity varying significantly by region. A warming planet increases the risk of wildfires, rising sea levels, extreme heat, severe weather and droughts. These hazards can have a direct effect on population health and further stress healthcare infrastructure, including the network of global manufacturing facilities and warehouses used by CSL in the production of life-saving medicines and therapies.

CSL has taken actions to proactively mitigate and adapt to climate change. Recent efforts include undertaking an enterprise-wide climate risk and opportunity assessment in 2022 using the IPCC Sixth Assessment Report (IPCC AR6) across our most critical infrastructure: our manufacturing facilities and warehouses. The assessment focused on a near-term time horizon of 2030, in line with CSL's 2030 Strategy.

CSL has assessed the impact of climate risk on its financial reporting. The impact assessment principally focuses on key judgement areas, being the valuation and useful lives of intangible and tangible assets and the identification and valuation of provisions and contingent liabilities. No material accounting impacts or changes to judgements or other required disclosures have resulted from the assessment. While the assessment did not have a material impact for the year ended 30 June 2023, this may change in future periods as CSL regularly updates its assessment of the impact of the lower carbon economy.

Over the reporting period, CSL has also commenced the integration of physical risks into existing operational risk management practices in accordance with the Enterprise Risk Management Framework, so that the facilities can monitor and manage risks as applicable to their location and operations. For transitional risks, rather than managing these at the local level, we have taken an enterprise view as these risks generally span the network of facilities directly owned by CSL.

This year CSL also published an updated Climate Change Statement, reaffirming our aim to reduce emissions to limit global warming to 1.5°C in line with the Paris Agreement.

You can find more information on the approach, including scenario analysis undertaken in 2022, on CSL.com (Sustainability > Environment > Climate resilience).

Waste and packaging

CSL's objective is to reduce the amount of waste that is generated throughout the production and use of all products; to reuse and recycle waste as far as possible; and to dispose of the residual waste responsibly. The amount of waste produced and how it is handled varies between CSL's different facilities according to production processes and available disposal options. Compared with the prior year, our waste recycling rate increased by 6% to 44% of total waste.

A large part of the waste stream is made up of glass, plastics, cardboard, wooden pallets and other types of packaging, which is necessary for ensuring product safety of pharmaceuticals. Disposal of packaging presents particular challenges for pharmaceutical companies because packaging such as single-use plastics, glass syringes and vials that must be disposed of in a safe manner.

CSL's operations in Europe dispose of almost all waste by recycling or incineration. In Australia, CSL is a signatory to the Australian Packaging Covenant and reports regularly on plans and progress to minimise waste. There is also a wide variety of waste recycling programs at our United States facilities. However, more can be done to reduce waste to landfill across our Australian and United States operations and this remains a focus area for CSL in the near-term.

CSL is continuing to identify and implement methods to reduce the amount of materials used for the packaging and distribution of its products as detailed following.

- The new function, Packaging Innovation, is dedicated to evaluating and planning the introduction of sustainable materials.
- The use of sustainable materials in packaging development is prescribed in our procedures.
- Size reduction of current packaging is also taken into consideration when current packs are adapted.
- Paper patient information leaflets have now been completely removed for our Behring products on the Japanese market. The leaflet removal will now continue for other markets and products from the whole of the CSL organisation.

Ethanol recovery by distillation

The case of the ethanol recovery by distillation program at CSL Behring, Broadmeadows, Australia, is a sustainability win on various fronts. It's a compelling example of:

- collaboration to leverage expertise and lessons learned among CSL manufacturing sites across the globe – Australia, China, Switzerland and the United States – to achieve the successful deployment of a replicable solution;
- improving economic efficiencies; and
- achieving significant waste reduction.

It reveals how global collaboration can make difficult problems much easier to tackle and solve. It also showcases CSL's commitment to identifying and directly addressing and reducing environmental impacts through a reduction of natural resource usage and of emissions from truck deliveries.

Engineers at CSL Behring Broadmeadows, Australia, collaborated with sites in Switzerland and the United States and built upon their collective design and operational experience because these sites already performed ethanol recovery. Ethanol is a critical agent used in the plasma fractionation process. After separation of proteins from the blood plasma, a waste solution containing large amounts of ethanol remains. The distillation process uses a column, reboiler and condenser to recover ethanol from the waste solution.

The recycling of recovered ethanol also reduces consumption of raw materials required for ethanol production. It has also led to a significant increase in economic efficiencies and a reduction in emissions from transportation deliveries.

Overall, ethanol recovery at rates ≥ 90% help achieve the following benefits:

- reduction of trucks traveling to the site: eliminated more than 270 truck movements to/from site per year;
- reduction in waste (~9,500 t. of liquid industrial waste per year); and
- a reduction of over 140,000 kms of truck movements on roads per year.

9 Social

Our greatest opportunity to contribute to society is through the development of new therapies for serious unmet medical needs and through the continued supply of life-saving vaccines and plasma and protein-based therapies.

From developing new, innovative therapies for diseases to enabling greater access to life-saving vaccines, protecting the safety and wellbeing of our patients and communities around the world is at the centre of our purpose as a business. This includes a commitment to a positive experience and the trust of our donors, who make vital therapies possible, and to continuous engagement with the stakeholders we depend upon to fulfill our promise.

In addition to material topics featured, our strategic sustainability focus areas include:

- **strengthening societal health through access to our existing products and therapies and investment in innovation;**
- **being trusted by donors through a focus on their experience and wellbeing, and their communities; and**
- **enhancing our industry position as a patient-focused and public health leader.**

US$13.2 billion

over the reporting period distributed in supplier payments, employee wages and benefits, shareholder returns, government taxes and community contributions*

* Limited assurance by Ernst & Young.

Product safety and quality

The development, manufacture and supply of high-quality and safe products is critical to CSL's ability to continue to protect public health, save lives and improve the health and wellbeing of patients with rare and serious diseases. CSL employs an independent quality function that strives to maintain the highest standards through the use of global quality standards and systems. These are reflected in global policies and global and local procedures, as well as global electronic systems to support management of the quality processes.

In 2022/23, CSL's quality systems, plasma collection and manufacturing operations were subject to 473 regulatory agency inspections around the world. Of these, 21 good manufacturing practice (GMP) regulatory agency inspections took place at our manufacturing facilities and 452 regulatory inspections at our plasma collection centres. These 473 independent inspections resulted in no critical findings that prevented release of commercial product and no suspensions or terminations of licenses to market any products in markets in which CSL is active.* These results confirm that the quality systems established globally by CSL are effective and in line with regulatory agency expectations.

In November 2022, as a precautionary measure, one CSL Behring lot of PRIVIGEN® was recalled from the Canadian market due to a higher rate of allergic/hypersensitivity type reactions.* Hypersensitivity and anaphylactic reactions are a known risk with immunoglobulin products. In June 2023, CSL Behring, in coordination with local health authorities, initiated a recall of one batch of CSL Behring product from the Czech and Saudi Arabian markets due to a media fill failure*. In June 2023, one CSL Seqirus lot of Tiger Snake Antivenom was recalled from the Australian market due to a slightly lower out of specification result for potency*.

This year, there were 11 counterfeit products reported to and confirmed by CSL Behring. CSL Behring is evaluating opportunities to increase the security of packaging solutions to prevent counterfeiting. In addition, CSL Behring is working with health authorities to raise awareness and educate customers on how to identify, handle and report suspected counterfeit products.

During the fiscal year, CSL commenced the integration of CSL Vifor into the CSL Group. From a quality perspective, CSL Vifor is in the process of being integrated into the CSL Quality Management System whilst upholding a full functioning and compliant system in the CSL Vifor business. Over the reporting period, CSL Vifor was subject to two GMP regulatory agency inspections with no critical findings that prevented release of commercial product, no suspensions or terminations of licenses to market any products in markets in which CSL Vifor is active.*

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regulatory inspections resulted in no critical findings that prevented release of commercial product, no suspensions or terminations of licenses to market any products in markets in which CSL is active.*

In addition, over the financial year, CSL Behring and CSL Seqirus pharmacovigilance and regulatory quality assurance (PVRQA) performed a total of 91 pharmacovigilance (PV) audits:

- 23 on internal systems and processes across our sites, including affiliates; and
- 68 on third parties that undertake PV responsibilities on CSL's behalf in various countries all over the world.

None of these audits resulted in an outcome which affected CSL's ability to supply product.

CSL Behring underwent several good manufacturing practice inspections which focused on patient safety and pharmacovigilance. None of these inspections resulted in an outcome which affected patient safety or resulted in critical findings.

* Limited assurance by Ernst & Young.

9 Social

Supply continuity and resilience, including human rights and responsible supply chain

CSL has a standardised global approach to managing supplier qualification to ensure the high quality of purchased GxP^ materials and services as well as ensuring quality oversight of outsourced activities. To assure continued consistent high-quality materials from our partners, CSL collaborates and partners with critical suppliers and routinely conducts quality audits worldwide.

The continued growth of partner-delivered commercial manufacturing services to CSL necessitated the establishment of a formal leadership capability. CSL has put in place a cross-functional External Plant Leadership Team that mirrors the capability of an internal CSL site in order to deliver the same high quality and reliable product supply to the network. Several new partnerships entered the commercial supply phase, such as our leading gene therapy HEMGENIX®, which continues CSL's strategy to leverage top-tier strategic partnerships and spread single-sourced product supply risks over multiple manufacturers. These partnerships also deliver greater capacity to support CSL's growth plans.

Many projects continue in various stages of the technology transfer and when delivered will further increase supply reliability, needed capacity and resilience of CSL's most important product supply chains.

Over the reporting period, CSL continued to evolve its third-party risk management (TPRM) digital tool by means of additional questions for environment health and safety and supply chain legislation screening, and a wider use of the industry recognised EcoVadis tool for environmental vendor assessments.

CSL has significantly accelerated the use of the TPRM tool and have now loaded 883 vendors over the reporting period. The on-boarding process has also started of CSL's most critical incumbent vendors, none of whom is categorised as high risk.

CSL has also implemented a vendor program to address CSL's Scope 3 requirements and have made good progress towards our goals.

We continue to refine our tools and this level of effort reflects our focus on understanding our suppliers and our commitment to enabling a reliable supply of our therapies.

In December 2022, CSL's third, Board-approved, public Modern Slavery Statement under Australian law and was published on CSL's website and by the Australian regulator. CSL continues its membership of the Pharmaceutical Supply Chain Initiative (PSCI), which provides opportunity to collaborate with like-minded organisations across a number of social and environmental aspects, including human rights and labour practices.

Anyone with information about potential misconduct is encouraged to 'Speak Up' under the CSL Speak Up Policy. This includes all of CSL's current and past employees, directors, contractors, customers, suppliers and associates. All reports made under this policy are received and treated sensitively and seriously, and dealt with promptly, fairly and objectively.

From 1 July 2022 to 30 June 2023, no reports related to human trafficking or slavery and forced labour in CSL's global operations were received.

^GxP refers to a number of good practice standards applicable to the pharmaceutical industry.

Further, in December 2022, CSL published a standalone Human Rights Statement. The Statement, which builds on human rights elements detailed in our Code of Responsible Business Practice, was communicated to employees on World Day for Safety and Health at Work – a United Nations day of observance (28 April 2023).

You can find CSL's Human Rights Statement and modern slavery response on CSL.com (Sustainability > Social).

Health security

A measure of the trust CSL has built with its stakeholders is our position as a global leader in influenza pandemic preparedness and response. Thirty countries around the world rely on CSL Seqirus for pandemic influenza preparedness, including the United States, the UK and Australia. CSL also provides pandemic response commitments to the World Health Organization.

CSL Seqirus has state-of-the-art manufacturing facilities on three different continents, together with a global fill and finish network located close to end markets. Our government partners reserve pandemic vaccine doses from these facilities to protect their populations 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.

In 2022/23, there were increased reports of highly pathogenic avian influenza A (H5N1) virus infections in wild birds, poultry and some mammal populations around the world, leading to frequent engagement with our government partners about the emerging epidemiology, our licensed H5N1 vaccine, and our ability to manufacture and distribute with speed because of our global seasonal influenza vaccine throughput.

To further enhance the ability to protect public health, CSL Seqirus entered into a five-year partnership with Pandemic Institute in Liverpool, UK, which will deliver on a number of joint projects, such as modelling the spread and impact of avian influenza ahead of a potential pandemic.

Access to our products

CSL products provide substantial and meaningful value to patients, healthcare providers, health insurance payers and healthcare systems around the world.

CSL is proud of these contributions and seeks to ensure that patients and communities have access to a reliable supply of biopharmaceuticals and vaccines.

As CSL continues to develop and commercialise biopharmaceutical innovations which evolve the treatment paradigm, such as gene therapy, we are committed to working with governments, payers, and other stakeholders to design new payment and access solutions that reflect value and that meet the needs of individual patients and healthcare systems. CSL also continue to work with governments, health insurance payers and other stakeholders to support timely and appropriate market entry and access, to enable patients to benefit from our therapies as quickly as possible. We value an ongoing dialogue with policymakers, advocacy groups, and other stakeholders to understand and respond to their needs and expectations.

We articulate and communicate comprehensive evidence on the value of our innovations to inform access and reimbursement decisions, and we provide patient assistance programs and support advocacy efforts that improve access to care and affordability.

In 2022/23, CSL's investment in humanitarian access programs and product support initiatives totalled US$13.7 million.* In the United States, access programs are critical to patients who are uninsured, underinsured or who cannot afford therapy.

As a member of the International Federation of Pharmaceutical Manufacturers Association (IFPMA), CSL Seqirus contributed to the development of the Berlin Declaration, which draws on the lessons learned from the COVID-19 pandemic and sets out an approach for more equitable pandemic preparedness and response and calls for contributions from a global collaboration of public, private and charitable sectors together with civil society.

The Berlin Declaration is being used in discussions with WHO and Member States as they negotiate a new Pandemic Accord and describes key enablers to equitable access across low-, middle- and high-income countries, including respect for intellectual property rights, robust surveillance and rapid sharing of pathogens, regulatory speed, country readiness and maintaining open borders.

US$13.7 million
supporting product access across the world*

CSL is also committed to pricing practices that reflect the value our products bring to patients and society. To that end, we evaluate real-world and clinical trial data that demonstrate the clinical benefits our therapies deliver, as well as the cost savings they provide to overall healthcare. We also consider patient needs and preferences and how our therapies improve patients' quality of life and productivity.

*Limited assurance by Ernst & Young. Dollar value is a subset of CSL's total community contributions.

Improving access in developing countries for patients with bleeding disorders

In support of our focus areas for improved access to our therapies, last year, CSL Behring announced a significant new partnership with the World Federation of Haemophilia (WFH).

In 2023, CSL began its five-year commitment to donating 100 million international units (IUs) of coagulation factor therapy per year for five years to the WFH as part of CSL's continued support of the WFH Humanitarian Aid Program. The donation, which includes product specifically manufactured for the purposes of being donated, will have a standard shelf life of three years, enabling greater access to these life-saving therapies for people around the world.

In January 2023, CSL Behring initiated the first of two deliveries of 50 million IUs to the WFH. The donation is destined to help people living with a bleeding disorder (haemophilia A) in more than 60 developing countries. In addition to the product donation, CSL Behring provided financial support for logistics costs and training programs designed to address unmet needs for people living with haemophilia who are undiagnosed, untreated or undertreated.

CSL Behring's contributions to the WFH Humanitarian Aid program make life-changing improvement to people with no access to care for bleeding disorders. For example, CSL Behring's 2022 WFH Stewardship Report outlines the following impact (data based on donations received in calendar year 2022, prior to commencement of CSL's new five-year commitment):

In 2022

15,601,000 IUs
of coagulation factor donated

9,375
patients treated (cumulative from 2016)

4,219
patients treated (in calendar year 2022)

18
developing countries in receipt of CSL Behring's donated coagulation factors including, Afghanistan, Angola, Bangladesh, Cuba, El Salvador, Eritrea, Gambia, Ghana, India, Jordan, Lebanon, Mongolia, Nepal, Palestine, Rwanda, Sri Lanka, Syria and Zambia

474
surgeries supported

1,474
patients on prophylaxis (to prevent bleeds)

6,705
acute bleeds treated

To learn more about the WFH Humanitarian Aid Program, please visit wfh.org/humanitarian-aid

9 Social

The role of real-world evidence in driving vaccine value and access

The influenza virus can change significantly each year, making it critical for CSL Seqirus to assess seasonal vaccine effectiveness through real world evidence (RWE), year after year.

As a company on the front line of influenza prevention, CSL Seqirus is committed to using RWE to continually evaluate the clinical benefit and cost effectiveness of our innovative seasonal influenza vaccines compared to more traditional options. RWE can be a valuable tool in helping health agencies make decisions about which influenza vaccines to recommend for certain populations, providing access for the most vulnerable groups through government-funded immunisation programs.

In October 2022, CSL Seqirus undertook a modelling study using RWE to understand the impact of co-circulation of influenza and COVID-19 on healthcare resources in the winter months in the UK. The study, now published, is helping governments understand the pressures their healthcare systems will be placed under and the broader value of robust immunisation program as we learn to adjust to this new reality.

In March 2023, CSL Seqirus partnered with a member of the European Parliament to produce a multistakeholder symposium at the European Parliament entitled 'Better Decision-Making for Better Outcomes: Harnessing the Power of RWE' at which a European Union-wide call to action for more systematic use of RWE by policy makers, regulators and payers was launched.

CSL Vifor's commitment to patients through the Patient Academy

The CSL Vifor Patient Academy offers employees the unique opportunity to learn directly from patient representatives about the disease burden they carry and the importance of involving patients' insights in key strategic decisions from clinical development programs to the development of patient support programs. When engaging directly with patients, we follow strict engagement protocols and apply standardised remuneration principles. Patient safety is a top priority. We have strict drug safety and reporting processes in place, ensuring that patients using our products benefit safely from them. Scientific activities are performed in a patient-centric manner and according to internationally established standards.

In its fourth year, the CSL Vifor Patient Academy continued to evolve in 2022. It includes:

- 35 patient ambassadors who participated in numerous events and provided input into internal processes;
- five global educational events that were organised throughout the past year with patient involvement focusing on nephrology, heart failure, rare disease and iron deficiency to raise awareness amongst employees;
- two digital campaigns sponsored by CSL Vifor in 2022 for Rare Revolution Magazine to increase understanding of the burden of disease for IgAN and vasculitis; and
- seven roundtables with heart failure patients working groups from across Europe organised by the Patient Academy.

Under the umbrella of the Academy, a whitepaper entitled 'Heart Failure, an inconvenient truth' was published in September 2022 with the aim to advocate for a better quality of life in heart failure. This whitepaper is based on a pan-European survey among more than 600 heart failure patients and has been developed together with the following stakeholder groups: CSL Vifor, Pumping Marvellous (UK), AVEC (France), Herzschwäche Deutschland (Germany), and The Patients Voice (Netherlands) and Vintura (Netherlands). For this project, CSL Vifor was awarded SILVER by the Patient Partnership Index 2022.

Plasma donors

People who donate plasma at one of the 342 CSL Plasma centres around the world are the real heroes. They allow tens of thousands of people worldwide to live normal, healthy lives – despite being impacted by rare and serious medical conditions.

As one of the world's largest producers of plasma-derived therapies and a leader in plasma collection, CSL Plasma commits to excellence and innovation across the full cycle of plasma donation, from donor screening throughout the donation process and across plasma testing and logistics. About 15,000 CSL Plasma employees take responsibility for ensuring safe, quality plasma is available to be manufactured into life-saving therapies.

CSL has strengthened and grown its plasma collection footprint to support a safe and positive donor experience, while providing a reliable plasma supply as the needs of patients who require these therapies have increased. Appropriate donor screening and safe, compliant and efficient plasma collection both remain integral to a continuous quality supply of the starting material for the manufacture of plasma-derived therapies.

Not only does each CSL Plasma centre provide plasma as the foundation of life-saving and life-enhancing therapies, they also contribute positively to local communities, supporting donors and benefitting the surrounding area. For a third year, CSL Plasma provided vouchers to United States plasma donors for influenza vaccines at a local pharmacy at no cost during the United States autumn and winter seasons. A mature centre that has operated for more than three years provides approximately 50 jobs, of which a majority are full-time, and contributes nearly US$6 million per centre in employee payroll and donor payments.

CSL Plasma began implementation of the new Rika Plasma Donation System in August 2022 as part of a limited market release at centres starting in the Denver area in the United States, with plans to continue rollout of the device to other United States locations. Developed by Terumo Blood and Cell Technologies, the Rika system achieved regulatory clearance with the US Food and Drug Administration (FDA) in March 2022.

In May 2023, CSL began working with Terumo on the clinical trial to evaluate an investigational individualised nomogram; a nomogram is the target collection volume the device is approved to for each procedure. Upon regulatory clearance, the new nomogram can be used with the Rika system.

The Rika system supports a safe, efficient and improved experience for plasma donors and an improved employee experience including the features detailed below.

- It completes one plasma collection in 35 minutes or less on average. When considering prior average CSL Plasma donation times, this could represent a nearly 30% reduction in average donation time for donors.
- There is not more than 200 millilitres of blood outside the donor's body at one time. This is expected to improve the donor's comfort during the donation and reduce occurrence of a red cell loss deferral.

It is designed with an advanced user interface to guide CSL Plasma front-line operators, as well as status indicators that inform donors and employees of donation progress.

CSL Plasma donor experience and profile

The socio-demographic background of United States CSL Plasma donors remains diverse. Based on self-reported survey data administered through the newly deployed CSL Plasma mobile app (1 July 2022 to 30 June 2023), CSL Plasma donors provided details on their occupational status:*

- 55% described themselves as working full-time.
- 19% described themselves as unemployed, inclusive of full-time parents, donors who are not looking for work or the unemployed.
- 15% described themselves as part-time.
- 3% described themselves as students.
- 8% described themselves as other (e.g. military, retired).

Of those plasma donors surveyed, 94% are willing to donate again, and 91% of plasma donors are willing to refer a friend to donate plasma at their CSL Plasma centre.*

94%

of plasma donors are willing to donate again*

91%

of plasma donors are willing to refer a friend to donate plasma at their CSL Plasma centre*

* Limited assurance by Ernst & Young. CSL Plasma updated post-donation survey questions in September 2021 to use a Likert response scale from a prior yes or no answer. Data is based on 3.5 million survey responses. The percentages for willing to donate and refer a friend are comprised of total number of respondents who selected the top two (4 and 5) of five numbers on the Likert scale.

9 Social

Focusing on the safety of plasma donors

Our ability to supply life-enhancing and often life-saving therapies is only made possible by ensuring a safe, quality and positive donor experience. All CSL Plasma centres operate to the highest standards for the management and care of plasma donors.

CSL Plasma continues several strategies to reduce donor adverse events (AEs), including an initiative to support plasma donor hydration at all United States centres in which donors can access water, juice and snacks before or after the plasma donation procedure. Our focus remains to minimise overall AEs, especially among first-time donors. We have enhanced training for phlebotomy and medical staff associate roles across the collection centre network. We have also increased proactive donor education through traditional and digital channels to support donation and healthier lifestyles.

Social investment

CSL's approach to community support is guided by our Code of Responsible Business Practice and supplemented by our Global Community Contributions Policy. The policy applies to all CSL businesses and employees and is intended to be implemented to guide decision making and management of any form of community contribution, financial or by other means. The core of the policy is our community contributions framework, which sets out our key focus areas of support: patient communities, innovation and science and local communities. In 2022/23, CSL contributed US$42.6 million to support global efforts where we operate.

US$42.6
million in community contributions*

53%
to patient communities

46%
to innovation and science

1%
to local communities

Sub focus areas			
	• Enhancing quality of life for patients in the conditions our therapies treat. • Improving access to our biological medicines.	• Advancing knowledge in medical and scientific communities. • Fostering the next generation of medical researchers.	• Supporting community efforts where we live and work. • Supporting communities in times of emergency.

*Does not include CSL Vifor.

Together, CSL and employees support Turkey and Syria relief efforts

In February 2023, a catastrophic earthquake struck the border of Turkey and Syria, the deadliest to hit the region in more than two decades. Tens of thousands of lives were lost, and many more people were left in need of medical services and humanitarian aid. To support relief efforts, and in keeping with our promise to human health, CSL and employees together contributed A$351,752 to humanitarian organisations. Of that amount, which includes employee receipt matching, more than A$290,000 was donated to the Emergency Action Alliance in Australia – a coalition of 15 humanitarian relief charities.

Further, CSL affiliates in the region undertook a critical product donation of 5,000 IUs of TETAGAM® (Tetanus immunoglobulin) to local authorities to support healthcare needs as extensive rebuilding efforts continue.

CSL's support of the Australian medical research ecosystem

CSL's support of the Australian medical research ecosystem spans long term and committed sponsorships of programs and initiatives that help foster the next generation of medical researchers through to advancing knowledge in medical and scientific communities.

The CSL Centenary Fellowships are high-value, long-term, competitively selected grants available to outstanding midcareer scientists seeking to undertake discovery and translational medical research in Australia. Dr Samuel Forster of Hudson Medical Research Institute was awarded a 2023 CSL Centenary Fellowship for his pioneering work investigating the causes of inflammatory bowel disease (IBD) and treatment design.

Dr Forster may have taken a different career path into IT had it not been for a fortuitous placement with CSIRO's Undergraduate Research Opportunities Program (UROP), which he undertook when he was completing his undergraduate degrees in Information Systems and Science at Melbourne University. UROP was an opportunity for Dr Forster to experience medical research and meet world-leading scientists working to gain knowledge, solve problems and find better ways to treat disease.

"UROP serves as an entry point to research for those who may never have considered research as a career. Through my UROP placement, I became aware of the opportunities a research career presented.

Dr Samuel Forster, Hudson Institute of Medical Research and CSL Centenary Fellow

CSL has been the major sponsor of UROP since its establishment over ten years ago which facilitates research placements for undergraduate students across research organisations, industry and universities in Victoria. CSL is proud to support budding scientists at critical decision-making points in their academic careers as well as those who are pioneering their fields of scientific discovery.

10 CSL's Governance

CSL maintains high standards of corporate governance as part of the Board and the management team's commitment to maximise shareholder value. This is achieved through promoting effective strategic planning, risk management, transparency and corporate responsibility.

Governance structure

CSL's approach to corporate governance and the role it plays goes well beyond meeting our compliance obligations.

CSL believes that its governance framework fosters a high performing and respectful culture while underpinning CSL's Values. The Board has a formal charter documenting its membership, operating procedures and the allocation of responsibilities between the Board and management. CSL's Board Charter is central to the governance framework at CSL as it embodies our corporate purpose, strategy and values. In addition to this, CSL is subject to the *Commonwealth Serum Laboratories Act 1961 (Cth)*, which is an overarching governance control.

CSL's Board of Directors is responsible for overseeing the management of CSL and providing strategic direction. It monitors operational and financial performance, strategic human resource matters and approves CSL's budgets and business plans. It is also responsible for overseeing CSL's risk management framework, compliance system and internal control framework, and approving statutory financial reports.

The Board has delegated the day-to-day management of CSL, and the implementation of approved business plans and strategies, to the CEO and Managing Director, who in turn further delegates (as appropriate) to senior management.

The following diagram shows the governance framework of CSL. Robust processes are in place to ensure the delegation flows through the Board and its committees to the CEO and Managing Director, the Global Leadership Group (GLG) and into the organisation. The CEO and Managing Director and GLG have responsibility for the day-to-day management of the Group. This governance framework also aligns the flow of information and accountability from our people, through the management levels, to the Board and ultimately our shareholders and key stakeholders.

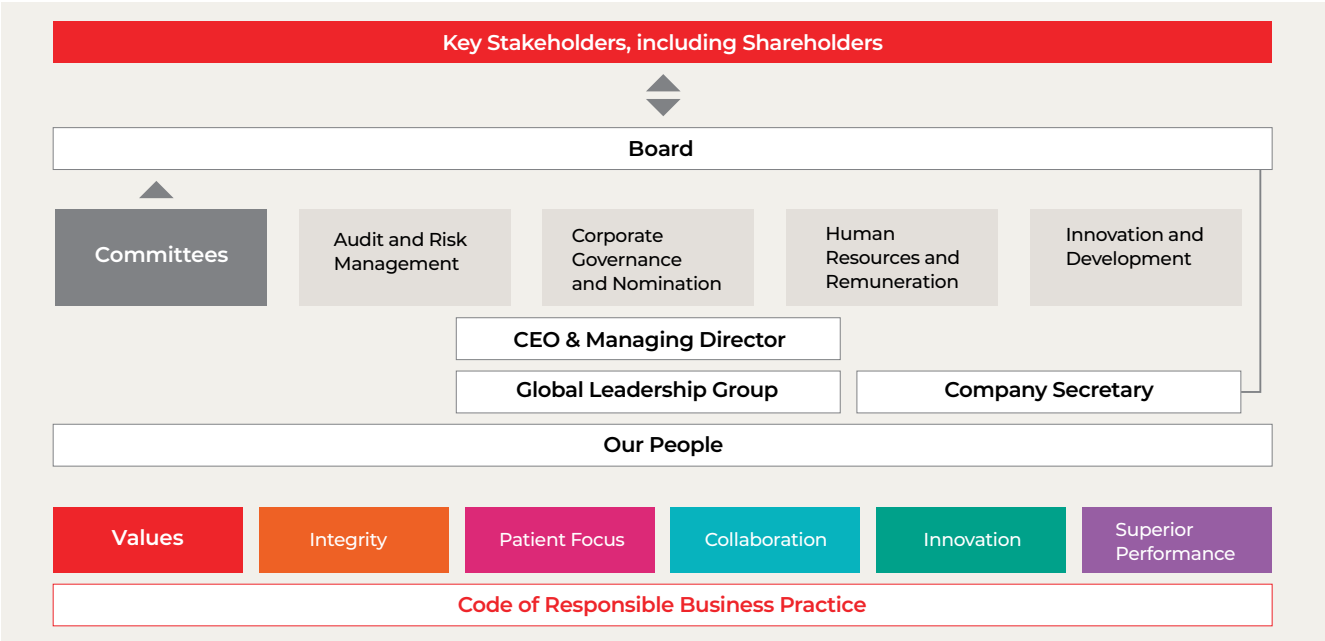
Board composition

Throughout the year there was a maximum of ten directors on the Board. At the date of this report, there are nine directors on the Board, comprising seven independent non-executive directors, one non-independent non-executive director and one executive director.

Since 1 July 2022 to the date of this report, the following changes to directorships occurred:

- Ms Marie McDonald and Dr Megan Clark AC were re-elected as directors at the 2022 Annual General Meeting, held on 12 October 2022;
- Dr Paul McKenzie was appointed to the Board as an executive director on 13 December 2022;
- Dr Paul McKenzie was appointed as Chief Executive Officer and Managing Director of CSL with effect from 6 March 2023; and
- Mr Paul Perreault retired from the Board as an executive director on 5 March 2023.

The Board 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 gender diversity. A detailed matrix of Board skills is available in CSL's 2022/23 Corporate Governance Statement available at CSL.com (Our Company > Corporate Governance).



Board of Directors

Brian McNamee AO

MBBS, FTSE

Age 66

Chair and Independent Non-Executive Director

Director of CSL Limited since February 2018 and Chair from October 2018.

Dr McNamee has deep executive experience in the biopharmaceutical industry, with a focus on strategy and creating long-term shareholder value.

Dr McNamee was the Chief Executive Officer and Managing Director of CSL from 1990 until 2013. Since leaving his executive role at CSL, Dr McNamee has served as a senior advisor to private equity group Kohlberg Kravis Roberts. He has also pursued a number of private equity and interests in small cap healthcare companies, and in 2014 served on the panel of the Australian Government's Financial System Inquiry. In 2009, he was made an Officer of the Order of Australia for service to business and commerce.

Other directorships and offices (current and recent):

– Chair of Geoff Ogilvy Foundation (since May 2021); and
– Former Chair of GenesisCare Limited (from July 2019 to June 2022).

Board Committee memberships:

– Member of the Innovation and Development Committee; and
– Member of the Corporate Governance and Nomination Committee.

Paul McKenzie

PhD (Chemical Engineering)

Age 57

Non-Independent Executive Director

Director of CSL Limited since December 2022, and appointed Chief Executive Officer and Managing Director in March 2023.

Dr McKenzie was appointed Chief Executive Officer and Managing Director of CSL Limited on 6 March 2023. Paul has more than 30 years of leadership experience in the global biotechnology industry, including managing complex organisations through compelling growth and transformation. After joining CSL as Chief Operating Officer in June 2019, Dr McKenzie was accountable for optimising CSL's operations and business growth. He transformed CSL's global end-to-end operations, advanced CSL Seqirus' differentiated portfolio strategy, and led CSL Plasma through COVID-19 challenges while surpassing plasma collection volumes beyond pre-pandemic levels.

Prior to joining CSL, Dr McKenzie was executive vice president of Pharmaceutical Operations & Technology at Biogen. He also served in a range of progressively senior level roles in R&D and manufacturing at Johnson & Johnson, Bristol-Myers Squibb and Merck.

Dr McKenzie was elected to the US National Academy of Engineering in 2020. He holds a Bachelor of Science degree in chemical engineering from the University of Pennsylvania and a PhD in chemical engineering from Carnegie Mellon University.

Board Committee memberships:

– Member of the Innovation and Development Committee.

Bruce Brook

BCom, BAcc, FCA, MAICD

Age 68

Independent Non-Executive Director

Director of CSL Limited since August 2011.

Mr Brook has an extensive breadth of executive experience in diverse industries, including mining, finance, manufacturing and chemicals. In particular, Mr Brook has valuable insight and experience in relation to risk, capital discipline, change management, corporate culture and creating shareholder value.

Mr Brook was chief financial officer of WMC Resources Limited from 2002 to 2005. He also held key executive roles including deputy chief finance officer of ANZ Banking Group Limited, group chief accountant of Pacific Dunlop Limited and general manager, Group Accounting positions at CRA Limited and Pasminco Limited.

Other directorships and offices (current and recent):

– Director of Djerriwarrh Investments Limited (since August 2021);
– Director of Guide Dogs Victoria (since November 2018);
– Director of Incitec Pivot Limited (since December 2018); and
– Director of Newmont Corporation (since October 2011).

Board Committee Memberships:

– Chair of the Audit and Risk Management Committee; and
– Member of the Corporate Governance and Nomination Committee.

Megan Clark AC

BSc (Hons) PhD

Age 65

Independent Non-Executive Director

Director of CSL Limited since February 2016.

Dr Clark has significant executive and non-executive experience across a broad range of sectors, including scientific research, health, investment banking and financial services, education and mining. Through her roles, Dr Clark brings a broad strategic perspective and global experience, with a focus on risk and proven health, safety and environment and technology performance.

In 2014, Dr Clark was made a Companion of the Order of Australia for eminent service to scientific research and development.

Dr Clark was chief executive of the Commonwealth Scientific and Industrial Research Organisation (CSIRO) from 2009 until November 2014. Prior to joining CSIRO, she was a director at NM Rothschild and Sons (Australia) and held senior positions at BHP, including vice president (Technology) and vice president (Health, Safety and Environment).

Other directorships and offices (current and recent):

– Member of MITRE Advisory Board (since December 2022);
– Deputy Chancellor of Monash University (since January 2021);
– Chair of the Australian Space Agency Advisory Board (since January 2021);
– Member of the Global Advisory Council of the Bank of America Corporation (since December 2019);
– Director of Rio Tinto Limited and Rio Tinto Plc (since November 2014);
– Member of the Australian Advisory Board of the Bank of America (since July 2010);
– Former Head of the Australian Space Agency (from June 2018 to December 2020); and
– Former Director of Care Australia Limited (from 2015 to June 2020).

Board Committee memberships:

– Chair of the Human Resources and Remuneration Committee;
– Member of the Corporate Governance and Nomination Committee; and
– Member of the Innovation and Development Committee.

Andrew Cuthbertson AO

BMedSci, MBBS, PhD, FAA, FTSE, FAHMS

Age 68

Non-Independent Non-Executive Director

Director of CSL Limited since October 2018 and Non-Executive Director since October 2021.

Professor Cuthbertson has over 35 years' experience in medical research and biotech development with large biopharmaceutical companies and medical organisations. He also has non-executive director experience.

Professor Cuthbertson joined CSL in April 1997 as the Director of Research. Prior to CSL, he was a senior scientist at Genentech Inc., a biotechnology company dedicated to pursuing groundbreaking science to discover and develop medicine for people with life-threatening diseases. After completing medical training at the University of Melbourne and a PhD in immunology at The Walter and Eliza Hall Institute of Medical Research in Australia, Professor Cuthbertson spent five years working in molecular biology research as a staff member at the Howard Florey Institute in Melbourne, Australia, and the National Institutes of Health in Maryland, United States. In 2016, he was made an Officer of the Order of Australia and appointed Enterprise Professor at the University of Melbourne.

Other directorships and offices (current and recent):

– Deputy Chancellor of the University of Melbourne (since January 2020);
– Director of the Grattan Institute (since January 2019); and
– Director of the Centre of Eye Research Australia (since March 2017).

Board Committee memberships:

– Chair of the Innovation and Development Committee; and
– Member of the Corporate Governance and Nomination Committee.

Carolyn Hewson AO

BEc (Hons), MA

Age 68

Independent Non-Executive Director

Director of CSL Limited since December 2019.

Ms Hewson is a former investment banker with over 35 years' experience in the finance sector. She was previously an executive director of Schroders Australia Limited and has extensive financial markets, risk management and investment management expertise.

She has long-term non-Executive experience in a number of sectors bringing a breadth of experience and insight on strategy, capital management and portfolio optimisation through cycles, financial and non-financial risk, social value, organisational culture and the changing external environment.

In 2009, Ms Hewson was made an Officer in the Order of Australia for her services to the broader community and to business.

Other directorships and offices (current and recent):

– Director of Reserve Bank of Australia (since April 2021);
– Director of Infrastructure SA (since January 2019); and
– Former Member of Federal Government Growth Centres Advisory Committee (from January 2015 to May 2021).

Board Committee membership:

– Chair of the Corporate Governance and Nomination Committee;
– Member of the Audit and Risk Management Committee; and
– Member of the Human Resources and Remuneration Committee.

Duncan Maskell

MA, PhD, FMedSci, Hon Assoc RSVC

Age 62

Independent Non-Executive Director

Director of CSL Limited since August 2021.

Professor Maskell has wide-ranging international experience in science and commerce, with a particular focus in research, academia and entrepreneurship.

Professor Maskell is the Vice-Chancellor of the University of Melbourne.

Prior to this he was Senior Pro-Vice-Chancellor at the University of Cambridge in the United Kingdom and has also held roles at the University of Oxford, Imperial College London and Wellcome Biotech.

Professor Maskell has extensive experience across the private sector, reflecting his passion for the commercialisation of research initiatives. He has co-founded several biotech companies, including Arrow Therapeutics, which was sold to biopharmaceutical company AstraZeneca, and Discuva, which was sold to Summit Therapeutics. He has also served as a Non-Executive Director of Genus Plc, a FTSE 250 company.

Professor Maskell holds a Master of Arts and a Doctor of Philosophy from the University of Cambridge.

Other directorships and offices (current and recent):

– Director of The Walter and Eliza Hall Institute of Medical Research (since March 2023);
– Director of the Grattan Institute (since November 2018);
– Vice-Chancellor of the University of Melbourne (since October 2018);
– Director of Melbourne Business School (since October 2018);
– Director of the Group of Eight Limited (since October 2018); and
– Former Director of Universities Australia Limited (from October 2018 to June 2023).

Board Committee memberships:

– Member of the Innovation and Development Committee.

Marie McDonald

BSc (Hons), LLB (Hons)

Age 67

Independent Non-Executive Director

Director of CSL Limited since August 2013.

Ms McDonald has significant executive and non-executive experience in a number of sectors including law, medical research, manufacturing and chemicals. Through these roles, Ms McDonald brings experience and insight on financial markets, risk and compliance and change management.

Ms McDonald is a former lawyer with over 30 years' experience in the legal sector. She was previously a Partner of Ashurst, specialising in mergers and acquisitions and corporate governance. She held the role of National Head of Mergers and Acquisitions and was Chair of the Corporations Committee of the Business Law Section of the Law Council of Australia and a member of the Australian Takeovers Panel for nine years.

Other directorships and offices (current and recent):

– Director of Nanosonics Limited (since October 2016);
– Director of Nufarm Limited (since March 2017);
– Director of The Walter and Eliza Hall Institute of Medical Research (since October 2016);
– Member of Melbourne University Law School Foundation Board (since October 2021); and
– Member of the Law Committee of the AICD (since March 2023).

Board Committee memberships:

– Member of the Audit and Risk Management Committee; and
– Member of the Human Resources and Remuneration Committee.

Alison Watkins AM

BCom

Age 60

Independent Non-Executive Director

Director of CSL Limited effective from August 2021.

Ms Watkins brings deep experience to our Board through the executive and Non-Executive roles she has held across industries, including manufacturing, agriculture, consumer goods, retail and financial services.

Ms Watkins was most recently the group Managing Director of ASX-listed Coca-Cola Amatil Limited, where she was responsible for operations in Australia, New Zealand, Indonesia and across the South Pacific region.

Ms Watkins holds a Bachelor of Commerce from the University of Tasmania, is a fellow of the Institute of Chartered Accountants, the Financial Services Institute of Australasia, and the Australian Institute of Company Directors.

Other directorships and offices (current and recent):

– Director of Reserve Bank of Australia (since Dec 2020);
– Director Wesfarmers Limited (since September 2021);
– Chancellor of the University of Tasmania (since July 2021);
– Director of Centre for Independent Studies (since December 2011);
– Director Geoff Ogilvy Foundation (since September 2022);
– Director PGA of Australia (since December 2022);
– Former Director of Business Council of Australia (from August 2015 to October 2021); and
– Former Group Managing Director of Coca-Cola Amatil Limited (from March 2014 to May 2021).

Board Committee Memberships:

– Member of the Audit and Risk Management Committee; and
– Member of the Human Resources and Remuneration Committee.

Fiona Mead

LLB (Hons), BComm

Age 54

Company Secretary and Head of Corporate Governance

Ms Mead was appointed Company Secretary and Head of Corporate Governance effective June 2018. Previously, she was the company secretary and a member of the executive leadership team at Tabcorp Holdings Limited. Prior to that, Ms Mead was the company secretary at Asciano Limited, and earlier, assistant company secretary at Telstra. Fiona began her career as a lawyer with law firm Ashurst.

Ms Mead is a fellow of the Governance Institute of Australia and a graduate member of the Australian Institute of Company Directors.

Board committees

The Board has established a number of standing committees as a mechanism for considering detailed issues and, where appropriate, making recommendations for consideration by the Board. These committees have charters setting out matters relevant to the composition, responsibilities and membership of each committee.

Leadership team

Our Global Leadership Group is responsible for driving company performance so that we can keep our promises to our patients, our employees and our shareholders. They have earned their roles because of their experience, achievements, unwavering ethics and commitment to our core values.

Dr Paul McKenzie

PhD (Chemical Engineering)

Age 57

Chief Executive Officer and Managing Director

Dr McKenzie was appointed Chief Executive Officer and Managing Director of CSL Limited on 6 March 2023. See above for further biographical details.

Greg Boss

JD, BS (Hon)

Age 61

Executive Vice President, Legal and CSL Group General Counsel

Greg was appointed Group General Counsel in 2009 and is responsible for worldwide legal operations for all CSL Group companies. He joined CSL in 2001, serving as General Counsel for what became the CSL Behring business.

In addition to his legal role, Greg is also responsible for overseeing global Risk Management and Compliance for the Group as well as global Corporate Communications.

Prior to joining CSL, Greg was Vice President and Senior Counsel for CB Richard Ellis International, after working 10 years in private legal practice. In 2016, Greg received the World Recognition of Distinguished General Counsel from the Directors Roundtable, and in 2017 Greg received the Leadership in Law award from the Burton Foundation.

Bill Campbell

BSc (Business Administration)

Age 64

Executive Vice President, Chief Commercial Officer

Bill was appointed Executive Vice President, Chief Commercial Officer in July 2017. He has responsibility for a variety of global functions, including sales, marketing, commercial development, medical affairs and policy, advocacy and government affairs. Prior to being appointed to his current role, Bill led CSL Behring's North American commercial operations. He has more than 35 years of diverse pharmaceutical and biotechnology experience across a range of therapeutic areas, including oncology, women's health, vaccines and plasma proteins. Bill has held senior management positions at a number of pharmaceutical and biotechnology companies.

Mr Campbell will retire from CSL before the end of 2023

Hervé Gisserot

IEP

Age 58

Senior Vice President and General Manager CSL Vifor

Hervé Gisserot, CSL Vifor General Manager since August 2022, was appointed as Senior Vice President and member of the CSL Global Leadership Group on 15 March 2023. He is responsible for the global CSL Vifor Business unit strategy and operations including leading a team of approx. 2,000 professionals focusing on the strategic therapy areas of iron replacement and nephrology. Prior to being appointed to his current role, Hervé was Chief Commercial Officer and member of the Executive Committee of Vifor Pharma.

Hervé brings extensive commercial experience in the healthcare sector in the United States, Europe, and Asia Pacific. He has served in a number of progressive senior leadership roles at GlaxoSmithKline, Sanofi-Aventis and Fournier Group.

Hervé is a graduate of the Institute of Political Science Paris (IEP) and has completed the General Management program at INSEAD.

In addition to his role, Hervé serves as Chairman of the Board of Directors Vifor Fresenius Medical Care Renal Pharma, as well as in June 2022, was nominated to the Strategic Committee of Brenus Pharma and in April 2023 he was nominated as a member of the EFPIA Board.

Mark Hill

BA (Organisational Management)

Executive MBA (Information Technology Management)

Age 62

Executive Vice President, Chief Digital Information Officer

Mark Hill, Chief Digital Information Officer at CSL leads the enterprise-wide Digital Technology organisation and its accompanying strategy.

Mark plays a key role in how CSL manages plasma donors, connects with patients, virtually collaborates and drives greater efficiencies in operations and the rest of the CSL organisation.

He is a global IT leader with extensive experience in utilising enabling technology to deliver efficiency, productivity, quality and solutions for patients and public health.

Prior to joining CSL, he was senior vice president and chief information officer at Gilead Sciences, where he led the IT organisation during a period of rapid growth for the company and delivered key initiatives that encouraged collaboration and new ways of working. With more than 30 years of experience, Mark also held leadership roles with Merck and Schering-Plough earlier in his career.

He earned his Bachelor of Science degree in Organizational Management from Tusculum College and his Executive MBA in information technology management from Christian Brothers University. Mark is also a United States Army veteran.

Ken Lim

BCom, LLB (Hons)

Age 49

Executive Vice President and Chief Strategy Officer

Ken Lim serves as CSL's Executive Vice President and Chief Strategy Officer.

Ken is a long-time CSL leader who has served in multiple leadership positions across a range of businesses. Prior to his current role, Ken held several positions at CSL Seqirus, including Head of Strategy & Finance and interim General Manager.

Ken joined CSL in 2013 as Vice President of Strategic Projects where he focused on the company's strategy, business development, and mergers & acquisitions. He was involved in several key strategic partnerships and acquisitions, including CSL's acquisition of the Novartis influenza business in 2015 which then became CSL Seqirus.

Before joining CSL, Ken advised CSL on several strategic initiatives as a Merrill Lynch investment banker, including CSL's purchase of Aventis Behring in 2004 which became CSL Behring.

Ken began his career as a solicitor with Mallesons Stephen Jaques, a large commercial law firm in Australia, where he specialised in corporate law. Ken gained a Bachelor of Commerce and Bachelor of Laws (Honours), from Monash University in Melbourne, Australia.

Joy Linton

BComm; F. Fin; GAICD

Age 57

Chief Financial Officer

Joy was appointed Chief Financial Officer in October 2020.

Prior to joining CSL, Joy was chief financial officer and executive director at Bupa, a global health insurance company based in the UK, and earlier served as the General Manager of health services for Bupa UK.

Joy has over 30 years' experience in branded consumer businesses across insurance, healthcare and fast-moving consumer goods as a global and strategic chief financial officer.

Steve Marlow

BA (Hon), MBA (Finance), MAICD

Age 51

Senior Vice President and General Manager CSL Seqirus

Steve began his career with CSL in Australia in 2000. He was appointed to his current role, Senior Vice President (SVP) and General Manager of CSL Seqirus in April 2020 following five years leading CSL Seqirus' Global Operations function from 2015 to 2020.

Prior to this, Steve served as General Manager and SVP of CSL Behring's United States Manufacturing Operations, based in Illinois, United States. Further key leadership roles of note during Steve's 20-plus-year career at CSL included responsibility for supply chain, international commercial operations and technical operations for the influenza franchise. Steve led the global coordination for the rapid response to the H1N1 pandemic in 2009 and was at the forefront of CSL's global response to the COVID-19 pandemic in 2020.

Steve gained his undergraduate degree in Leeds, UK, and his MBA in Melbourne, Australia. He is a graduate of the Advanced Management Program at the Melbourne Business School, Australia.

Bill Mezzanotte

MD, MPH

Age 64

Executive Vice President, Head Research & Development and Chief Medical Officer

As the Head of Research & Development (R&D) and Chief Medical Officer, Bill is responsible for developing and executing CSL's R&D strategy and portfolio, creating the pipeline and R&D capabilities that will help the CSL Behring, CSL Seqirus and CSL Vifor businesses grow in the decades ahead. These R&D capabilities include identifying and developing all scientific platforms, skills and expertise necessary for success in rare and serious diseases and vaccines.

Bill, who has been leading R&D since October 2018, initially joined CSL as Head of Clinical Development in 2017. Prior to CSL, Bill was senior vice president and therapeutic area head for the respiratory unit for Boehringer Ingelheim and spent 16 years with AstraZeneca in research and development, assuming roles of increasing leadership and management responsibility across multiple therapeutic areas. Bill obtained his MD at the University of Pennsylvania and a Master of Public Health degree from Johns Hopkins University. He is board certified in internal medicine, pulmonary medicine, critical care medicine and sleep medicine.

Since 2020, Bill has served as a member of the Board of Directors of the Philadelphia-based University City Science Center and in 2021-2023 he served on the Board of Directors for BELLUS Health.

Andy Schmeltz

BA (Economics)

MBA (Marketing & Finance)

Age 52

Executive Vice President, CSL Behring Business Unit

Andy was appointed Executive Vice President, CSL Behring in July 2023. He is responsible for commercial development and operations, therapeutic area strategy, market access, CSL Plasma strategy and operations, supply chain, operations, manufacturing, procurement, planning, and quality across the CSL Behring business unit.

Prior to joining CSL, Andy was with Pfizer for 20 years, most recently as Head of enterprise-wide Commercial Strategy & Innovation, leading investment decisions. For five years, he was global president and general manager of Pfizer Oncology, where he managed a $12 billion portfolio of 24 medicines with 2,800 employees. Andy also spearheaded several acquisitions and integrations during his time at Pfizer.

Andy is an established cross-functional healthcare leader who has held various roles across multiple disciplines during his 25-plus years in the industry.

Elizabeth Walker

BA, MS (Organisational Development and Leadership)

Age 53

Executive Vice President, Chief Human Resources Officer

Elizabeth Walker leads Global Human Resources for the CSL Group of Companies and its people and culture strategy, supporting a diverse population of more than 32,000 employees around the world.

Elizabeth joined CSL in 2016 and was appointed Chief Human Resources Officer in December 2017. Previously, she held a variety of HR leadership positions at Campbell Soup Company, most recently as Vice President of Global Talent Management.

With a career spanning more than 30 years, she has extensive human resources and management consulting expertise and a distinguished record of results in growth businesses and M&A environments and within a diverse set of industries, including healthcare, financial services and consumer products.

Elizabeth holds a Master of Science degree in organisation development and leadership from St. Joseph's University and a Bachelor of Arts degree from Carnegie Mellon University.

Ethics and transparency

While CSL's Values serve as its directional compass, the Code of Responsible Business Practice (Code) provides a more detailed map to deliver on our promise to patients and public health by exemplifying high standards of conduct throughout the organisation.

CSL's Code aims to foster a culture that rewards high ethical standards, personal and corporate integrity and respect for others.

All employees undertake training on the Code and CSL's new ethics-based decision making tool. These two e-learning modules have been made available in 14 languages to cater for CSL's global workforce.

In certain aspects of CSL's business, such as the marketing of our products, our relationships with healthcare professionals or healthcare organisations and our research and development, we have made further commitments to comply with both local and internationally accepted pharmaceutical industry codes of conduct.

CSL expects its third party partners to comply with the applicable local laws and regulations of the countries in which they operate, and to observe all of the principles set out in our Third Party Code of Conduct.

We have internal control systems to ensure financial statements comply with the applicable local laws of the countries in which we operate and to prevent fraud and other improper conduct.

CSL's Code of Responsible Business Practice as well as Third Party Code of Conduct can be found on CSL.com (We Are CSL > Corporate Governance > Code of Responsible Business Practice).

Anti-bribery and anti-corruption

CSL has an Anti-Bribery and Anti-Corruption Policy that prohibits CSL businesses and employees from directly or indirectly offering, paying, soliciting or accepting bribes or giving or receiving personal favours, financial or other rewards or inducements in exchange for making business decisions. This prohibition applies regardless of the value of the reward or inducement. CSL policy also prohibits facilitation payments. The Board, via the ARMC, periodically receives information regarding material breaches of the Anti-Bribery and Anti-Corruption Policy as a way of maintaining oversight.

CSL operates in a diverse and complex marketplace and has a number of commercial arrangements with governments and related agencies across various geographies. Bribery and corruption are risks that could expose the organisation and employees to possible prosecution, fines and imprisonment.

Market practices are governed by company-specific policies and procedures. Internal compliance mechanisms and control systems are directly supported by our Global Ethics and Compliance team and subject to additional oversight by CSL's Global Compliance Committee, regional committees, and CSL's Audit and Risk Management Committee of the Board.

Based on these controls, CSL considers its overall risk relating to corruption to be low and is committed to complying with laws and regulations in the regions in which CSL operates and those that CSL seeks to enter.

CSL has a Group Speak Up Policy to encourage anyone to raise concerns about potential misconduct, including in relation to bribery or corruption. CSL staff may raise any concerns internally. Additionally, anyone can make anonymous reports to the Speak Up Hotline, an independent and confidential reporting line available globally.

In addition, over the reporting period, an annual assessment of bribery and corruption risk was conducted by the Ethics & Compliance teams. The assessment included asking a cross-section of employees in CSL's commercial and manufacturing operations to complete a standardised questionnaire. The questionnaire is designed to assist with identifying practices or behaviours that could be in breach of CSL's Anti-Bribery and Anti-Corruption Policy. Results are provided to the Global Compliance Committee and regional/local compliance committees for review, and the committees may ask for actions to be taken which could include: to revise regional or local policies or procedures; to deliver further training; for ongoing monitoring; or for a more detailed assessment of the local commercial operation, including any third parties acting on behalf of CSL. The implementation of the committee's review and actions are supported by the local, regional and global Ethics and Compliance teams.

Sustainability performance

FTSE4Good

CSL's environmental, social and governance (ESG) performance has been recognised by the FTSE4Good Index Series, a leading sustainability index, for the last 12 years.

FTSE4Good

MSCI

MSCI ESG RATINGS AA

CCC | B | BB | BBB | A | AA | AAA

In 2023, CSL received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

MSCI focuses on companies' ESG rated performance in each sector to help institutional investors more effectively integrate ESG considerations into their investment processes, as well as manage, measure, and report on ESG mandates.

Sustainalytics

As of March 2022, CSL's ESG risk rating overall score is 24.24 with an ESG risk rating category of medium (on a 5-point scale from negligible to severe), ranking 44 out of 436 in the subindustry biotechnology sector (1st equals lowest risk).

Sustainalytics provides analytical ESG research, ratings and data to institutional investors and companies.

Fair competition

In 2022/23, there were no findings against CSL relating to a breach of any fair trading or competition laws.

Political contributions

Over the reporting period, CSL contributed a total of US$1,000 in non-cash corporate political contributions in the United States and A$5,500 to political organisations in Australia solely for attendance at events including policy briefings, lunches, boardroom lunches and dinners. In all other regions, CSL made no political contributions.

More at CSL.com (Sustainability > Governance).

Disclosure

As a publicly listed company on the Australian Securities Exchange (ASX), CSL has obligations under Australian law and the ASX Listing Rules. Subject to limited exceptions, CSL must continuously disclose to the ASX information about CSL that a reasonable person would expect to have a material effect on the price or value of CSL securities.

CSL has a policy that sets clear guidelines and describes the actions that the directors and all employees should take when they become aware of information that may require disclosure. CSL's Continuous Disclosure Policy can be found on CSL.com (We Are CSL > Corporate Governance > Core Policies).

Corporate governance

Throughout 2022/23, CSL's governance arrangements were consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition). Our 2022/23 Corporate Governance Statement has been approved by the Board and is available on CSL.com (We Are CSL > Corporate Governance).

The Board continually reviews governance at CSL to ensure that the governance framework remains appropriate in light of changing expectations and general developments in good corporate governance.

Risk management

CSL has adopted and follows a detailed and structured Enterprise Risk Management Framework (ERMF) to ensure that risks are identified, evaluated, monitored and managed. This ERMF sets out the risk management processes, internal compliance and monitoring requirements, governance processes and structures including roles and responsibilities for different levels of management, the matrix of risk impact and likelihood for assessing risk, the three lines of accountability for risk and risk management reporting requirements.

The ERMF has been established to provide reasonable assurance that:

- any material exposure to risk can be identified and adequately monitored and managed; and
- significant strategic, emerging, financial, managerial and operating risk-related information is accurate, relevant, timely and reliable.

Further details of CSL's risk management framework are contained in CSL's Corporate Governance Statement.

A description of CSL's material risks and key risk management activities for each risk can be found in CSL's Material Risks on page 26 of this report.

Tax transparency

While CSL's roots are proudly Australian, CSL is a truly global company, with more than 90% of revenue derived outside Australia. We separately report on our global tax footprint, as part of CSL's tax transparency reporting.

We are subject to the different tax regimes that apply in each of those countries and apply the applicable taxation laws in all the jurisdictions in which we operate, including the OECD Country-by-Country reporting measures.

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. CSL has a low appetite for tax risk and does not engage in aggressive tax planning.

CSL supports efforts to improve tax transparency in order to support a fairer economy and ensure there is confidence in the robustness of country tax regimes. We support the work undertaken by the OECD in relation to Pillar One and Pillar Two requirements and the position that income earned in a country should be reflective of the economic activity undertaken in that country. We encourage governments to continue to work together to adopt a globally consistent approach to these requirements in order to balance the compliance complexity for companies operating across a number of territories.

Operating with transparency forms a core part of CSL's tax management philosophy and as such our annual tax transparency reports can be found on CSL.com (Sustainability).

11 Share Information

CSL Limited

Issued Capital Ordinary Shares: 482,369,261 as at 30 June 2023; 482,369,261 as at 31 July 2023.

Details of incorporation

CSL's activities were carried on within the Commonwealth Department of Health until the Commonwealth Serum Laboratories Commission was formed as a *Statutory Act 1961* (Cth) (the CSL Act) on 2 November 1961. On 1 April 1991, the Corporation was converted to a public company limited by shares under the Corporations Law of the Australian Capital Territory and it was renamed Commonwealth Serum Laboratories Limited. These changes were brought into effect by the *Commonwealth Serum Laboratories (Conversion into Public Company) Act 1990* (Cth). On 7 October 1991, the name was changed to CSL Limited. The Commonwealth divested all of its shares by public float on 3 June 1994.

The CSL Sale Act 1993 (Cth) amends the CSL Act to impose certain restrictions on the voting rights of persons having significant foreign shareholdings, and certain restrictions on CSL itself. CSL ordinary shares (being the only class of shares on issue) have been traded on the Australian Securities Exchange (ASX) under the ticker code: CSL since 30 May 1994. Melbourne is the Home Exchange.

In June 2014, CSL commenced a sponsored Level 1 American Depositary Receipts (ADR) program with the Bank of New York Mellon. The sponsored ADR program replaced the unsponsored ADR programs that previously operated with CSL's involvement.

The American Depositary Receipts are traded on the over-the counter (OTC) securities market in the United States. Two ADRs represent one ordinary share in CSL.

In terms of voting, ADR holders can instruct the Depositary, Bank of New York Mellon, to act as proxy for the underlying shares. Particulars for the sponsored ADR program are: US Exchange – OTC and DR Ticker Symbol – CSLLY.

Substantial shareholders

The following table shows (as at 30 June 2023) the details of each shareholder who, together with their associates, notified CSL Limited under the *Australian Corporations Act 2001* (Cth), Section 671B, that they hold 5% or more of voting rights in CSL Limited's shares.

		Date of last notice		
Title of class	Identity of person or group	Date received	Date of change	Number owned
Ordinary Shares	Blackrock Group	2 December 2019	28 November 2019	27,353,205
Ordinary Shares	Vanguard Group	14 November 2022	9 November 2022	24,112,875
Ordinary Shares	State Street Group	3 April 2023	30 March 2023	24,219,552

There were no substantial shareholder notices lodged on the Australian Securities Exchange period between 1 July 2023 and 31 July 2023.

Voting rights

At a general meeting, subject to restrictions imposed on significant foreign shareholdings and some other minor exceptions, on a show of hands, each shareholder present has one vote. On a poll, each shareholder present in person or by proxy, attorney or representative has one vote for each fully paid share held. In accordance with the CSL Act, CSL's Constitution provides that the votes attaching to significant foreign shareholdings are not to be counted when they pertain to the appointment, removal or replacement of more than one-third of the directors of CSL who hold office at any particular time. A significant foreign shareholding is one where a foreign person has a relevant interest in 5% or more of CSL's voting shares.

Distribution of shareholdings as at 31 July 2023

Range	Total holders	Shares	% of issued capital
1 – 1,000	222,198	37,995,824	7.88
1,001 – 5,000	21,715	48,603,746	10.08
5,001 – 10,000	3,112	21,323,431	4.42
10,001 – 100,000	1,324	23,406,588	4.85
100,001 Over	58	351,039,672	72.77
Rounding			**0.00**
Total shareholders and shares on issue	**248,407**	**482,369,261**	**100.00**

Unmarketable parcels	Minimum parcel size	Holders	Shares
Minimum A$500.00 parcel at A$268.52 per share (being the closing market price on 31 July 2023)	2	455	455

Unquoted equity securities

As at 31 July 2023, 1,337,339 Performance Rights with 4,023 holders and 490,898 Performance Share Units with 151 holders were on issue pursuant to CSL's equity incentive plan.

On-market share acquisitions

During 2022/23, 2,822 CSL ordinary shares were purchased on market at an average price of $295.12 per share for the purposes of various CSL employee incentive schemes.

There is no current on-market buy-back of CSL shares.

Shareholder Information

CSL's Share Registry is overseen by Computershare Investor Services. Shareholders with enquiries go to investorcentre.com/au where most common questions can be answered by virtual agent Penny. There is an option to contact the Share Registry by email if the virtual agent cannot provide the answer. Alternatively, shareholders may telephone or write to the Share Registry at the following address:

Mail

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
AUSTRALIA

Telephone

(Australia) 1800 646 882
(Overseas) +61 3 9415 4178

Mon-Fri 8:30am-7pm AEST

Separate shareholdings may be consolidated by advising the Share Registry in writing or by completing a Request to Consolidate Holdings form which can be found online at investorcentre.com/au.

Change of address should be notified to the Share Registry online via the Investor Centre at investorcentre.com/au, by telephone or in writing without delay. Shareholders who are broker sponsored on the CHESS sub-register must notify their sponsoring broker of a change of address.

Direct payment of dividends into a nominated account is mandatory for shareholders with a registered address in Australia or New Zealand. All shareholders are encouraged to use this option by providing a payment instruction online via the Investor Centre at investorcentre.com/au or by obtaining a direct credit form from the Share Registry or by advising the Share Registry in writing with particulars.

CSL offers shareholders the opportunity to receive dividend payments in US dollars by direct credit to a US bank account. Shareholders who wish to avail themselves of this payment option for the 2023 final dividend payment must provide their valid US bank account details to the Share Registry by the dividend record date of 12 September 2023.

The Annual Report is produced for your information. The default option is an online Annual Report via CSL.com. If you opt to continue to receive a printed copy and you receive more than one or you wish to be removed from the mailing list for the Annual Report, please advise the Share Registry.

The 2023 Annual General Meeting (AGM) of CSL Limited (ABN 99 051 588 348) will be held on Wednesday, 11 October 2023 at 10am (Melbourne time) at the Clarendon Auditorium, Melbourne Convention and Exhibition Centre, South Wharf, Melbourne 3000.

CSL's 20 largest shareholders as at 31 July 2023 (as named on the Register of Shareholders)[*1]

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	158,208,692	32.80
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	81,652,973	16.93
3	CITICORP NOMINEES PTY LIMITED	45,017,523	9.33
4	NATIONAL NOMINEES LIMITED	15,121,161	3.13
5	BNP PARIBAS NOMS PTY LTD <DRP>	12,608,974	2.61
6	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	4,832,402	1.00
7	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	4,734,581	0.98
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,278,217	0.68
9	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,568,812	0.53
10	AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	2,239,500	0.46
11	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,163,373	0.45
12	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	1,665,903	0.35
13	SOLIUM NOMINEES (AUSTRALIA) PTY LTD <ALLOCATED A/C>	1,574,635	0.33
14	ARGO INVESTMENTS LIMITED	1,311,509	0.27
15	BNP PARIBAS NOMS (NZ) LTD <DRP>	898,418	0.19
16	MUTUAL TRUST PTY LTD	891,059	0.18
17	D W S NOMINEES PTY LTD	793,208	0.16
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	750,247	0.16
19	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL>	726,200	0.15
20	SOLIUM NOMINEES (AUSTRALIA) PTY LTD <VSA A/C>	676,661	0.14
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**341,714,048**	**70.84**
Total Remaining Holders Balance		**140,655,213**	**29.16**

(*1) Many of the 20 largest shareholders shown for CSL Limited hold shares as a nominee or custodian. In accordance with the reporting requirements, the tables reflect the legal ownership of shares and not the details of the underlying beneficial holders.

12 Key Performance Data Summary

Performance Indicator	Measure	2020/21	2021/22	2022/23	More in 22/23 Annual Report (page reference)
Economic Contribution					
Operating revenue	US$ million	10,310¶	10,562¶	13,310¶^	21
Net profit	US$ million	2,375¶	2,255¶	2,194¶^	
Economic value generated	US$ million	10,314†	10,570†	13,348†^	53
Economic value distributed	US$ million	9,959†	9,866†	13,209†^	
New plasma centres	Number	25	27	12	20
Sustainable Workforce					
Our People					
Total headcount	Number	25,415	30,398†	32,065†^	40
Total Board female	Percentage	43	44†	44†^	
Total workforce female	Percentage	57	61†	59†^	
Total people managers female	Percentage	44	46†	45†^	
Total senior executives female	Percentage	30	31†	32†^	
Total Recordable Injury Frequency Rate (TRIFR)‡	Per million hours worked for Non-CSL Plasma sites	1.9†	1.4†	0.94†^	45
	Per million hours worked for CSL Plasma	11.2†	10.7†	12.1†	
Fatalities (including contingent workers)	Number	0	0†	0†^	
Employee engagement	Percentage	73.7†	77.9†	76.2†^	44
ESG employee engagement		NA	78.2†	76.2†^	44
Social					
Innovation					
R&D investment	US$ million	1,001†	1,156†	1,232†^	20
Clinical trials in operation	Number	43	58	60	39
Safety and Quality					
Regulatory audits of manufacturing facilities and plasma collection centres	Number	365†	406†	475†^	53
Safety related recalls of finished product††	Number	3†	0†	3†^	
Pharmacovigilance audits	Number	64	69	94	53
Community					
Total contribution	US$ million	55.2#	50.0	42.6	58
Product access support (subset of total community contribution)	US$ million	20.1#†	17.8†	13.7†	55
Plasma donors willing to donate again	Percentage	99†	95^^	94†	57
Environment					
Absolutes§					
Energy consumption	Petajoules	3.73	3.92	4.21†^	47
Scope 1 & 2 greenhouse gas emissions	Metric kilotonnes	326	347	336†^	
Water consumption	Gigalitres	4.44	4.67	4.86	
Waste	Metric kilotonnes	59.02	55.54	72.00	
Waste recycling rate	Percentage	40	38	44	

† Data for nominated period has received limited assurance by Ernst & Young.

¶ Operating Revenue and Net Profit extracted from the audited financial statements.

†† Safety related recalls relate to finished products which must be retrieved due to a known or possible adverse or health related impact on a patient. These include safety related recalls which are classified as a class 1 and 2 recall by the regulator.

§ See page 47 for more on reporting boundary.

Accounting practices for CSL Seqirus Australia product donations changed in 2020/21 to account for indirect and direct costs (versus direct only for prior years).

^ Includes CSL Vifor data. TRIFR and environmental metrics includes CSL Vifor data for Switzerland only.

^^ Data for nominated period has received limited assurance by Ernst & Young. Data collection method changed for the reporting period, see section 9, Plasma donors.

Reporting Boundary

Our disclosure covers the businesses and operations over which we exercise direct control and incorporates CSL Limited, CSL Behring (including CSL Plasma), CSL Seqirus, CSL Vifor and global research and development (R&D). This includes our nine manufacturing facilities in Australia, China, Europe, the UK and the United States as well as R&D, sales and marketing, distribution and administration activities co-located with these facilities. Other R&D activities, sales and marketing, distribution and administrative activities occurring away from our manufacturing facilities are also covered by this report, including the full network of donation centres, laboratories and administration offices operated by CSL Plasma. Where indicated, CSL Vifor, which was acquired in August 2022, has been excluded in some metrics as integration/harmonisation activities continue.

13 Medical Glossary

Adjuvant is a substance which enhances the body's immune response to an antigen.

Albumin is any protein that is soluble in water and moderately concentrated salt solutions and is coagulable by heat. It is found in egg whites, blood, lymph, and other tissues and fluids. In the human body, serum albumin is the major plasma protein (approximately 60% of the total).

Alpha-1 antitrypsin deficiency is an inherited disorder that may cause lung disease and liver disease.

Antivenom (or antivenin, or antivenene) is a biological product used in the treatment of venomous bites or stings.

Autoimmune disease is when the body's immune system attacks healthy cells.

Biopharmaceuticals are proteins (including antibodies), nucleic acids (DNA, RNA or antisense oligonucleotides) used for prophylactic or therapeutic purposes.

Cell-based (technology) for the manufacture of influenza vaccines, is a process of growing viruses in animal cells.

Chronic inflammatory demyelinating polyneuropathy (CIDP) is a neurological disorder which causes gradual weakness and a loss in sensation mainly in the arms and legs.

Coagulation is the process of clot formation.

Coronavirus is a group of RNA viruses that cause a variety of respiratory, gastrointestinal and neurological diseases in humans and other animals.

COVID-19 is an infectious disease caused by a newly discovered coronavirus SARS-CoV-2.

Haemophilia is a haemorrhagic cluster of diseases occurring in two main forms:

Haemophilia A (classic haemophilia, factor VIII deficiency), an X linked disorder due to deficiency of coagulation factor VIII.

Haemophilia B (factor IX deficiency, Christmas disease), also X linked, due to deficiency of coagulation factor IX.

Hereditary angioedema (HAE) is a rare but serious genetic disorder caused by low levels or improper function of a protein called C1-esterase inhibitor. It causes swelling, particularly of the face and airways, and abdominal cramping.

Immunoglobulins (IgG), also known as antibodies, are proteins produced by plasma cells. They are designed to control the body's immune response by binding to substances in the body that are recognised as foreign antigens (often proteins on the surface of bacteria or viruses).

Inherited respiratory diseases are diseases that are passed from parents to their children through their genes. Alpha-1 antitrypsin deficiency is an example of an inherited disorder that may cause lung disease and liver disease.

Influenza, commonly known as flu, is an infectious disease of birds and mammals caused by an RNA virus of the family Orthomyxoviridae (the influenza viruses).

Intravenous is the administration of drugs or fluids directly into a vein.

Monoclonal antibody (mAb) is an antibody produced by a single clone of cells. Monoclonal antibodies are a cornerstone of immunology and are increasingly coming into use as therapeutic agents.

Neurology is the science of nerves and the nervous system.

Next-generation mRNA (sa-mRNA) is a technology designed to enhance protein production within cells. With this technology, the mRNA incorporates an element that allows the host cell to make copies of the administered mRNA, which in turn increases the amount of protein that the cell produces. This next-generation technology makes it useful for vaccine development at lower doses than with the original mRNA vaccines, and as an approach in gene therapy. Offering improved protein expression that potentially enhances the effectiveness of treatments and enables more robust therapeutic interventions are some of the benefits of this approach.

Pandemic is the worldwide spread of a disease.

Pharmacovigilance is the practice of monitoring the effects of medical drugs after they have been licensed for use, especially in order to identify and evaluate previously unreported adverse reactions.

Plasma is the yellow-coloured liquid component of blood in which blood cells are suspended.

Primary immunodeficiency (PI) is an inherited condition where there is an impaired immune response. It may be in one or more aspects of the immune system.

Prophylaxis is the action of a vaccine or drug that acts to defend against or prevent a disease.

Q fever is a bacterial infection that can cause a severe flu-like illness. It is spread to humans by animals, most commonly sheep, goats and cattle.

Quadrivalent influenza vaccine is a vaccine that offers protection against four different influenza virus strains.

Recombinants are proteins prepared by recombinant technology. Procedures are used to join together segments in a cell-free system (an environment outside a cell organism).

Subcutaneous is the administration of drugs or fluids into the subcutaneous tissue, which is located just below the skin.

Trivalent influenza vaccine is a vaccine that offers protection against three different influenza virus strains.

von Willebrand disease (vWD) is a hereditary disorder caused by defective or deficient von Willebrand factor, a protein involved in normal blood clotting.

14 Financial Performance

Contents

Directors' Report

The Board of Directors of CSL Limited (CSL) is pleased to present their report on the consolidated entity for the year ended 30 June 2023.

The information referred to below forms part of and is to be read in conjunction with this Directors' Report:

- the Chair and CEO messages (from page 2);
- Our Company (from page 8);
- CSL's Performance and Strategy (from page 20);
- CSL's Material Risks (from page 26);
- CSL's Future Prospects (from page 28);
- CSL's Governance (from page 60);
- the Remuneration Report (from page 85); and
- the Auditor's Independence Declaration (page 80).

1. Principal activities, strategy and operating model

The principal activities of the consolidated entity during the financial year were the research, development, manufacture, marketing and distribution of biopharmaceutical products and vaccines.

CSL is a leader in global biotechnology, and develops and delivers innovative medicines that save lives, protect public health and help people with life-threatening medical conditions to live full lives. CSL's 2030 Strategy is delivered through its five strategic objectives: Focus; Innovation; Efficiency & Reliable Supply; Sustainable Growth; and Digital Transformation. More detail on CSL's performance against its 2030 strategic objectives can be found in CSL's Performance and Strategy.

CSL's operating model for its businesses leverage multifunctional teams that connect with each other to share best practice. CSL's operating model is based around four key value creation activities: early stage research, product translation, manufacturing, and patient access. CSL's commercial and functional areas operate globally, with the Global Leadership Group responsible for the day-to-day management of the Group and delivery of CSL's strategic objectives. More detail on CSL's operations can be found in Our Company and CSL's Performance and Strategy.

CSL completed the acquisition of CSL Vifor on 9 August 2022. The acquisition of CSL Vifor adds near-term value along with a clear path to long-term sustainable growth. It also adds a strong management team, along with a high-value and complementary portfolio of products and market leading position in the nephrology and iron deficiency spaces. Further details on CSL Vifor acquisition can be found in Note 2 (Business Combination) of the Financial Statements.

2. Operating and financial review

CSL discloses its financial performance by segment information. The Group's segments represent strategic business units that offer different products and operate in different industries and markets. This provides the most meaningful insight into the nature and financial outcomes of CSL's activities and is consistent with the way in which the CEO monitors and assess business performance and resource allocation decisions. Information on the operations and financial position for CSL and likely developments in the CSL Group's operations in future financial years is set out in the Operating and Financial Review (OFR). Further details on CSL's segment reporting can be found in Note 1 (Segment Information) of the Financial Statements.

3. Directors

The directors who served at any time during 2022/23 or up until the date of this Directors' Report were Dr Brian McNamee AO, Dr Paul McKenzie, Mr Paul Perreault, Mr Bruce Brook, Dr Megan Clark AC, Professor Andrew Cuthbertson AO, Ms Carolyn Hewson AO, Professor Duncan Maskell, Ms Marie McDonald and Ms Alison Watkins AM.

Further details of the current directors are set out in the Governance section of CSL's 2022/2023 Annual Report or on CSL.com. These details include the period for which each director held office up to, and including, the date of this Directors' Report, their qualifications, independence, experience and particular responsibilities, the directorships held in other listed companies since 1 July 2020 and the period for which each directorship has been held.

Dr Paul McKenzie was appointed as an Executive Director of CSL with effect from 13 December 2022 and appointed as CEO and MD with effect from 6 March 2023. Mr Paul Perreault retired from the Board of Directors on 5 March 2023.

4. Company Secretary

Ms Fiona Mead, BCom/LLB (Hons) FGIA, GAICD, was appointed and commenced in the position of Company Secretary and Head of Corporate Governance on 4 June 2018 and continues in office as at the date of this report.

Ms Mead was previously the company secretary and a member of the executive leadership team at Tabcorp Holdings Limited. Prior to that, she was the company secretary at Asciano Limited. Ms Mead also served as assistant company secretary at Telstra Corporation. Fiona began her career as a lawyer with law firm Ashurst.

5. Director's attendance at meetings

The Board meets as often as necessary to fulfil its role. Directors are required to allocate time to CSL to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During the reporting year, the Board met nine times, with all of those meetings held in Australia.

Members of the Global Leadership Group and other members of senior management attend Board meetings by invitation.

Director attendance at Board and standing Board committee meetings during 2022/23 is set out in Table 1 below.

Table 1: 2022/23 Director Attendance at Board and Committee meetings

	Board of Directors		Audit and Risk Management Committee		Human Resources and Remuneration Committee		Innovation and Development Committee		Corporate Governance and Nomination Committee	
	A	B	A[1]	B	A[2]	B	A	B	A	B
B McNamee	9	9		7*		6*	4	4	5	5
B Brook	9	9	7	7		1*		4*	5	5
C Hewson	9	9	7	7	6	6		4*	5	5
M Clark	9	9		7*	6	6	4	4	5	5
A Cuthbertson	9	9		7*		6*	4	4	5	5
M McDonald	9	9	7	7	6	6		4*		
D Maskell	9	9		6*		2*	4	4		
A Watkins	9	9	7	7	6	6		4*		
P McKenzie[3]	5	5		4		2*				
P Perreault[4]	4	4		5*		4*	4	4*		

A Number of meetings held whilst a member.

B Number of meetings attended. Board Committee meetings are open to all directors to attend. Where a director attended a meeting of a committee of which they were not a member, it is indicated with an asterisk*.

1. One of the Audit and Risk Management Committee meetings was held jointly with the Human Resources and Remuneration Committee.
2. One of the Human Resources and Remuneration Committee meetings was held jointly with the Audit and Risk Management Committee.
3. Dr Paul McKenzie was appointed to the CSL Board on 13 December 2022.
4. Mr Paul Perreault retired from the CSL Board effective 5 March 2023.

6. Dividends

On 14 August 2023, the directors resolved to pay a final dividend of US$1.29 per ordinary share to be paid on 4 October 2023, 10% franked, bringing dividends per share in respect of the 2023 financial year to US$2.36 per share. In accordance with determinations by the directors, CSL does not operate a dividend investment plan.

Dividends paid during the year were as follows:

Dividend	Date paid	Franking per share	Amount per share US$	Total dividend US$
Final dividend for year ended 30 June 2022	05 October 2022	10% franked at 30% tax rate	1.18 cents	$569m
Interim dividend for year ended 31 December 2022	05 April 2023	Unfranked	1.07 cents	$516m

Dividends are determined after period-end and announced with the results for the period. Interim dividends are typically determined in February and paid in April. Final dividends are typically determined in August and paid in October. Dividends determined but not yet paid are not recorded as a liability at the end of the period to which they relate.

7. Developments in operations in future years and expected results

The OFR sets out information on CSL's business strategies and prospects for future financial years and refers to likely developments in CSL's operations and the expected results of those operations in future financial years. Certain information is excluded because it is likely to result in material detriment or unreasonable prejudice to the Group.

8. Significant changes and subsequent events

CEO Transition

On 13 December 2022, CSL announced the appointment of Dr Paul McKenzie as Managing Director and Chief Executive Officer of CSL with effect from 6 March 2022, upon the retirement of Mr Paul Perreault.

CSL Vifor acquisition

On 9 August 2022, CSL completed the acquisition of CSL Vifor. See Note 2 (Business Combination) and Note 11 (Financial Risk Management) of the Financial Statements for further details.

Other than as disclosed in the Directors' Report (which includes the OFR) and information as disclosed in Note 24 (Subsequent Events) of the Financial Statements, the directors are not aware of:

- any significant changes in the consolidated entity's state of affairs during the year or to the Group's principal activities during the year; or
- any other matter or circumstance which has arisen since the end of the financial year which has significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

9. Environmental regulation and compliance

To meet industry and regulatory standards at our facilities, CSL uses an Environmental, Health and Safety (EHS) Management System. This system covers compliance with government regulations and commitments for continuous improvement of health and safety in the workplace, as well as minimising the negative effects of operations on the environment.

In 2022/23, CSL improved global alignment across several key EHS programs. This included updating the Global EHS audit and governance program and the development of standardised global processes to identify and control activities, where the absence or failure to use a control could expose employees to serious injury or fatality. The focus on the identification and standardised control of EHS risk across the CSL network will continue in 2023/24.

CSL continues to mature our overall environmental sustainability program, imbedding environmental considerations into our work practices. Key environmental principles are driven by processes like our EHS by Design program (and the operational identification of environmental aspects and impacts), in alignment with ISO 14001 principles, to further reduce CSL's potential impact on the environment and our local communities.

Our Australian subsidiaries continue to be classified as an established licensee in respect of CSL's self-insurance license as granted by the Safety, Rehabilitation and Compensation Commission with an eight-year license extension granted in 2023.

The following notices were provided to CSL by local government agencies in 2022/23:

- In 2022, CSL Seqirus, Holly Springs (United States) received a Notice of Violation (lowest level of violation with no monetary impact) from the state Department of Environmental Quality (DEQ). The notice was associated with some minor labelling and administrative document updates.
- In 2022, CSL Plasma (United States) received an Occupational Safety and Health Administration (OSHA) Citation: Other than serious, with non-monetary violation for non-contiguous blood borne pathogen procedure.
- In 2023, CSL Plasma (United States) received an OSHA Citation: Other than serious, with a US$600 fine for failing to report an employee hospitalisation within the required time frame.
- In 2023 CSL's facility in Pasadena (United States) received a violation with no monetary impact from the local fire department, for a flammable cabinet in one of the research labs that did not have an automatic closure device.
- In 2023, CSL's facility in Wuhan (China) was issued a violation by the environmental protection authority for failing to meet discharge limits of chemical oxygen demand (COD) as outlined in the site's discharge permit. The penalty issued was US$16,548 (RMB120,000).

CSL has met its reporting obligations under the Australian Government's *National Greenhouse and Energy Reporting Act 2007* and Victorian Government's Industrial Waste Management Policy (National Pollutant Inventory).

Additional EHS performance details, including workplace safety, can be found in CSL's People on page 40 and Environment on page 46.

10. Directors' shareholdings and interests

The interests of the directors in the shares, options and performance rights of CSL are set out in the Remuneration Report – Tables 11 and 12 for executive key management personnel (KMP) and Tables 16 and 17 for non-executive directors. The Group's Securities Dealing Policy prohibits KMP from entering into transactions which limit exposure to risk in relation to securities granted under CSL's equity incentive schemes. From time to time the Company Secretary makes inquiries of KMP as to their compliance with this policy.

11. Performance rights and options

As at 30 June 2023, the number of unissued ordinary shares in CSL under options and under performance rights are set out in Note 6 (People Costs) and Note 19 (Detailed Information – Shareholder Returns) of the Financial Statements. Holders of options or performance rights do not have any right, by virtue of the options or performance rights, to participate in any share issue by CSL or any other body corporate or in any interest issued by any registered managed investment scheme.

The number of options and performance rights exercised during the financial year and the exercise price paid to acquire fully paid ordinary shares in CSL is set out in Note 6 (People Costs) of the Financial Statements. Since the end of the financial year, no shares were issued under CSL's Performance Rights Plan.

Since the end of the financial year, 2,124 Restricted Share Units have been forfeited due to participant cessation of employment.

There has been no change to the information contained in Note 18 (Detailed Information – People Costs) to the Financial Statements or Note 19 (Detailed Information – Shareholder Returns).

12. Indemnification of directors and officers

During the financial year, the insurance and indemnity arrangements discussed below were in place concerning directors and officers of the consolidated entity.

CSL has entered into a Director's Deed with each director regarding access to Board papers, indemnity and insurance. Each deed provides:

1. an ongoing indemnity to the relevant director against liability incurred by that director as an officer of CSL or a related body corporate. The indemnity is given to the extent permitted by law and to the extent and for the amount that the relevant director is not otherwise entitled to be, and is not actually, indemnified by another person or out of the assets of a corporation, where the liability is incurred in or arising out of the conduct of the business of that corporation or in the discharge of the duties of the director in relation to that corporation;

2. that CSL will purchase and maintain an insurance policy which covers directors against liability as a director and officer of CSL. Coverage will be maintained for a minimum of seven years following the cessation of office for each director; and
3. the relevant director with a right of access to Board papers in connection with any relevant proceedings.

In addition to the Director's Deeds, Rule 95 of CSL's constitution requires CSL to indemnify each 'officer' of CSL and of each wholly owned subsidiary of CSL out of the assets of CSL 'to the relevant extent' against any liability incurred by the officer in or arising out of the conduct of the business of CSL or in the conduct of the business of such wholly owned subsidiary of CSL or in the discharge of the duties of the officer, unless incurred in circumstances which the Board resolves do not justify indemnification. Further details are set out in the Constitution, available on CSL.com (We Are CSL > Corporate Governance).

No payment has been made to indemnify a current or former director or officer during or since the financial year.

CSL paid insurance premiums in respect of a contract insuring each individual director of CSL and each full time executive officer, director and secretary of CSL and its controlled entities, against certain liabilities and expenses (including liability for certain legal costs) arising as a result of work performed in their respective capacities, to the extent permitted by law. It is a condition of the insurance contract that no details of the premiums payable or the nature of the liabilities insured are disclosed.

In addition, CSL Behring, as the employing entity, indemnifies both the former and current CEO if they are subject to additional tax on their remuneration in any jurisdiction other than the United States. Under this indemnity, CSL agrees to reimburse the CEO for the net difference between US and foreign tax liabilities after taking into account any credits available to the CEO in the United States. To the extent that this is an additional benefit, the reimbursement will be grossed up by CSL before payment.

No payment has been made in respect of this indemnity during or since the financial year.

13. Indemnification of auditors

To the extent permitted by law, CSL has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year. No insurance premiums were paid for Ernst & Young during the financial year.

14. Auditor independence and non-audit services

CSL may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with CSL and/or the consolidated entity are important.

Details of the amounts paid or payable to the entity's auditor, Ernst & Young, for non-audit services provided during the year are set out below. The directors, in accordance with the advice received from the Audit and Risk Management Committee, are satisfied that the provision of non-audit services is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth) for the following reasons:

1. all non-audit services have been reviewed by the Audit and Risk Management Committee to confirm that they do not affect the impartiality and objectivity of the auditor; and
2. none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for CSL, acting as an advocate for CSL or jointly sharing economic risks and rewards.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) accompanies and forms part of this report.

Note 20 (Auditor Remuneration) of the Financial Statements shows the fees that were paid or were payable for services provided by CSL's auditor and by the auditor's related practices for the 2022/23 financial year.

In line with an observed trend in many jurisdictions towards a tenure limit for audit firms, CSL completed its competitive external audit tender process during FY2021/22. The Company has recommended the appointment of Deloitte Touche Tohmatsu as the Company's external auditor commencing for the year ending 30 June 2024, subject to regulatory and shareholder approval.

15. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest million dollar (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Corporations Instrument 2016/191. CSL is an entity to which the Instrument applies.

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Auditor's independence declaration to the directors of CSL Limited

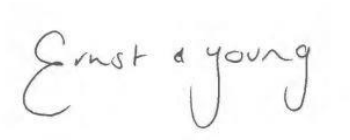
As lead auditor for the audit of the financial report of CSL Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CSL Limited and the entities it controlled during the financial year.



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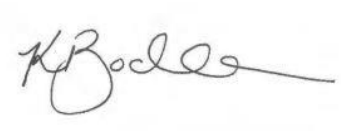

Kylie Bodenham
Partner
14 August 2023

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Independent Limited Assurance Report to the Management and Directors of CSL Limited

Our Conclusion

Ernst & Young ('EY', 'we') were engaged by CSL Limited ('CSL') to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined below for the year ended 30 June 2023. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed CSL's preparation and application of its materiality process against the Global Reporting Initiative (GRI) 2016 Standards' Materiality Principle for defining reporting content, as included in CSL's 2023 Annual Report ('the Report') and online at https://www.csl.com/sustainability/governance/stakeholder-engagement-and-material-topics.

We also reviewed the Selected Disclosures, listed below, as disclosed in CSL's Report, for the year ended 30 June 2023.

Material topic	Selected Disclosures	Page Reference
Health, safety and wellbeing	1. Total Recordable Incident Frequency Rate (TRIFR), non-plasma 2. Total Recordable Incident Frequency Rate (TRIFR), plasma 3. Fatalities	1. 45, 73 2. 45, 73 3. 45, 73
Product safety and quality	1. Regulatory audits, Plasma 2. Good Manufacturing Practice (GMP) manufacturing regulatory audits 3. Critical findings in Plasma and Manufacturing regulatory inspections that prevent release of commercial product 4. Safety related product recalls	1. 20, 53, 73 2. 20, 53, 73 3. 53 4. 53, 73
Communities we operate in	1. Economic value generated 2. Economic value distributed	1. 73 2. 20, 53, 73
Accessible & affordable healthcare	Humanitarian aid/product assistance	20, 55, 73
Innovation & R&D	Total R&D investment	10, 20, 21, 73
Talent recruitment, development and retention	Employee Opinion Survey Results	20, 44, 73

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Donors	Plasma Donor Survey Results for: 1. % of plasma donors willing to donate again 2. % of plasma donors wiling to refer a friend 3. Self-reported occupational status	1. 57, 73 2. 57 3. 57
Diversity, equity and inclusion	1. Workforce total 2. Generational diversity profile for all employees 3. Female and male breakdown across the following employee categories: All employees, Board members, Senior Executives, and People Managers	1. 8, 22, 23, 24, 40, 73 2. 41 3. 20, 40, 73
Energy & emissions	1. Scope 1 & 2 emissions 2. Scope 1 & 2 emissions baseline (FY19-FY21) 3. Energy consumed 4. Scope 3 emissions baseline (FY19-FY21)	1. 47, 73 2. 48 3. 47, 73 4. 48

Criteria applied by CSL

CSL applied the following Criteria:

- In preparing and applying its materiality process, CSL applied the GRI 2016 Standard's Materiality Principle for defining report content
- In preparing the Selected Disclosures, CSL applied its own custom criteria, as defined throughout the Annual Report
- In preparing Selected Disclosures (Energy & emissions), CSL applied its own custom criteria, informed by the Greenhouse Gas (GHG) protocol and National Greenhouse and Energy Reporting Regulations 2008 ("NGER Regulations")

Key responsibilities

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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CSL's responsibility

CSL's management is responsible for selecting the Criteria, and for presenting the materiality process, identified material topics and Selected Disclosures in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and the terms of reference for this engagement as agreed with CSL on 13 July 2023. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Selected Disclosures and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- Assessed the Report for disclosure of the materiality process and the coverage of identified topics in line with the GRI principle of materiality for defining report content
- Conducted interviews with key personnel at the corporate level and selected sites to understand CSL's process for collecting, collating, and reporting the Selected Disclosures during the reporting period
- Understand processes and controls supporting preparation and presentation of the Selected Disclosures
- Undertook analytical review procedures to support the reasonableness of the data
- Performed recalculations of Selected Disclosures to check reported quantities
- Tested, on a sample basis, underlying source information to check the accuracy of the data
- Assessed Selected Disclosures against regulatory body websites to confirm accuracy and completeness of reporting
- Tested aggregation of site-based Selected Disclosures and transcription to the Report
- Reviewed the presentation of the Selected Disclosures within the Annual Report

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

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Inherent limitations

Procedures performed in a review engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Subject Matter, other than for baseline data as stated in the subject matter above. Our report does not extend to any disclosures or assertions made by CSL relating to future performance plans and/or strategies disclosed in CSL's 2023 Annual Report or supporting disclosures online.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of CSL, or for any purpose other than that for which it was prepared. Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young

Ernst & Young

M. Fricke

Meg Fricke
Partner
Melbourne
14 August 2023

16. Remuneration Report

Dear Fellow Shareholder,

On behalf of the Board of Directors, I am pleased to present CSL's Remuneration Report (Report) for the financial year ended 30 June 2023 (2023). This Report contains detailed information regarding CSL's Key Management Personnel (KMP) for 2023.

CSL plays a critical role in the global community – providing life-saving therapies to people with serious disease, and vaccines that protect public health. The Board is proud of the entire CSL team for delivering on this promise during 2023.

Delivering on our Promise in 2023

Under the leadership of our former Chief Executive Officer and Managing Director (CEO), Mr Paul Perreault, and our CEO, Dr Paul McKenzie, CSL remained focused on its promise to patients and public health and delivered:

- NPATA[1] attributable to CSL Limited shareholders of US$2,610m;
- Cashflow from Operations (CFO) of US$2,601m;
- An annual Return on Invested Capital (ROIC) of 12.2%;
- Earnings per Share (EPS) based on net profit attributable to CSL Limited shareholders of US$4.55;
- Strong plasma collection growth and 12 new plasma centres opened;
- Continued growth in the Research and Development pipeline progression;
- HEMGENIX® launched in the US and EU;
- New registrations across all therapeutic areas;
- A licence agreement signed with Arcturus Therapeutics for late-stage self-amplifying mRNA vaccine technology;
- Completion and progression of capacity and capital expansion projects; and
- Significant progress on embedding long-term sustainability approaches and governance with all targets achieved.

We also welcomed Vifor Pharma to the CSL Group, adding a complementary portfolio of products and a market leading position in the nephrology and iron deficiency fields. The integration is substantially complete and the cost synergies are well on track.

KMP Changes

As announced in December 2022, Dr McKenzie was appointed as an Executive Director on 13 December 2022 and commenced as CEO on 6 March 2023. Details of Dr McKenzie's CEO arrangements can be found in section 2.2 of the Report. Mr Perreault stepped down as CEO on 5 March 2023 and from that date ceased to be KMP. He remains with the company as a strategic advisor until he retires on 6 September 2023. Details of Mr Perreault's termination arrangements can be found in section 2.2 of the Report.

We are also pleased to welcome Mr Andrew Schmeltz who joined CSL on 30 June 2023 in the role of Executive Vice President CSL Behring. Mr Schmeltz will become KMP during 2024.

Finally, Mr Bruce Brook has indicated that he will retire from the Board during the 2024 financial year after serving four terms as a Non-Executive Director (NED).

2023 CEO Remuneration Outcomes

On appointment to his role as CEO, Dr McKenzie's remuneration package comprised:

- Fixed Reward of US$1,750,000;
- A short term incentive (STI) target of 120% of Fixed Reward; and
- A long term incentive (LTI) target held at 425% of Fixed Reward.

These amounts result in a Total Target Direct Compensation that is 10% lower than for the former CEO.

For the full 2023 performance year, Dr McKenzie will receive a STI payment of US$1,376,890 (51% of maximum opportunity) for performance across both the Chief Operating Officer and CEO roles.

As the ROIC performance targets set for LTI awards tested in 2023 were not all met, there was only partial vesting of Dr McKenzie's awards.

The 2023 'realised' remuneration for Dr McKenzie was US$4,351,551.

As communicated in the 2022 Report, Mr Perreault received a Fixed Reward increase of 3.5% effective 1 September 2022 taking this to US$1,866,654. There was no change to his STI target and he received an increase in his LTI target to 450% from 400% of Fixed Reward. For the period he was KMP, Mr Perreault will receive a STI payment of US$1,537,182 and has 2023 'realised' remuneration of US$6,040,346, including partial vesting on LTI outcomes.

Board Adjustments Applied to Remuneration

STI

The Board reviews the quality of earnings and risk management outcomes each year. This year the Board made some adjustments to NPATA and CFO for matters not anticipated at the time of target setting, which resulted in a net adjustment downward to STI outcomes. The NPATA vesting outcome was at target and the CFO outcome was below target. Further detail is provided in section 5.2. The Leading and Managing Modifier was not applied in 2023.

LTI

Looking forward, there are three unvested LTI awards that were granted to Executives prior to the acquisition of Vifor Pharma (granted over calendar years 2019 to 2021). These will be tested in calendar years 2023 and 2024. At the time of the grants, performance hurdle targets against the metrics of ROIC and EPS growth were set based on the financial projections undertaken at the time and did not consider a material acquisition. The Board has determined that it will keep these performance targets and what is measured constant and will take into account CSL Vifor performance when considering overall vesting outcomes. Further detail is provided in section 10.3. All grants made after the acquisition include the contribution of CSL Vifor.

The Board also retains discretion to adjust outcomes to take account of company performance, individual performance and alignment with the shareholder experience.

1 NPATA is defined as the statutory net profit after tax before impairment and amortisation of acquired intellectual property, business acquisition and integration costs and the unwind of the inventory fair value uplift.

Remuneration Framework Changes Introduced in 2023

As disclosed last year, the following changes were made to the STI plan in 2023:

- Introduction of a global sustainability measure with a weighting of 5%. This measure was introduced to focus our Executives on establishing a robust program governance process, reducing CO_2 emissions, incorporating sustainable design in our new facilities, and engaging with our supply partners to achieve a low emission supply chain; and
- To align with our financial guidance approach, the NPAT STI metric was replaced with NPATA. The Board believes this measure provides shareholders with improved transparency on the underlying performance of the business.

Remuneration in 2024

Executive KMP

As discussed in prior year Reports and across investor meetings, the Board continues to review and adjust the reward of Executive KMP to drive positioning towards the median of our global pharmaceutical/biotechnology peer group.

For 2024, the Board has determined that in line with our global workforce:

- Dr McKenzie will receive a 3.5% increase to Fixed Reward and no change to his STI or LTI target. This increase positions Dr McKenzie at 74% of the median of our global pharmaceutical/biotechnology peer group; and
- Ms Joy Linton, our Chief Financial Officer, will receive an increase to Fixed Reward of 3.95%, inclusive of the superannuation guarantee increase applied at 1 July 2023. Ms Linton will have no change to her STI and LTI targets. Ms Linton's position against the global pharmaceutical/biotechnology peer group will be 70% of the median.

NED fees

Following benchmarking against ASX12 NED remuneration, there will be an increase in fees of 3% for all Board and Committee roles, effective 1 July 2023. The increase enables CSL to offer a competitive fee to attract and retain experienced directors. The total amount payable to NEDs will remain within the existing fee pool approved by shareholders on 12 October 2016.

Remuneration Framework Changes in 2024

In 2023, we received feedback from our shareholders and external stakeholders regarding the LTI ROIC measure. We value your feedback and from 2024 the ROIC performance period will change from seven years (four year look back/ three year forward look) to a three-year forward looking performance period. The ROIC gateway performance measure, which was previously introduced to address concerns about the impact of the four year look back, will not apply to the new three year forward looking measure.

Additionally, an adjustment will be made to the EPS growth LTI metric – we will move from NPAT to NPATA to align with the financial guidance we provide externally.

Review of the Executive Remuneration Framework in 2024

In competing for talent in a global market, it is critical that we have a remuneration framework that attracts and retains high quality talent to deliver on our strategy and deliver results.

In 2024, the Board will continue to evaluate the Executive KMP remuneration framework to ensure it remains competitive with our global pharmaceutical/biotechnology peers. A key focus will be the further review of our LTI program. As we talk to our stakeholders over the coming months, we will further share our thinking and seek feedback.

Thank you to my fellow HRRC members and thank you for supporting CSL and the patients we serve around the world.

Dr Megan Clark AC
Chair
Human Resources and Remuneration Committee

Contents

Independent Audit of the Report

The Remuneration Report for the year ended 30 June 2023 (Report) has been audited by Ernst & Young (EY). Please see page 167 of the Financial Statements for EY's report.

1. CSL Key Management Personnel

This Report sets out remuneration information for CSL's Key Management Personnel (KMP) which includes Non-Executive Directors (NEDs), the Executive Director (i.e. the Chief Executive Officer and Managing Director (CEO)) and those key senior executives who have authority and responsibility for planning, directing and controlling the activities of CSL during the financial year (together with the Executive Director, referred to as Executive KMP). The CSL KMP during the financial year ended 30 June 2023 (2023) and changes to KMP are outlined in Table 1. Each of the KMP listed in Table 1 held their position for the full reporting period, unless stated otherwise.

On 6 March 2023, Dr Paul McKenzie commenced as CEO, succeeding Mr Paul Perreault. Dr McKenzie was appointed an Executive Director on 13 December 2022.

On 5 March 2023, Mr Perreault stepped down as CEO and ceased to be KMP from that date. Mr Perreault will remain with CSL as a strategic advisor until his retirement in September 2023.

On 30 June 2023, CSL welcomed Mr Andrew Schmeltz who was appointed to the position of Executive Vice President CSL Behring, overseeing Commercial Development and Operations, Therapeutic Area Strategy, Market Access, Plasma Strategy and Operations, Supply Chain, Operations, Manufacturing, Procurement, Planning, Safety, and Quality across the CSL Behring business. Given the significant remit of Mr Schmeltz's role, he will become KMP during 2024 and all remuneration details will be presented in CSL's 2024 Remuneration Report.

In 2024, Mr Bruce Brook will retire from the Board after serving four terms as a NED.

Table 1: CSL Key Management Personnel in 2023

Non-Executive Directors
Chairman – Dr Brian McNamee AO
Mr Bruce Brook
Dr Megan Clark AC
Professor Andrew Cuthbertson AO
Ms Carolyn Hewson AO
Professor Duncan Maskell
Ms Marie McDonald
Ms Alison Watkins AM

Executive KMP
Executive Director and Chief Executive Officer and Managing Director (CEO) – Dr Paul McKenzie – from 6 March 2023
Executive Director and Chief Operating Officer (COO) – Dr Paul McKenzie – 13 December 2022 to 5 March 2023
COO – Dr Paul McKenzie – 1 July 2022 to 12 December 2022
Chief Financial Officer – Ms Joy Linton

Former Executive Key Management Personnel
Executive Director and Chief Executive Officer and Managing Director (CEO) – Mr Paul Perreault – 1 July 2022 to 5 March 2023

2. 2023 Key Management Personnel Remuneration Outcomes at a Glance

Paul McKenzie	• Received an increase to Fixed Reward (FR) of 3.5% at 1 September 2022 (for his COO role). On appointment to his role of CEO, an increase of 72% was applied effective 6 March 2023 • A short term incentive (STI) payment of US$1,376,890 – 51% of maximum opportunity (apportioned across the COO and CEO roles) • Long term incentive (LTI) vesting based on performance of US$1,634,350 (face value at vesting date) • 'Realised' remuneration in 2023 of US$4,351,551 (reflects performance across COO and CEO roles)
Joy Linton	• Received an increase to FR of 3.7% at 1 September 2022 (inclusive of the superannuation guarantee increase) • STI of US$946,395 was paid – 53% of maximum opportunity • LTI vesting based on performance of US$1,003,581 (face value at vesting date) • 'Realised' remuneration in 2023 of US$2,994,327
Paul Perreault	• Received an increase to FR of 3.5% increase effective 1 September 2022 • STI of US$1,537,182 was paid – 50% of maximum opportunity (for the period of the year as Executive KMP) • LTI vesting based on performance of US$3,148,999 (face value at vesting date) • 'Realised' remuneration in 2023 of US$6,040,346 (for period of year as Executive KMP)
NEDs	• An increase of 3% was applied to all Board and Committee fees effective 1 July 2022 (within the existing fee cap)

2.1 2023 Executive KMP Realised Remuneration

The table below discloses the 'realised' remuneration for the year ended 30 June 2023 in US Dollars (US$). This is a voluntary disclosure which the Board believes presents a simple and transparent view of what the Executive KMP's actual take-home pay was in 2023. These outcomes are aligned with the Executive KMP's and CSL's performance during 2023, as well as being aligned to CSL's longer term performance. See section 6 Table 10 for the Statutory Remuneration disclosure that has been prepared in accordance with the Australian accounting standards. The details for Mr Perreault reflect his period as Executive KMP.

Table 2: Executive KMP 'Realised' Remuneration (Received or Available as Cash) in 2023

Executive	2023 Total Fixed Received US$[2]	2023 STI US$[3]	LTI Vested in 2023 US$[4]	Total Reward Reward US$	Total LTI Reward Received (valued at grant date) US$[5]	LTI Growth in Value (due to share price growth) US$[6]
Period Earned	2023	2023	2019 – 2023	2019 – 2023	2019 – 2023	2019 – 2023
P McKenzie	1,340,311	1,376,890	1,634,350	4,351,551	1,446,967	187,383
J Linton	1,044,351	946,395	1,003,581	2,994,327	901,287	102,294
Former Executive KMP						
P Perreault[7]	1,354,165	1,537,182	3,148,999	6,040,346	2,806,440	342,559

2 Includes base salary, retirement/superannuation benefits, and other benefits such as insurances, relocation and allowances paid in 2023.
3 Relates to STI earned in 2023 and will be paid in September 2023 (refer to section 5.3).
4 Value of LTI vested at 1 September 2022 and 1 March 2023 that became unrestricted (refer to section 5.4). The value at vest has been determined by multiplying the number of vested units by the closing share price on the date of vest. This has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733. The awards for J Linton were commencement benefits earned in 2021 given Ms Linton commenced employment with CSL in 2021.
5 The value at grant has been determined by multiplying the number of vested units by the closing share price on the date of grant. This has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
6 This figure shows the increase in market value of the LTI awards due to share price growth between the grant date and the vesting date. The increase in value of the awards is calculated by multiplying the number of vested and/or exercised awards by the difference between the share price of CSL shares on the grant date and the vesting date or exercise date (as applicable). This has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
7 The 'realised' remuneration for P Perreault is for the period 1 July 2022 to 5 March 2023 being the period P Perreault was Executive KMP.

2.2 CEO Arrangements

Incoming CEO

Dr McKenzie commenced as CSL's CEO on 6 March 2023, succeeding Mr Perreault. Dr McKenzie's remuneration arrangements are described in this Report and a summary of Dr McKenzie's terms of employment were notified to the ASX on 13 December 2022. Dr McKenzie's employment terms are largely consistent with those of Mr Perreault, except that Dr McKenzie's starting CEO salary and LTI target opportunity are lower than Mr Perreault's and therefore Dr McKenzie has a lower Total Target Direct Compensation (TDC) in dollar terms. Dr McKenzie is a United States (US) based executive and under his employment contract CSL has agreed to indemnify him for any additional non-US tax payable on his remuneration.

Outgoing CEO

Mr Perreault stepped down from his role as CEO on 5 March 2023. Mr Perreault will remain with CSL as a strategic advisor, to assist in an orderly transition, until he retires on 6 September 2023. Mr Perreault will continue to receive his base salary, pension contributions, statutory leave entitlements and applicable benefits up to the date of his retirement from CSL. Mr Perreault was employed for the entire 2023 financial year and remained eligible to receive his STI award for 2023.

On cessation of employment, consistent with plan rules, Mr Perreault's unvested LTI awards under the 2021, 2022 and 2023 Executive Performance and Alignment Plan will be pro-rated to reflect the portion of service performed during the relevant performance periods and will remain on foot to be assessed in the ordinary course, subject to satisfaction of the applicable performance conditions. Mr Perreault is not eligible to receive a STI payment or LTI grant in respect of 2024.

In accordance with the terms of Mr Perreault's employment contract, CSL intends to enforce the 12-month non-compete covenant and will make a payment to Mr Perreault equivalent to 12-months of his base salary at the time of retirement, scaled back to the maximum amount payable under his termination benefits cap. This amount is expected to be US$1.9 million and is not included in the Statutory Remuneration disclosure in section 6 Table 10.

Similar to Dr McKenzie, Mr Perreault is a US based executive and under his employment contract CSL has agreed to indemnify him for any additional non-US tax payable on his remuneration.

3. Global Remuneration Framework

3.1 Global Total Rewards Principles

To deliver on CSL's promise to patients and to protect public health, CSL relies on its people and, maintaining a strong supply of global talent. CSL's Total Rewards Principles enable us to attract, engage and retain talent, provide flexibility to address talent challenges in various markets and allow CSL to compete with other large global pharmaceutical companies. We motivate our people to deliver their best performance by enabling an approach that integrates market competitive and differentiated reward programs that align to CSL's strategy and business objectives.

Common Global Structure

- We leverage a market-based approach to offer competitive rewards, balancing both a global and local view
- We align employee and shareholder interests, and consider community expectations
- We benchmark ourselves against the life sciences industry*
- We have a single pay design for all senior executives

Effort Matters

- We celebrate and recognise both the effort that is required along the way as well as the real results created by our employees

Results and Behaviours

- We are committed to a pay for performance culture based on both role requirements and how the individual performs
- Living our CSL Values is a non-negotiable expectation

Holistic Approach to Well-Being

- We foster an environment of well-being that is multi-dimensional – physical, emotional, financial and social health

Internal Equity, Inclusive Culture

- We reward fairly and competitively
- We strive and monitor for equal pay for equal work

Simplicity and Clarity

- We aim to create easy to understand programs and policies so people value and use them
- We are committed to transparency in our communications – internally and externally

*CSL Plasma is benchmarked against the Retail Industry

3.2 Remuneration Framework

CSL's remuneration framework includes reward components of Fixed Reward (or base salary (FR)), and variable reward in the form of STI and LTI. These traditional elements are enhanced with several design factors to directly reflect the complexity of CSL's business, a very different business to other companies in Australia, and with a diverse global employee and shareholder base. CSL's international footprint requires global leadership and, with executives based in different countries, there is a need to put in place a framework that is fair, equitable and market competitive in the countries and industry in which CSL operates in order to attract and retain highly talented people.

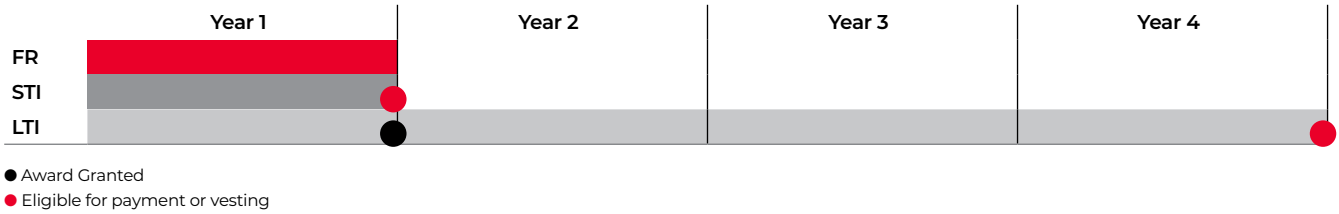
3.2.1 2023 Remuneration Framework Elements for Executive KMP

	Fixed Reward (FR)	Short Term Incentive (STI)	Long Term Incentive (LTI)
Purpose	Attract, retain and engage key talent to deliver our CSL strategy	Reward performance against annual Key Performance Indicators (KPIs) – maintaining a focus on underlying value creation within the business operations is critical to CSL's success and sustainability	Alignment to the longer term performance and strategy of CSL, building economic alignment between Executive KMP and shareholders over the long term
Structure	Cash – salary and superannuation/pension	Cash	Performance Share Units
Approach	Paid throughout the year and reviewed annually Determined based on the scope, complexity and responsibilities of the role, with consideration of individual experience and performance Reviewed through both an internal and external relativity lens Peer group – global pharmaceutical/ biotechnology peers or a general industry view depending on role (desired positioning at the median)	Paid annually Maximum payout is 200% of an Executive KMP's target STI opportunity (i.e. STI target multiplied by 200%) Outcomes based on business (65%) and individual performance measures (35%)	Granted annually with vesting following the end of the three year performance period The performance measures are Return on Invested Capital – measured over a seven year return period in the year the award vests (70%) and Earnings Per Share Growth – measured over the three year performance period (30%) For 2024, the ROIC measure will move to a three year forward looking measurement period
Peer Group	The global pharmaceutical/biotechnology industry peer group serves as a primary reference group for remuneration benchmarking, created such that CSL falls in the middle of the group with respect to market capitalisation and revenue. The group represents global industry peers and is updated annually. The peer group in 2023 included: AbbVie Inc.; Amgen Inc.; AstraZeneca PLC; Bausch Health Companies Inc.; Bayer Aktiengesellschaft; Biogen Inc.; Bristol-Myers Squibb Company; Eli Lilly and Company; GlaxoSmithKline plc; Gilead Sciences Inc.; Grifols, S.A.; Merck Kommanditgesellschaft auf Aktien; Moderna Inc.; Novo Nordisk A/S; Regeneron Pharmaceuticals, Inc.; Takeda Pharmaceutical Company; UCB SA and Vertex Pharmaceuticals Incorporated. For the 2024 year, Novartis AG. has been added and UCB SA has been removed In addition, two general industry reference groups representing Australia and North America also help us appropriately reward senior talent and may be used as a primary, or hybrid, data set for certain Executive KMP dependent on role and location (the Chief Financial Officer for example)		
Risk Management	Before determining remuneration outcomes and vesting, the Board assesses alignment with risk management outcomes to hold executives accountable for effective risk management – both financial and non-financial. In addition, all variable reward is subject to the Malus and Clawback Policy and the Board has full discretion over the outcome of any variable reward payment and vesting The Board has the discretion to apply a 'Leading and Managing' modifier to STI and LTI outcomes – formally recognising the importance of CSL's culture including leadership behaviours, values, diversity objectives, sustainability and management of risk. The modifier allows the Board to adjust in exceptional circumstances upwards by up to 20% or downwards by up to 50% of annual STI earned, and/or LTI opportunity granted. The modifier is also available to adjust STI and LTI outcomes for risk management outcomes under our formal risk/ consequence management framework. The Board has discretion in all circumstances, including a significant risk management failure, to reduce awards and/or vesting outcomes further, including to zero		
Malus and Clawback	Executive KMP STI and LTI arrangements are subject to malus and clawback provisions that enable the Board to adjust both vested and unvested awards as appropriate. The circumstances include material misstatement or omission in financial statements, fraud, dishonesty, adverse risk management outcomes, violation of any material law or regulation, material violation of CSL's Code of Conduct or any other policy governing the conduct of employees or any other serious and wilful misconduct. See section 9 for further details on CSL's Malus and Clawback Policy		
Shareholding Requirement	Executive KMP must hold CSL shares equal to 100% of FR (300% for the CEO) within five years from the date of appointment to their role		
Benefits	CSL provides market competitive benefits to attract and retain key talent. Benefits may include, but are not limited to, accident, disability and death insurance, health insurance, car parking, global parental and caregiver leave, select vaccinations and participation in local benefit programs		

The Board retains discretion across all elements of the remuneration framework.

3.2.2 Remuneration Delivery Timeline

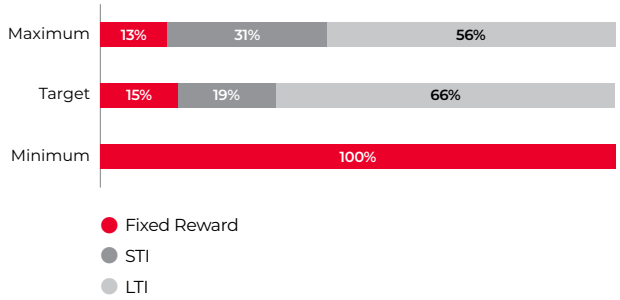
The diagram below illustrates how the components of the 2023 Executive KMP remuneration are delivered over a four year period.



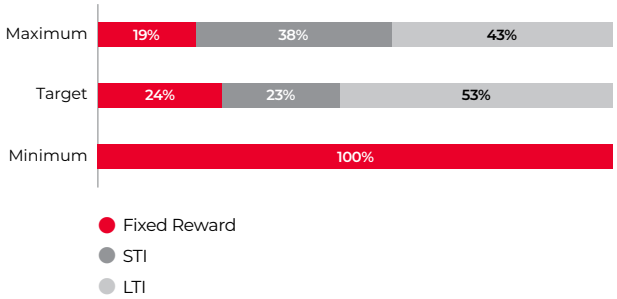
3.2.3 Pay Mix

The following diagrams set out the remuneration mix for Executive KMP in 2023. The majority of the target reward mix is variable reward (STI and LTI) and is at risk. This creates strong alignment between Executive KMP rewards and shareholder interests and is aligned to our pay for performance philosophy, focusing efforts on driving growth and long term performance and sustainability.

Remuneration Mix – P McKenzie (CEO)



Remuneration Mix – J Linton (Chief Financial Officer)



The diagram above does not include sign-on grants awarded to Ms Linton on 1 April 2021, some of which vested in 2023.

As at the date Mr Perreault ceased to be Executive KMP, Mr Perreault had a target reward mix comprising 15% FR, 18% STI and 67% LTI. Prior to his appointment as CEO, Dr McKenzie held the role of COO and had a target reward mix comprising 16% FR, 16% STI and 68% LTI. Dr McKenzie did not receive additional remuneration for his role as Executive Director between 13 December 2022 and his appointment to CEO on 6 March 2023.

3.2.4 Short Term Incentive (STI)

Rewarding performance over an annual period, the STI program is designed to drive business performance and create sustainable shareholder value. The KPIs on which Executive KMP are assessed and rewarded are deliberately challenging and over and above the normal expectations of their role.

The key features of the STI program for the year ended 30 June 2023 (to be paid in September 2023) are detailed below.

Feature	Description		
Performance Period	Annual award aligned with the financial year – 1 July 2022 to 30 June 2023		
Award	Cash		
Performance Measures	Each Executive KMP has a maximum of seven KPIs. The KPIs are made up of two financial measures, common to all participants – Net Profit after Tax and before Amortisation (NPATA) and Cash Flow from Operations (CFO), a sustainability measure, plus up to four individual business building KPIs. Hurdles are set at threshold, target and maximum levels of performance with a significant difference between each performance level to ensure a challenging but meaningful incentive is provided for target performance. The performance measures are chosen to ensure Executive KMP are focused on the achievement of the CSL strategy, delivery of business results and CSL's success and sustainability		
	Financial	**Sustainability**	**Individual**
	Profitable financial growth is the foundation of CSL's long-term sustainability. It evidences our competitive advantage, and aligns employee and shareholder objectives. The financial performance measures are NPATA measured at constant currency and CFO measured at the reported rate	Ensuring a global shared focus on our long-term sustainability and global footprint consistent with our CSL purpose and values, from 1 July 2022 a CSL Group sustainability metric has been applied to the STI component of variable reward. Objectives include establishing a robust program governance process, undertaking global initiatives that reduce CO_2 emissions, incorporating sustainable design up front in our new facilities, and engaging our supply partners to achieve a low emissions supply chain	Individual performance hurdles align with strategic priorities, encourage appropriate decision making, and balance performance in financial and non-financial priorities. The individual performance measures are based on individual responsibilities and categories including business unit performance, achievement of strategic objectives and improvement in operations, risk management, compliance, people, health and safety, ESG and quality
Performance Measure Weighting	The weighting of the measures for Dr McKenzie and Mr Perreault are NPATA 35%, CFO 25%, Sustainability 5% and Individual 35%. For Ms Linton, the weighting of the measures are NPATA 30%, CFO 30%, Sustainability 5% and Individual 35%		
Executive KMP STI Targets	Set as a percentage of FR, target opportunity in 2023 was: • Dr McKenzie – 100% for the period 1 July 2022 to 5 March 2023 and 120% for the period 6 March 2023 to 30 June 2023 (an increase was applied on Dr McKenzie's appointment to the CEO role) • Ms Linton – 100% • Mr Perreault – 120%		
Vesting	50% earned on threshold level performance, increasing on a straight line basis with 100% earned at target level performance and 200% on achievement of maximum level performance (capped at 200%). The STI Outcome percentages are then multiplied by the KPI weighting and individual STI opportunity (as disclosed in Table 4 in section 5.3) to determine the payment amount		
Cessation of Employment	A 'qualified leaver' (for example someone who retires or is made redundant) may receive a pro-rata payment paid in the ordinary course based on the portion of the Performance Period worked, subject to Performance Measures being met. If the Executive KMP is not a 'qualified leaver', no payment will be made unless the Board determines otherwise		
Malus and Clawback	STI arrangements are subject to malus and clawback provisions that enable the Board to adjust outcomes as appropriate. The circumstances include material misstatement or omission in financial statements, fraud, dishonesty, adverse risk management outcomes, violation of any material law or regulation, material violation of CSL's Code of Conduct or any other policy governing the conduct of employees or any other serious and wilful misconduct. See section 9 for further details on CSL's Malus and Clawback Policy		

3.2.5 Long Term Incentive (LTI)

CSL's LTI plan is designed to align executives' equity interests with those of our shareholders by rewarding sustainable Return on Invested Capital (ROIC) and Earnings per Share (EPS) growth outcomes.

This approach ensures a focus on the sustainable long-term growth of the organisation and delivering returns to our shareholders. Vesting of awards will only occur where company performance has been strong over the performance period. When target performance is achieved, it follows that executives' LTI should vest – targets are therefore set that require excellent outcomes for shareholders, both absolutely and relative to the performance of CSL's global peers.

Granted annually with vesting after three years, in 2023 (grant date of 1 November 2022), CSL's LTI plan adopts two key performance measures of ROIC (weighted 70%) and EPS growth (weighted 30%). The three year single point vesting approach aligns with the approach taken by CSL's global pharmaceutical/biotechnology peers – a group with which CSL competes to attract and retain talent.

ROIC

CSL's Research and Development (R&D) cycle requires sustained investment over the longer term, as do major capital capacity projects, which are often multi-year investments needed to support the future growth of the organisation. Developing a new life-saving product can take more than ten years from scientific inception through to manufacturing and commercialisation. Economic returns are then generated in subsequent years.

To date, CSL adopted a seven-year average ROIC to measure real achievement against this metric as a fair representation of the R&D and capital investment profile. This calculation spans four years of historical ROIC performance and three years of projected ROIC performance, thereby placing the forward 'at-risk' years into the context of the overall investment cycle.

The ROIC calculation is Reported EBIT x (1- Effective Tax Rate)/(Average Equity + Average Net Debt) where Net debt equals cash, less interest-bearing liabilities and Average Equity and Average Net Debt is the average of the opening position on 1 July and closing position on 30 June of the respective financial year.

The Board establishes a new ROIC hurdle target for each annual grant. This process considers both the CSL budget and longer-term forecast annual ROIC over the term of the grant, together with the historical annual ROIC achieved that will form part of the performance assessment over the testing period. Historical performance of the peer group and market consensus are also considered.

EPS Growth

EPS growth is a measure that aligns executive LTI outcomes with the returns experienced by shareholders. The EPS growth target is assessed as compound annual growth with a base of the most recent financial year's EPS and a target based on CSL's estimation of EPS growth over the three-year performance period. EPS is calculated as EPS = CSL reported net profit in USD/ Weighted average number of shares on issue.

The Board determines the EPS growth hurdle based on past, current and expected EPS performance over the performance period and, historical performance of our peer group. A review against market consensus is also undertaken to ensure the target set is aligned with expected outcomes and appropriate vesting occurs.

The key features of CSL's LTI program for our 2023 awards, granted 1 November 2022, are as follows.

Feature	Description
Summary	A conditional 'right' to a CSL share or at the Board's discretion in exceptional circumstances, a cash equivalent payment. No price is payable by the Executive KMP on grant or vesting of rights. Shares are allocated (or cash paid) on vesting without the need for exercise by an Executive KMP
Security	Performance Share Unit (PSU)
Grant Methodology	To determine the number of PSUs issued, a five day volume weighted average share price preceding the grant date is used. The LTI opportunity for each Executive KMP is divided by the calculated allocation price to determine the number of securities granted
Performance Measure and Weighting	• Tranche 1 – ROIC 70% • Tranche 2 – EPSg 30%
ROIC Gateway Performance Measure	No vesting will occur in Tranche 1 unless an Investment Hurdle Rate (IHR) is achieved in the year of testing (30 June 2025). The IHR is the minimum return CSL requires on its investments to ensure it is making sound investment decisions and appropriately managing risk
Performance Period	• Tranche 1 ROIC – Seven year average 1 July 2018 to 30 June 2025 • Tranche 2 EPSg – 1 July 2022 to 30 June 2025
Performance Target	• Tranche 1 ROIC – Threshold at 17.0% and Target at 18.2% • Tranche 2 EPSg – Threshold at 10.2% and Target at 14.1%
Executive KMP LTI Target Opportunity[8]	• Dr McKenzie – 425% of FR • Ms Linton – 225% of FR • Mr Perreault – 450% of FR[9]
Vesting Schedule	50% earned on threshold level performance, increasing on a straight line basis with 100% earned at target level performance (maximum vesting capped at 100%). The Board has the discretion to adjust vesting outcomes
Vesting Date	1 September 2025
Retesting	No retest of any tranche
Cessation of Employment	A 'qualified leaver' (for example someone who retires or is made redundant) retains a pro-rated number of PSUs based on time elapsed since grant date. Retained PSUs will remain subject to original terms and conditions including satisfaction of performance conditions at the test date. If an Executive KMP is not a 'qualified leaver', all unvested PSUs will lapse unless the Board determines otherwise
Change of Control	In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the PSUs vest having regard to the performance of CSL during the performance period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board
Dividends and Voting Rights	No dividends or dividend equivalents are paid on unvested PSUs. Executive KMP are only eligible for dividends once shares have been allocated following vesting of any PSUs. PSUs do not carry any voting rights prior to vesting and allocation of shares
Malus and Clawback	LTI arrangements are subject to malus and clawback provisions that enable the Board to adjust unvested and vested awards as appropriate. The circumstances include material misstatement or omission in financial statements, fraud, dishonesty, adverse risk management outcomes, violation of any material law or regulation, material violation of CSL's Code of Conduct or any other policy governing the conduct of employees or any other serious and wilful misconduct. See section 9 for further details on CSL's Malus and Clawback Policy

8 Also maximum opportunity.
9 As outlined in section 2.2, upon cessation of employment, Mr Perreault's 2023 LTI PSUs will be pro-rated for the portion of the performance period employed. He will not receive his maximum opportunity.

3.2.6 Leading and Managing Modifier

The Board, taking into consideration recommendations from the CEO for Executive KMP, and the Human Resources and Remuneration Committee (HRRC) for the CEO, has the discretion to apply a 'Leading and Managing' modifier to both the STI and LTI opportunity – allowing for recognition of extraordinary contribution in exceptional circumstances or significant leadership failure across sustainability, risk management, culture and diversity. Applied to the overall STI outcome or LTI target opportunity, there can be an increase of up to 20% or a decrease of up to 50% applied. In 2023, the modifier was not applied.

In addition to consideration during the determination of KPI outcomes, the modifier is also utilised for the assessment of the appropriate management of risk – both financial and non-financial. In consultation with the Audit and Risk Management Committee (ARMC), the HRRC uses a principles based approach to ensure alignment between remuneration outcomes and performance. This enables management to bring awareness to behaviours that encourage unacceptable levels of risk, discourage those behaviours, and promote behaviours that encourage acceptable levels of risk. It also enables the Board to recognise and appropriately address both acceptable and unacceptable behaviours. In the event of a significant risk management failure, the Board has the discretion to adjust STI and LTI outcomes downwards, including to zero.

3.2.7 Sign On Arrangements

As set out in the 2021 Remuneration Report, 13,647 sign on restricted share units (RSUs) were granted to Ms Linton on 1 April 2021, as partial compensation for time-based benefits forfeited on leaving her previous employer. Of these, 5,097 RSUs vested in 2023 and the remaining 396 are due to vest on 1 March 2024.

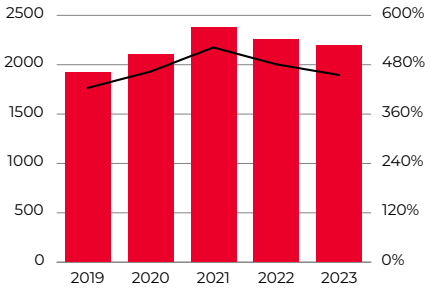
Each RSU is a conditional right to receive a share in CSL (or at the Board's discretion in exceptional circumstances, a cash equivalent payment). No price is payable by Ms Linton on the grant or vesting of RSUs awarded as a sign on award. RSUs are time based awards. Further information as to the terms of the sign on RSUs are set out in the 2021 Remuneration Report.

4. CSL Performance and Shareholder Returns

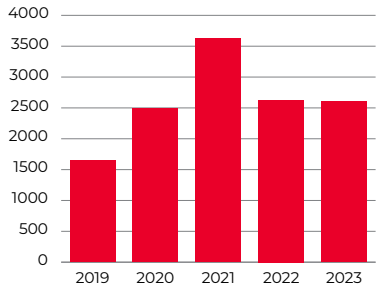
4.1 Financial Performance from 2019 to 2023

The following graphs summarise key financial performance over the past five financial years[10] and as applicable, have been considered in both STI and LTI outcomes over the period.

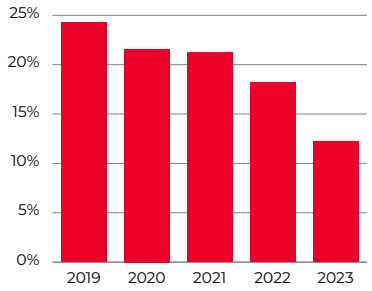
Net Profit After Tax/ Earnings Per Share (USD)



Cash Inflow From Operating Activities (millions USD)

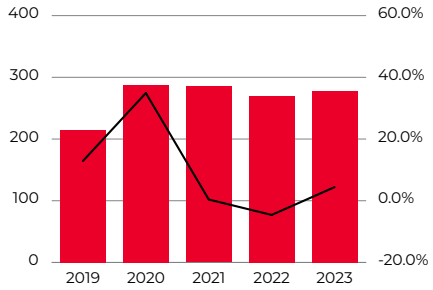


Annual Return on Invested Capital

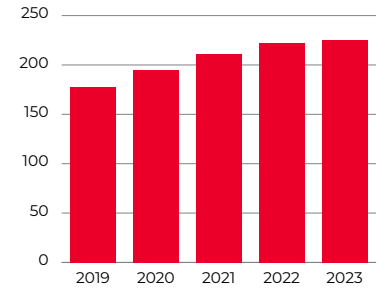


● Net Profit After Tax (millions) – USD
— Earnings Per Share (cents) – USD

Closing Share Price (at 30 June AUD)/ **Total Shareholder Return**



Total Dividends Per Share (cents USD)



● Closing Share Price (dollars) – AUD
— Total Shareholder Return (12 month %) – AUD

10 2023 Net Profit After Tax (NPAT) represents net profit for the year attributable to shareholders of CSL Limited, as reported in the financial statements.

5. Executive Key Management Personnel Outcomes in 2023

5.1 2023 Target Remuneration

P McKenzie

Effective 1 September 2022, the Board determined that Dr McKenzie, in his role of COO, would receive a 3.5% increase to FR, taking his FR to US$1,015,680. Dr McKenzie's STI target remained at 100% of FR and he received an increase to his LTI target to 425% of FR. Dr McKenzie's TDC was US$6,348,000.

On appointment to the role of CEO, the Board increased Dr McKenzie's FR by 72% to US$1,750,000, increased his STI target to 120% of FR and kept his LTI target at 425% of FR. Effective 6 March 2023, Dr McKenzie's TDC was US$11,287,500.

J Linton

In 2023, the Board determined that Ms Linton would receive an increase to FR of 3.7%. This increase was inclusive of the superannuation guarantee increase from 10% to 10.5%. Taking into consideration both the global pharmaceutical/biotechnology and Australian general industry peer groups, skill, experience and internal relativity, Ms Linton's STI target was increased from 85% to 100% of FR and her LTI target was increased from 175% to 225% of FR. These changes resulted in a TDC of US$3,827,036.

P Perreault

In 2023, the Board determined that Mr Perreault would receive an increase to FR of 3.5%, no change to his STI target and an increase to his LTI target to 450% of FR. These increases resulted in a TDC of US$12,506,579.

5.2 CSL and Executive KMP Performance

In 2023, CSL has continued to demonstrate resilience in its results, delivering a strong performance within a challenging operating environment. CSL's focus on improving efficiencies across its global network of manufacturing sites has helped reduce the impact of inflation and currency headwinds and focus remains on executing on CSL's strategy of delivering innovative medicines to our patients. As a result, our NPATA landed in line with expectations and at the top end of market guidance, while CFO was down slightly on the prior year.

Introduced in 2023, outcomes against the new Sustainability measure exceeded expectations with an overall maximum outcome awarded. The following diagram sets out the achievements.

Portfolio	**Establish a robust program governance process,** including reporting, monitoring and verification that is transparent and aligned with our network strategy. An agile process that focuses on doing the right thing in the right place at the right time	✓ Established sustainability portfolio and mechanisms to identify and prioritise initiatives ✓ Established and launched program management governance ✓ Reporting, monitoring and verification plans implemented
Program Governance		
Energy Initiatives (Scope 1)	**Undertake global initiatives that reduce CO_2 emissions** to meet our 40% reduction target by 2030 and aligned with SBTi; Increase renewable energy supplies at select global manufacturing sites	✓ SBTi filing prepared, with Board endorsement for SBTi validation obtained ✓ Converted Marburg manufacturing site to 100% renewable electricity supply ✓ Commenced conversion process of the Kankakee manufacturing site to renewable energy supply ✓ Developed business case for Australia power purchase agreement
Renewable Power (Scope 2)		
New Facilities (Scope 1 & 2)	**Incorporate sustainable design up front in our new facilities** that will ensure long term success as our business grows	✓ Finalised energy efficiency initiatives to be included in the Australia Tullamarine site design ✓ Finalised supplier engagement plan
Supplier Engagement (Scope 3)	Engage **our supply partners to achieve a low emissions supply chain,** working with our suppliers to follow our lead in their Scope 1 & 2 and join us on this journey	✓ Developed and launched supply standards and communication materials for supplier outreach

In determining the outcomes for Executive KMP, the Board reviewed the quality of earnings and risk management outcomes across the year to ensure STI outcomes were appropriately aligned with the overall performance of the company and the experience of CSL's shareholders. In consideration of one-off items not anticipated at the time of target setting, the Board's review resulted in a downward adjustment to the NPATA outcome and an upwards adjustment to the CFO outcome. Overall, this resulted in an average reduction in KMP STI outcomes by 4.1%.

The Leading and Managing Modifier was not used in 2023. The Board made no adjustments under the Malus and Clawback Policy and no risk management, behaviour or compliance issues involving Executive KMP were identified during the joint consultation between the HRRC and ARMC.

The following performance outcomes were achieved resulting in an average overall STI payment outcome of 102% of target level opportunity across the Executive KMP (see Table 4). The minimum STI earned as a percentage of target level opportunity was 101% and the maximum was 105% – the latter was 53% of the maximum STI outcome that could be achieved. Table 3 summarises the achievements on the individual KPIs of the Executive KMP. Additional KPIs, which were also integral to the achievement of individual performance, were considered by the Board when assessing Executive KMP performance and remain confidential for commercial reasons.

Table 3: Achievements in 2023

Measure and Commentary	Threshold 50%	Target 100%	Maximum 200%
CSL Group Outcomes			
NPATA · NPATA outcome at target	100%		
CFO · CFO outcome slightly below target	90%		
Sustainability · Maximum Sustainability outcome	200%		
Individual Outcomes			
P McKenzie	95%		
J Linton	109%		
P Perreault	95%		
People · Improvement in safety metrics · Succession planning milestones met · Strong progress against the 2023 diversity, inclusion and equity targets furthering progress to attainment of FY25 and FY30 goals · For the second year in a row CSL was ranked among the best employers in America, according to Forbes and Statista			
Innovation · First patient dosed with FDA approved HEMGENIX® in the US, the first gene therapy for haemophilia B · Ongoing disciplined management of the R&D pipeline of new products from clinical development to Phase III · Global collaboration and licence agreement signed with Arcturus Therapeutics for access to late-stage next generation mRNA platform technology · New state-of-the-art research and development centres opened in Marburg, Germany and Waltham, United States · CSL's new Global Headquarters and Centre for R&D opened in Melbourne, Australia			
Focus · Integration of CSL Vifor and cost synergies on track			
Efficiency and Reliable Supply · 12 new plasma collection centres opened · Successful reopening of US border centres · Strong growth in plasma collections but Cost per Litre slightly below target · Delay in the plasmapheresis platform rollout · Manufacturing yield improvements above targets set · Capacity and capital expansion projects on target			
Digital Transformation · Transformation of the CSL Plasma App resulting in much higher usage by donors · Ongoing maturing of cyber resiliency and capability			

5.3 STI Outcomes by Executive KMP in 2023

Table 4 details the STI outcomes for Executive KMP as a result of the performance results set out in Table 3.

Table 4: STI Outcomes in 2023

Executive	Value of STI Earned US$	Target STI Opportunity as a % of FR	Maximum STI Opportunity as a % of FR	STI Earned as % of Target Opportunity	STI Earned as % of Maximum Opportunity[11]	STI Earned as % of FR
P McKenzie – CEO	679,883	120%	240%	101%	51%	121%
P McKenzie – COO	697,007	100%	200%	101%	50%	101%
J Linton	946,395	100%	200%	105%	53%	105%
Former Executive KMP						
P Perreault[12]	1,537,182	120%	240%	101%	50%	121%

5.4 LTI Outcomes by Executive KMP in 2023

5.4.1 LTI Awards Tested in 2023

In 2023, in the course of annual performance testing, four LTI grants were tested. The table below shows the performance of CSL against the targets. Vesting occurred in September 2022 and March 2023.

Table 5: LTI Awards Tested in 2023

Grant Date	Security	Tranche	Performance Period	Performance Outcome	Vesting Outcome
1 September 2018	PSU	4	1 July 2015 – 30 June 2022	Seven year ROIC at 23.2%	0%[13]
1 September 2019	PSU	3	1 July 2015 – 30 June 2022	Seven year ROIC at 23.2%	70%[14]
1 September 2020	PSU	2	1 July 2015 – 30 June 2022	Seven year ROIC at 23.2%	100%
1 April 2021	RSU	3	1 April 2021 – 1 March 2023	Individual performance and time condition	100%

5.4.2 Fair Value of Equity Awards Granted, Vested and Lapsed Equity in 2023

The table below details the fair value at the date of grant for all LTI awards granted, vested and lapsed to Executive KMP as remuneration in 2023. The values are shown in Australian Dollars (A$).

Table 6: Grant Fair Value

Security	Tranche	Grant Date	Vest Date	Expiry Date	Fair Value per Security at Grant A$
PSU	4	1 Sep 2018	1 Sep 2022	1 Oct 2024	216.13
PSU	3	1 Sep 2019	1 Sep 2022	1 Oct 2029	228.14
PSU	2	1 Sep 2020	1 Sep 2022	1 Sep 2025	284.81
PSU	1	1 Nov 2022	1 Sep 2025	1 Sep 2027	267.12
PSU	2	1 Nov 2022	1 Sep 2025	1 Sep 2027	267.12
RSU	3	1 Apr 2021	1 Mar 2023	1 Apr 2026	261.26

5.4.3 Summary of Executive KMP Equity Granted, Vested and Lapsed in 2023

The table below summarises the details of equity awards granted, vested and lapsed in US$ for each Executive KMP. For awards granted, the maximum number of securities that may vest is shown. For accounting purposes, the maximum value of each grant is the fair value of the equity granted multiplied by the number of equity instruments granted, or remaining each year. Ultimately, the maximum face value of the equity awards will be equal to the number of securities granted multiplied by the CSL share price at the time of vesting. The minimum number of securities and the value of the equity awards is zero if the equity award is fully lapsed. Details of the performance and service criteria applying to awards granted in prior years are summarised in section 10 and prior Remuneration Reports corresponding to the reporting period in which the awards were granted.

11 Any STI that was not earned was automatically forfeited.
12 In 2023 P Perreault was an Executive KMP for the period 1 July 2022 to 5 March 2023.
13 The tranche has lapsed – there is no retest.
14 The remaining 30% of the tranche has lapsed – there is no retest.

Table 7: Movement in Equity in 2023

Executive	Security	Tranche	Grant Date	Vesting Date	Fair Value at Grant US$	Face Value at Grant US$[15]	Granted During the Year	Vested	Lapsed	Face Value at Vest – Vested Award US$[16]	Face Value at Lapse – Lapsed Award US$[17]
P McKenzie	PSU	3	1 Sep 2019	1 Sep 2022	755,134	797,270	4,923	–	4,923	–	972,432
	PSU	3	1 Sep 2019	1 Sep 2022	252,018	266,080	1,643	1,151	492	227,355	97,184
	PSU	3	1 Sep 2019	1 Sep 2022	706,049	745,447	4,603	3,223	1,380	636,634	272,589
	PSU	2	1 Sep 2020	1 Sep 2022	746,814	738,607	3,900	3,900	–	770,361	–
	PSU	1	1 Nov 2022	1 Sep 2025	2,685,514	2,847,779	14,953	–	–	–	–
	PSU	2	1 Nov 2022	1 Sep 2025	1,151,037	1,220,585	6,409	–	–	–	–
J Linton[18]	RSU	3	1 Apr 2021	1 Mar 2023	895,324	901,287	5,097	5,097	–	1,003,581	–
	PSU	1	1 Nov 2022	1 Sep 2025	1,292,560	1,370,659	7,197	–	–	–	–
	PSU	2	1 Nov 2022	1 Sep 2025	553,877	587,344	3,084	–	–	–	–
Former Executive KMP											
P Perreault[19]	PSU	4	1 Sep 2018	1 Sep 2022	1,473,238	1,430,956	9,363	–	9,363	–	1,849,459
	PSU	3	1 Sep 2019	1 Sep 2022	1,699,090	1,793,897	11,077	7,754	3,323	1,531,636	656,387
	PSU	2	1 Sep 2020	1 Sep 2022	1,567,926	1,550,696	8,188	8,188	–	1,617,363	–
	PSU	1	1 Nov 2022	1 Sep 2025	5,215,138	5,530,248	29,038	–	–	–	–
	PSU	2	1 Nov 2022	1 Sep 2025	2,235,084	2,370,134	12,445	–	–	–	

5.4.4 Executive KMP 2024 Equity Vesting Opportunity

Three awards will be tested in 2024. The following tables set out a preview of these awards with Table 9 providing the specific grant details for each Executive KMP. The face value in Table 8 is provided in A$.

Table 8: LTI Awards to be Tested in 2024

Grant Date	Security	Performance Measure	Face Value of a CSL Share at Date of Grant A$
1 September 2019	PSU	ROIC	240.87
1 September 2020	PSU	ROIC	281.68
1 April 2021	RSU	Individual performance and time condition	263.00

Table 9: Executive KMP LTI Opportunity to be Tested in 2024

Executive	Number of Performance Share Units	Number of Restricted Share Units
P McKenzie	8,504	–
J Linton	–	396
Former Executive KMP		
P Perreault[20]	19,263	–

15 Securities granted multiplied by the closing CSL share price on the date of grant. The A$ value was converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
16 Securities vested multiplied by the closing CSL share price on the date of vest. All awards were automatically exercised on vesting. The A$ value was converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
17 Securities lapsed multiplied by the closing CSL share price on the date of lapse. The A$ value was converted to US$ at an average exchange rate for the 2023 financial year of 1.48733.
18 The RSU award represents sign on RSUs as partial compensation of benefits forfeited with previous employer.
19 Shareholder approval for the grant of PSUs on 1 November 2022 and any shares to be issued at the time of vesting to P Perreault, was obtained under ASX Listing Rule 10.14 at the 2022 Annual General Meeting.
20 On cessation of employment in September 2023, as per the Performance Rights Plan Rules, P Perreault will retain a pro-rated number of PSUs based on time elapsed since grant date. Retained PSUs will remain subject to original terms and conditions including satisfaction of performance conditions as at the test date.

6. Executive Key Management Personnel Statutory Remuneration Tables

Remuneration is reported in US$, unless otherwise stated. This is consistent with the presentation currency used by CSL.

6.1 Executive KMP Remuneration 2022 and 2023

Table 10: Statutory Remuneration Disclosure – Executive KMP

		Short Term Benefits			Post Employment	Other Long Term
Executive	Year[21]	Cash Salary and Fees[23]	Cash Bonus US$[24]	Non-Monetary US$[25]	Super US$	Long Service Leave US$
P McKenzie – CEO and Managing Director	**2023**	**1,280,851**	**1,376,890**	**70,669**	**23,257**	**–**
	2022	965,230	1,273,770	67,972	16,802	–
J Linton – Chief Financial Officer[26]	**2023**	**846,516**	**946,395**	**46,836**	**186,096**	**21,242**
	2022	874,803	1,149,742	81,479	25,689	21,583
Former Executive KMP						
A Cuthbertson – Senior Advisor to CEO[27]	**2023**	**–**	**–**	**–**	**–**	**–**
	2022	128,811	–	–	4,550	2,855
P Perreault – CEO and Managing Director[28]	**2023**	**1,251,196**	**1,537,182**	**84,712**	**14,000**	**–**
	2022	1,733,962	3,029,931	92,441	18,300	–
TOTAL	**2023**	**3,378,563**	**3,860,467**	**202,217**	**223,353**	**21,242**
	2022	3,702,806	5,453,443	241,892	65,341	24,438

21 The A$ compensation paid during the years ended 30 June 2022 and 30 June 2023 have been converted to US$. For the 30 June 2023 compensation, this has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733. For the 2022 compensation, this has been converted to US$ at an average exchange rate for the 2022 financial year of 1.37359. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the exchange rates. No termination benefits were paid in 2023.

22 The PSUs and RSUs have been valued using the Black Scholes option valuation methodology. These valuations were undertaken by Deloitte and PricewaterhouseCoopers. The amounts disclosed have been determined by allocating the value of the PSUs and RSUs over the period from grant date to vesting date in accordance with applicable accounting standards. Share based payments have been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733. There were no Performance Rights or Options expensed or outstanding in 2022 or 2023.

23 Includes cash salary, cash allowances and short term compensated absences, such as annual leave entitlements accrued but not taken during the year.

24 The STI cash bonus in respect of 2023 is scheduled to be paid in September 2023. The STI cash component of the cash bonus received in 2022 was paid in full in September 2022 for all Executive KMP as previously disclosed, with no adjustment.

25 Includes any health benefits, insurances benefits and other short-term employee benefits. For International Assignees and domestic and international relocations, this may include personal tax advice, health insurance, removalists, temporary accommodation and other expatriate assignment benefits.

26 J Linton commenced as Executive KMP on 5 March 2021 and was granted RSUs on 1 April 2021 as a component of her sign on arrangements (as partial compensation for time-based equity forfeited at her previous employer). 5,097 RSUs vested on 1 March 2023 and 396 RSUs are due to vest on 1 March 2024. Details are set out in the 2021 Remuneration Report.

27 In 2022 A Cuthbertson was an Executive KMP for the period 1 July 2021 to 1 October 2021.

28 In 2023 P Perreault was an Executive KMP for the period 1 July 2022 to 5 March 2023. The full year fixed reward for P Perreault was US$1,856,133, the full year cash STI payment was US$2,262,385 and the full year share based payment expense was US$3,654,625.

Share Based Payments[22]			
Performance Share Units US$	Restricted Share Units US$	Total US$	% Performance Related
1,657,943	**–**	**4,409,610**	**69%**
2,577,351	–	4,901,125	79%
924,455	**334,835**	**3,306,375**	**67%**
699,401	1,540,207	4,392,904	77%
–	**–**	**–**	**– %**
(97,619)	–	38,597	(253)%
1,691,820	**–**	**4,578,910**	**71%**
4,987,494	–	9,862,128	81%
4,274,218	**334,835**	**12,294,895**	**69%**
8,166,627	1,540,207	19,194,754	79%

6.2 Executive KMP Shareholdings

Details of fully paid ordinary shares held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 11. Details of Options, Performance Rights, PSUs and RSUs held directly, indirectly or beneficially by each Executive KMP, including their related parties, are provided in Table 12. Any amounts are presented in US$. Following the vesting of awards, any trading undertaken by Executive KMP was subject to the Group Securities Dealing Policy (outlined in section 9.6). Approved trading disclosed was actioned in accordance with the Policy, including forced trades to cover CSL tax withholding obligations.

Table 11: Executive KMP Shareholdings

Executive	Opening Balance at 1 July 2022	Number of Shares Acquired on Exercise of Options, Performance Rights, PSUs or RSUs during year US$	Vesting and Value of Shares Acquired on Exercise of Options, Performance Rights, PSUs or RSUs during year US$[29]	Number of (Shares Sold)/ Purchased	Closing Balance at 30 June 2023
P McKenzie	20,674	8,274	1,634,350	(8,251)	20,697
J Linton	11,547	5,097	1,003,581	(5,000)	11,644
Former Executive KMP					
P Perreault[30]	166,301	15,942	3,148,999	(16,942)	165,301

There have been no movements in shareholdings of Executive KMP between 30 June 2023 and the date of this Report.

Table 12: Executive KMP Option, Performance Right, Performance Share Unit and Restricted Share Unit Holding

								Closing Balance as at 30 June 2023	
Executive	Security	Opening Balance as at 1 July 2022	Number Granted	Number Exercised	Number Lapsed[31]	Closing Balance as at 30 June 2023	Number Vested During Year	Vested[32]	Unvested
P McKenzie	PSU	42,590	21,362	8,274	6,795	48,883	8,274	–	48,883
J Linton	PSU	7,276	10,281	–	–	17,557	–	–	17,557
	RSU	5,493	–	5,097	–	396	5,097	–	396
Former Executive KMP									
P Perreault[33]	PSU	87,719	41,483	15,942	12,686	100,574	15,942	–	100,574

29 The value of PSUs and RSUs at the exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of securities exercised during 2023. The A$ value was converted to US$ at an average exchange rate for the year of 1.48733.

30 The closing balance for P Perreault is as at 5 March 2023 being the date P Perreault ceased to be Executive KMP.

31 The number that lapsed represents the portion of the 2019 LTI (Tranche 4 granted 1 September 2018) and the 2020 LTI (Tranche 3 granted 1 September 2019) that did not vest.

32 Vested awards are exercisable to the Executive KMP. There are no vested and unexercisable awards.

33 The closing balance for P Perreault is at 5 March 2023 being the date P Perreault ceased to be Executive KMP.

7. Remuneration in 2024

7.1 Executive KMP Remuneration Changes in 2024

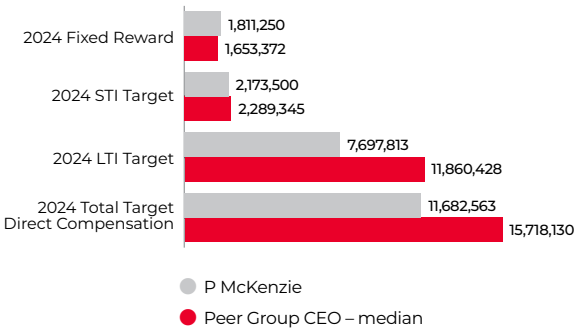
CSL competes for talent in a global market and we need to attract and retain high calibre executives in a highly competitive global pharmaceutical and biotechnology industry. The unique skill set with specialised pharmaceutical and biotechnology expertise and experience that CSL requires is critical to enable the company to deliver on its strategy, promise to patients and deliver sustainable returns to shareholders.

The Board determines any increases to reward for Executive KMP based on position in market with the pharmaceutical/biotechnology peer group, individual performance, role responsibilities and internal relativity. When comparing Executive KMP TDC to the reward of peers within the pharmaceutical/biotechnology peer group, all lag the median – specifically on the LTI component – resulting in TDC that is below the median.

2024 Target Remuneration – P McKenzie

In 2024, the Board has determined that Dr McKenzie will receive a 3.5% increase to FR, resulting in a 1 September 2023 figure of US$1,811,250. There will be no change to the STI or LTI targets, remaining at 120% and 425% of FR respectively. Dr McKenzie's TDC will be US$11,682,563 and this is a position of 74% against the median TDC of the pharmaceutical/biotechnology peer group.

2024 P McKenzie Target Remuneration and Peer Group Comparison – US$



2024 Target Remuneration – J Linton

In keeping in line with the approach taken for all Executives, in 2024, the Board has determined that Ms Linton will have an increase to FR only. Effective 1 July 2023, Ms Linton's FR will be increased by 0.45% for the Australian superannuation guarantee increase from 10.5% to 11% and from 1 September 2023 will be increased by 3.5%. There will be no change to STI and LTI targets resulting in a TDC of US$3,978,203. The change for 2024 positions Ms Linton at 70% of the median TDC of the pharmaceutical/biotechnology peer group.

2024 J Linton Target Remuneration and Peer Group Comparison – US$

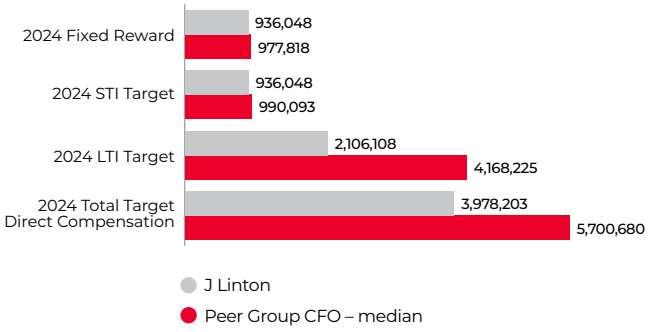


Table 13 sets out the changes to Executive KMP reward for 2024 (effective 1 September 2023) and a comparison with the changes made for 2023 (effective 1 September 2022).

Table 13: Changes to Executive KMP Reward 2023 and 2024

Executive	Year	% change in FR	% change in STI $ opportunity at target	% change in LTI $ opportunity at target	Total Reward Adjustment %	Total Reward Adjustment US$
P McKenzie	**2024**	**3.50%**	**3.50%**	**3.50%**	**3.50%**	**395,063**
	2023	3.50%	3.50%	25.68%	17.61%	950,669
J Linton	**2024**	**3.95%**	**3.95%**	**3.95%**	**3.95%**	**151,168**
	2023	3.70%	22.29%	33.65%	22.72%	769,592
Former Executive KMP						
P Perreault	**2024**	**– %**	**– %**	**– %**	**– %**	**–**
	2023	3.50%	3.50%	16.44%	11.85%	1,324,696

7.2 LTI Framework Changes in 2024

In 2024, a change to the EPS calculation will be introduced. NPAT will be replaced by NPATA as the Board believes this measure provides shareholders with improved transparency of the underlying performance of CSL and aligns with the profit measure being provided as financial guidance externally and, also used to determine the dividend and STI outcomes.

The Board values and has listened to the investor feedback received and will be amending the ROIC performance period and target setting approach. From 2024, this will move from a seven year performance period (four year look back/three year forward look) to three year forward looking. This forward looking performance period is also in line with market practice across our global pharmaceutical/biotechnology peer group and aligns with the approach taken on the EPS hurdle. The ROIC gateway performance measure, which was previously introduced to address concerns about the impact of the four year look back, will not apply to the three year forward looking ROIC metric.

The Board will continue to review the types of equity delivered under our LTI program and will also review target LTI quantum for Executive KMP so that CSL can continue to attract and retain global talent and remain competitive with our global peers.

8. Non-Executive Director Remuneration

8.1 NED Fee Policy

Feature	Description
Strategic Objective	CSL's NED fee arrangements are designed to appropriately compensate suitably qualified directors, with the requisite experience and expertise, for their Board responsibilities and contribution to Board committees. In the 2023 year, the Board had four Committees for which fees were payable
Maximum Aggregate Fees Approved by Shareholders	The current maximum aggregate fee pool of A$4,000,000 was approved by shareholders on 12 October 2016 and has applied from this date. Actual NED fees paid during the 2023 year (including superannuation contributions, NED Rights Plan sacrifice amounts and Committee fees) are within this agreed limit, and totalled A$3,018,869. NEDs may be reimbursed for reasonable expenses incurred by them in the course of discharging their duties and this reimbursement is not included within this limit
Remuneration Reviews	The Board in conjunction with the HRRC, reviews NED fees on an annual basis in line with general industry practice. Fees are set with reference to the responsibilities and time commitments expected of NEDs along with consideration to the level of fees paid to NEDs of comparable Australian companies
Independence	To ensure independence and impartiality is maintained, NEDs do not receive any performance related remuneration
NED Equity	The NEDs participate in the NED Rights Plan – introduced to enable NEDs to build up meaningful levels of equity more quickly. Under the plan, NEDs sacrifice at least 20% of their pre-tax base fee in return for a grant of Rights, each Right entitling a NED to acquire one CSL share at no additional cost. The number of Rights granted is equivalent to the fee sacrificed divided by the prevailing market price of CSL shares at that time. Rights are allocated in two tranches and vesting occurs following the disclosure of half year and full year financial results following the grant of Rights. For Australian based NEDs, shares are allocated at vesting of the Rights and are then subject to a nominated restriction period of three to fifteen years. For overseas based NEDs, shares are allocated at the end of the nominated three to fifteen year restriction period. At the end of the nominated restriction period the NED is able to access their shares. No price is payable on vesting and exercise of rights. Shares are automatically allocated without the need for exercise by a NED. As this is a salary sacrifice plan, no performance conditions apply to the Rights. The shares are purchased on-market. Additional shares may be purchased by NEDs on-market at prevailing share prices in accordance with CSL's Securities Dealing Policy
Shareholding Requirement	NEDs must hold CSL shares equal to 100% of their Board base fee within five years from the date of appointment to the Board
Post-Employment Benefits	Superannuation contributions are made in accordance with legislation and are included in the reported base fee and are not additional to the base fee. NEDs are not entitled to any compensation on cessation of appointment
Contracts	NEDs are appointed under a letter of appointment and are subject to ordinary election and rotation requirements as stipulated in the ASX Listing Rules and CSL Limited's constitution

8.2 NED Fees in 2023

The following table provides details of current Board and Committee fees from 1 July 2022 and increases to be applied at 1 July 2023. As a truly global business, our NED fee structure allows attraction and recruitment of appropriately skilled directors. The Board continues to monitor the practice of global Australian listed companies and those listed in European and US markets to ensure a competitive structure and fee arrangement is in place.

In 2023, after reviewing ASX12 comparative Board fees, the Board determined to increase Board and Committee fees by 3% from 1 July 2023. This increase is below the global weighted average budget for employees and is within the maximum aggregate remuneration that may be paid to all NEDs, as agreed by shareholders at the 2016 AGM. These increases ensure market competitive fees and allow CSL to attract and retain high quality NEDs.

Table 14: NED Fees 2023 and 2024

		2023 Fees		2024 Fees
Board Chairman Fee		A$896,100		A$923,000
Board NED Base Fee		A$252,600		A$260,000
Committee Fees	**Committee Chair**	**Committee Member**	**Committee Chair**	**Committee Member**
Audit & Risk Management	A$72,100	A$35,300	A$74,250	A$36,350
Corporate Governance & Nomination	A$31,000	A$15,550	A$31,950	A$16,000
Human Resources & Remuneration	A$61,800	A$31,000	A$63,650	A$31,950
Innovation & Development	A$59,900	A$31,000	A$61,700	A$31,950

The Chairman of the Board does not receive Committee fees in addition to his Board Chairman fee.

A travel allowance of A$15,000 per annum is in place for those NEDs who reside outside of Australia and travel to and from Australia to attend Board and Committee meetings. Where no travel is undertaken in a quarter, no allowance is paid. In 2023, no allowance was paid.

8.3 Non-Executive Share Purchases

During 2023, CSL completed two on-market purchases of shares for the purposes of the NED Rights Plan. A total of 2,822 shares were purchased during the reporting period and the average price paid per share was A$295.12.

8.4 Non-Executive Director Statutory Remuneration Tables

Remuneration is reported in US$, unless otherwise stated. This is consistent with the presentation currency used by CSL.

8.4.1 Non-Executive Director Remuneration 2022 and 2023

Table 15: Statutory Remuneration Disclosure – Non-Executive Directors

		Short Term Benefits	Post Employment		Share Based Payments	
Non-Executive Director	Year	Cash Salary and Fees US$[34]	Superannuation US$	Retirement Benefits US$	Rights US$[35]	Total
B McNamee – Chairman	**2023**	**464,986**	**17,005**	**–**	**119,228**	**601,219**
	2022	489,543	17,158	–	125,313	632,014
B Brook	**2023**	**120,837**	**6,028**	**–**	**97,275**	**224,140**
	2022	178,358	8,579	–	51,686	238,623
M Clark	**2023**	**191,711**	**17,005**	**–**	**33,551**	**242,267**
	2022	202,267	17,158	–	35,290	254,715
A Cuthbertson[36]	**2023**	**151,123**	**18,490**	**–**	**50,681**	**220,294**
	2022	117,973	15,015	–	33,844	166,832
C Hewson	**2023**	**133,332**	**17,005**	**–**	**83,932**	**234,269**
	2022	140,877	17,158	–	88,508	246,543
D Maskell[37]	**2023**	**54,788**	**17,005**	**–**	**115,541**	**187,334**
	2022	60,806	20,021	–	85,480	166,307
M McDonald	**2023**	**154,958**	**8,502**	**–**	**50,410**	**213,870**
	2022	171,831	–	–	52,966	224,797
A Watkins[38]	**2023**	**136,479**	**18,490**	**–**	**58,269**	**213,238**
	2022	121,065	20,021	–	49,819	190,905
TOTAL	**2023**	**1,408,214**	**119,530**	**–**	**608,887**	**2,136,631**
	2022	1,482,720	115,110	–	522,906	2,120,736

8.4.2 Non-Executive Director Shareholdings

Details of fully paid ordinary shares held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 16. Any amounts are presented in US$. Details of Rights held directly, indirectly or beneficially by each NED, including their related parties, is provided in Table 17. Following the vesting of awards, any trading undertaken by NEDs was subject to the Group Securities Dealing Policy (outlined in section 9.6).

34 The A$ compensation paid and share based payments during the years ended 30 June 2022 and 30 June 2023 have been converted to US$. For the 2023 compensation, this has been converted to US$ at an average exchange rate for the 2023 financial year of 1.48733. For the 2022 compensation, this has been converted to US$ at an average exchange rate for the 2022 financial year of 1.37359. Both the amount of remuneration and any movement in comparison to prior years may be influenced by changes in the A$/US$ exchange rates. No long term or termination benefits were paid in 2023.

35 As disclosed in the section 8.1, NEDs participate in the NED Rights Plan under which NEDs are required to take at least 20% of their after-tax base fees (excluding superannuation guarantee contributions) in the form of Rights. Rights are granted upfront and are expensed over the period of grant to vest. The Fair Value per Right at the grant date of 25 August 2022 was A$292.74 for Tranche 1 (vests 20 February 2023) and A$290.97 for Tranche 2 (vests 21 August 2023).

36 In 2022 A Cuthbertson was a NED for the period 2 October 2021 to 30 June 2022.

37 In 2022 D Maskell was a NED for the period 18 August 2021 to 30 June 2022.

38 In 2022 A Watkins was a NED for the period 18 August 2021 to 30 June 2022.

Table 16: Non-Executive Director Shareholdings

KMP	Opening Balance as at 1 July 2022	Number of Shares Acquired on Vesting and Exercise of Rights during year	Value of Shares Acquired on Exercise of Rights during year US$[39]	Number of (Shares Sold)/ Purchased	Closing Balance at 30 June 2023
Non-Executive Director					
B McNamee	162,362	588	117,440	(16,370)	146,580
B Brook	6,122	377	75,414	–	6,499
M Clark	4,013	166	33,155	270	4,449
A Cuthbertson	111,752	1,333	263,854	(22,822)	90,263
C Hewson	1,241	414	82,688	–	1,655
D Maskell	209	508	101,531	–	717
M McDonald	3,614	249	49,733	–	3,863
A Watkins	1,955	271	54,144	1,000	3,226

There have been no movements in shareholdings of NEDs between 30 June 2023 and the date of this Report.

Table 17: Non-Executive Director Rights Holdings

KMP	Security	Opening Balance at 1 July 2022	Number Granted[40]	Face Value of Rights Granted US$[41]	Fair Value of Rights Granted US$[42]	Number Exer-cised[43]	Value of Rights Exer-cised US$[44]	Number Lapsed	Closing Balance at 30 June 2023	Number Vested During Year	Closing Balance at 30 June 2023 Vested[45]	Closing Balance at 30 June 2023 Unves-ted[46]
Non-Executive Director												
B McNamee	Right	284	608	118,475	119,306	588	117,440	–	304	588	–	304
B Brook	Right	120	514	100,157	100,861	377	75,414	–	257	377	–	257
M Clark	Right	80	171	33,321	33,555	166	33,155	–	85	166	–	85
A Cuthbertson[47]	Right	120	257	50,079	50,431	249	49,733	–	128	249	–	128
	PSU	4,480	–	–	–	1,084	214,121	(2,235)	1,161	1,333	–	1,161
C Hewson	Right	200	428	83,400	83,985	414	82,688	–	214	414	–	214
D Maskell	Right	208	600	116,916	117,736	508	101,531	–	300	508	–	300
M McDonald	Right	120	257	50,079	50,431	249	49,733	–	128	249	–	128
A Watkins	Right	121	300	58,458	58,869	271	54,144	–	150	271	–	150

39 The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2023. The A$ value was converted to US$ at an average rate for the year of 1.48733.

40 The number of Rights granted is determined by dividing the NEDs elected percentage of pre-tax base fee (minimum 20%) by the five day volume weighted average price (VWAP) at which CSL shares were traded on the ASX ending on (and including) the last ASX trading day prior to the date of grant of the Rights being 24 August 2022 of A$294.46. The Rights were granted on 25 August 2022 in two tranches. Tranche one had a vesting date of 20 February 2023 and tranche two vests 21 August 2023.

41 The value at grant date has been determined by the share price at the close of business on the grant date of 25 August 2022 being A$289.82 multiplied by the number of Rights granted during 2023. The A$ value was converted to US$ at an average exchange rate for the year of 1.48733. The Rights have an expiry date fifteen years from the start of the financial year in which the Rights were granted.

42 The value of Rights is calculated based on an assessment of the fair market value of the instruments in accordance with the accounting standards (refer to Note 18 in the Financial Statements). The fair value of each Right granted on 25 August 2022 was Tranche 1: A$292.74 and Tranche 2: A$290.97 multiplied by the number of Rights granted during 2023.

43 Vesting and exercise occurred in relation to Tranche 2 of the 2022 grant and Tranche 1 of the 2023 grant. All Rights eligible vested at 100% during the year. No Rights eligible to vest were lapsed.

44 The value at exercise date has been determined by the share price at the close of business on the exercise date multiplied by the number of Rights exercised during 2023. The A$ value was converted to US$ at an average exchange rate for the year of 1.48733. Australian based NEDs have Rights exercised at the vesting date and a holding lock is placed on the shares for a period of three to fifteen years as elected by the NED.

45 Vested Rights are exercisable to the NED at the end of the nominated restriction period. All vested Rights are currently unexercisable until the end of the nominated restriction period.

46 Unvested Rights represent Tranche 2 of the 2023 grant that will vest on 21 August 2023, following the release of full year financial results.

47 All PSUs held by A Cuthbertson in his capacity as a member of the Company's Executive KMP until 1 October 2021 are disclosed in prior year Remuneration Reports.

9. Remuneration Governance

The following diagram illustrates CSL's remuneration governance framework.

CSL Board:
The Board is responsible for the oversight and strategic direction of CSL. It monitors operational and financial performance, human resources policies and practices, and approves the company's budgets and business plans. It is also responsible for overseeing CSL's risk management, financial reporting and compliance framework.

The Board reviews, makes comment on and, as appropriate, approves remuneration recommendations from the HRRC. The Board approves the remuneration and remuneration outcomes for the CEO and NEDs and approves the policies and processes that govern both.

HRRC:
The HRRC has oversight of all aspects of remuneration at CSL. The Board has delegated responsibility to the HRRC for reviewing and making recommendations to the Board with regard to:

- Executive remuneration design;
- Approval of awards to the CEO;
- Senior executive succession planning;
- The design and implementation of CSL incentive plans (including equity based arrangements);
- The remuneration and other benefits applicable to NEDs; and
- The CSL diversity policy and measurable objectives for achieving gender diversity.

The HRRC is able to approve the remuneration of Executive KMP (excluding the CEO).

Members
Dr Megan Clark AC (Chair), Ms Carolyn Hewson AO, Ms Marie McDonald and Ms Alison Watkins AM.

ARMC:
The ARMC assists the Board in the governance of CSL's financial reporting and disclosures, risk identification, management and compliance, and oversees and monitors ESG performance.

The ARMC advises the HRRC on any material risk management and financial matters that may impact remuneration outcomes.

External Remuneration Advisers:
The Board and the HRRC may seek and consider advice directly from external advisors, who are independent of management.

In 2023 the HRRC engaged the services of Aon Consulting in the US, and EY in Australia. Under engagement and communication protocols adopted by CSL, the market data and other advice were provided directly to the HRRC by both Aon Consulting and EY. Neither Aon Consulting nor EY provided Remuneration Recommendations during the 2023 financial year.

Joint HRRC and ARMC meetings:
The Committees meet jointly at least annually to review and consider relevant risk management matters in the determination of the Executive KMP remuneration outcomes.

9.1 HRRC Activities

During 2023, the HRRC met on six occasions. The attendance of the HRRC members at those meetings can be found in the Directors' Report of the 2023 Annual Report available on CSL.com.

Activities undertaken include:

- Review of the executive remuneration framework;
- Review and consideration of investor feedback received across the year;
- Appointment of external remuneration advisors;
- Review of senior executive appointments and remuneration arrangements;
- Review of STI and LTI arrangements, and reward outcomes for senior executives;
- Review of the CSL diversity objectives and report, and gender pay review and progress against diversity objectives;
- Review of talent and succession planning for senior executives;
- Review of long term remuneration strategy and global trends in remuneration;
- Review of NED remuneration; and
- Review of the HRRC Charter and HRRC performance.

Full responsibilities of the HRRC are outlined in its Charter (reviewed annually) – available at http://www.csl.com.au/about/governance.htm

9.2 Remuneration Determination

The Board has discretion across each element of Executive KMP reward and considers business performance, individual performance and shareholder experience before setting and approving reward outcomes.

Remuneration Recommendations – Reviewed on an annual basis, the CEO makes a recommendation to the HRRC for Executive KMP, with the HRRC recommending to the Board for the CEO, any change to FR and STI and LTI targets for the year ahead. Recommendations take into consideration market conditions, position in market within the global pharmaceutical/biotechnology peer group, individual performance, role responsibilities and internal relativity. Remuneration is reviewed in the context of Total Reward. There is a higher proportion of Total Reward in the form of performance related variable pay.

STI Outcomes – A formal review of Executive KMP progress against KPIs is conducted twice annually by the CEO and annually by the Board for the CEO. Regular performance conversations are held during the year. Following the full year performance review, the CEO makes recommendations in respect of Executive KMP to the HRRC. The HRRC and the Board assess individual performance against KPIs at the end of the financial year, and approve the actual STI payments to be made. The Board determines the outcomes for the CEO, based on recommendations from the HRRC, who are informed by the Chairs of the Board and HRRC. The Board believes this is the most appropriate method of assessment.

LTI Outcomes – The HRRC assesses performance against the hurdle measures set at grant by the Board. Following this, the HRRC undertakes a review to ensure the remuneration outcomes are aligned with overall business performance and the shareholder experience and then submits outcomes to the Board for approval. The Board believes this is the most appropriate method of assessment.

Board Discretion – Prior to approving CEO remuneration outcomes and before finalising all other Executive KMP outcomes, the Board holistically assesses the outcomes and considers whether there are any circumstances warranting application of the Malus and Clawback Policy. It also considers the 'Leading and Managing' modifier and ensures that the interaction of remuneration outcomes is in alignment with risk management outcomes for the year and that any material risk issues and behaviours and/or compliance breaches are addressed. The Board's assessment is informed by the review undertaken by the HRRC in conjunction with the ARMC. The Board has discretion to determine final vesting outcomes to ensure outcomes are in line with CSL performance, market reported financial outcomes and the experience of our shareholders. Discretion may be exercised to either increase or reduce vesting outcomes, which includes reducing to zero.

New Hires and Internal Promotions – The Remuneration Framework set out in section 3.2 applies to the remuneration arrangements for any newly hired or promoted Executive KMP, ensuring a market competitive Total Reward offering. In the case of external hires, the HRRC and Board may determine that it is appropriate for a commencement benefit to be offered. Commencement benefits in the form of cash and/or equity can be made to compensate for remuneration being forfeited from a former employer. For any foregone equity awards, CSL equity will typically be used as compensation. Awards may be discounted to take into consideration any performance conditions on the award at the former employer and the HRRC will determine the appropriate service and performance conditions on the CSL award within the CSL framework. For internal promotions, the HRRC may determine that an award of equity should be made to ensure an appropriate Total Reward package. This is typically done as hurdled equity under the LTI framework described in section 3.2.5.

9.3 Contractual Provisions for Executive KMP

Executive KMP are employed on individual service contracts that outline the terms of their employment, which include:

Duration of Contract	Notice Period Employee	Notice Period CSL*	Termination Payment
No fixed term	Six months	Six months	12 months

*CSL may also terminate at any time without notice for serious misconduct and/or breach of contract. CSL may also make payment in lieu of notice

The CEO is a US based executive and, under the CEO's employment contract, CSL has agreed to indemnify the CEO if he is subject to additional tax on his remuneration in any jurisdiction other than the US.

9.4 Other Transactions

No loans were made, guaranteed or secured, directly or indirectly by CSL or any of its subsidiaries, to any Executive KMP or their related parties during 2023.

No loans were made to NEDs during 2023. To the extent that there were transactions between the Company and an organisation with which a NED may be connected or associated, those transactions were all on normal commercial arms' length terms, immaterial, and the relevant NED had no involvement in any procurement or other Board decision-making related to the transaction.

9.5 Malus and Clawback Policy

CSL operates a Malus and Clawback Policy. 'Malus' means adjusting or cancelling all or part of an individual's variable reward as a consequence of a materially adverse development occurring prior to payment (in the case of cash incentives) and/or prior to vesting (in the case of equity incentives). 'Clawback' means seeking recovery of a benefit paid or given to take into account a materially adverse development that only comes to light after payment or award, including shares delivered post vesting.

The Board, in its discretion, may apply the policy to any incentive provided to a senior executive, including a former senior executive, upon the occurrence (or the discovery of the occurrence) of any of the following events or conduct:

- material misstatement, omission or error in the financial statements of a Group company or the CSL Group leading to a senior executive receiving a benefit greater than the amount that would have been received had such misstatement, omission or error not occurred;
- fraud or dishonesty to CSL or any Group company;
- wilful engagement in conduct which is, or might reasonably be expected to be, injurious to CSL or any Group company, monetarily or otherwise, including, but not limited to, its reputation or standing in its industry;
- intentional act that is materially adverse to the best interests of CSL or any Group company;
- violation of any material law or regulation;
- adverse risk management outcomes; and/or
- material violation of CSL's Code of Conduct or any other policy governing the conduct of employees of CSL or any Group company or any agreement or covenant entered into between a senior executive and CSL or any Group company.

In 2023, following a joint review of reward outcomes by both the HRRC and the ARMC, there was no application of the Malus and Clawback Policy.

9.6 Securities Dealing

The CSL Securities Dealing Policy prohibits employees from using price protection arrangements (e.g. hedging) in respect of CSL securities, or allowing them to be used. The Policy also provides that no CSL securities can be used in connection with a margin loan. Upon vesting of an award, an employee may only deal in their CSL securities in accordance with the Policy. A breach of the Policy may result in disciplinary action. A copy of the Policy is available at http://www.csl.com.au/about/governance.htm.

9.7 Minimum Shareholding Guideline

To be met within a target of the first five years of appointment, or within five years for current incumbents, and to be held whilst in the role at CSL, the following levels of vested equity must be held:

- CEO: Three times base salary;
- Executive KMP: One times base salary; and
- NEDs: One times Board base fee.

As at 30 June 2023, all KMP hold, or are on track to hold, the minimum shareholding requirement within the relevant time period.

10. Additional Employee Equity Programs and Legacy Plan Information

In addition to the Executive Performance and Alignment Plan LTI program described earlier in this Report, CSL operates two additional employee equity programs – the Global Employee Share Plan and the Retain and Grow Plan. An overview of those programs is provided below.

10.1 Global Employee Share Plan

CSL's Global Employee Share Plan (GESP) provides all employees the opportunity to share in the ownership of our company and share in our future.

Operating across two six month contribution periods, an employee can elect to make post tax salary contributions between A$365 and A$12,000 per six month period. The employee then receives shares at a 15% discount to the applicable market rate over the five day period up to and including the first and last ASX trading days of the six month period, whichever is the lower. Shares are then held in restriction for a period of one or three years as determined upfront by the employee. The shares may be issued or purchased on market.

To participate in GESP an employee must have at least six months service at the start of the contribution period. Participation is open to permanent full or part time and fixed term contract employees and excludes Executive Directors.

10.2 Retain and Grow Plan

The CSL Group Retain and Grow Plan (RGP) LTI program is designed to attract, motivate and retain key talent across the organisation. RGP provides eligible employees with longer-term share ownership in CSL, enabling them to share in the company's success and any capital growth.

The RGP recognises those individuals in management roles (Manager to Senior Vice President) across the CSL Group. Awards under the RGP are not guaranteed and the CSL Board will review participation on an annual basis.

Key plan elements are as follows

- A conditional 'right' to a CSL share (i.e. full value instrument) or at the Board's discretion, a cash equivalent payment. No price is payable by the participant on grant or vesting of rights. Shares are automatically allocated (or cash automatically paid) without the need for exercise by a participant;
- The security granted is a RSU;
- LTI opportunity set as % of local salary (converted to A$ at grant);
- Number of RSUs determined using face value (five day weighted average share price);
- Individual performance hurdle – must not fail to meet performance expectations;
- 33% of RSUs will vest on the first and second anniversaries of the Issue Date, with the remaining 34% vesting on the third anniversary;
- There is no retesting of awards;
- On cessation of employment a 'qualified leaver' (such as retirement or redundancy) will retain a pro-rated number of RSUs based on time elapsed since grant date, subject to original terms and conditions. If a participant is not a 'qualified leaver', all unvested awards will be forfeited unless the Board determines otherwise;
- In the event of a change of control, the Board, in its absolute discretion, may determine that some or all of the awards vest having regard to the performance of the participant during the vesting period to the date of the change of control event. Vesting may occur at the date of the change of control event or an earlier vesting date as determined by the Board; and
- No dividends or dividend equivalents are paid on unvested awards. Participants are only eligible for dividends once shares have been allocated following vesting of any RSUs. RSUs do not carry any voting rights prior to vesting and allocation of shares.

Our Senior Vice President and Vice President employees participate in both the Executive Performance and Alignment PSU (described in section 3.2.5) and RGP LTI Plans with a higher portion of awards aligned to the executive plan.

The RGP is also used for commencement benefits, retention and recognition awards at all levels of the organisation. The difference to the annual program is the vesting schedule, which is reviewed and determined on a case by case basis.

10.3 Key Characteristics of Prior Financial Year Performance Share Unit Grants

The following table provides information on the key characteristics of the LTI programs on foot during the 2023 reporting period. The 2019 (granted 1 September 2018), 2020 (granted 1 September 2019) and 2021 (granted 1 September 2020) PSU LTI awards have the same key characteristics as the 2023 (granted 1 November 2022) award disclosed in section 3.2.5 with the exception of the hurdle, performance period, performance targets and vesting dates as outlined in Table 18. The ROIC component of the 2022 award (granted 1 September 2021) also aligns with the above, and an EPSg measure was added, weighted 30% of the award. Details are also included in Table 18 with remaining terms aligning with the detail provided in section 3.2.5.

For the three unvested LTI awards that were granted to Executives prior to the acquisition of Vifor Pharma – 2020 tranche 4 (granted 1 September 2019), 2021 tranches 3 and 4 (granted 1 September 2020) and the 2022 award (granted 1 September 2021) – that will be tested in calendar years 2023 and 2024, the Board has determined that it will make an adjustment to the financial results that will be used to determine vesting.

At the time of the grants, performance hurdle targets against the metrics of ROIC and EPS growth, were set based on the financial projections undertaken at that time and did not consider a material acquisition. The Board has determined that it will not adjust the performance targets and will exclude the impact of CSL Vifor from the audited financial results of the CSL Group to determine the testing outcomes. This will involve the exclusion of the CSL Vifor contribution to Earnings before Interest and Tax (for the ROIC calculation) and NPAT (for the EPS calculation) and the adjustment of debt and equity (for ROIC) to remove the funding specific to the Vifor Pharma acquisition. EPS will be calculated by excluding the shares issued to fund the acquisition from the denominator of the EPS calculation and using NPAT excluding CSL Vifor from the numerator. However, the Board will take into account CSL Vifor performance when considering the overall vesting outcomes.

All grants made after the acquisition include the contribution of CSL Vifor.

The Board also retains discretion to adjust vesting outcomes considering company performance, individual performance and shareholder experience.

Table 18: Key Characteristics of Prior Financial Year PSU Grants

Grant Date	Tranche	Performance Measure	Performance Period	Performance Target	Vesting Date
1 Sep 2018	4	ROIC	1 July 2015 – 30 June 2022	Threshold – 24% Target – 27%	1 September 2022
1 Sep 2019	3	ROIC	1 July 2015 – 30 June 2022	Threshold – 22% Target – 25%	1 September 2022
1 Sep 2019	4	ROIC	1 July 2016 – 30 June 2023		1 September 2023
1 Sep 2020	2	ROIC	1 July 2015 – 30 June 2022	Threshold – 20% Target – 23%	1 September 2022
1 Sep 2020	3	ROIC	1 July 2016 – 30 June 2023		1 September 2023
1 Sep 2020	4	ROIC	1 July 2017 – 30 June 2024		1 September 2024
1 Sep 2021	1	ROIC	1 July 2017 – 30 June 2024	Threshold – 20% Target – 21.4%	1 September 2024
1 Sep 2021	2	EPSg	1 July 2021 – 30 June 2024	Threshold – 5% Target – 8.3%	1 September 2024

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2023

	Notes	Consolidated Entity 2023 US$m	2022 US$m
Sales and service revenue		**12,776**	10,136
Influenza pandemic facility reservation fees		**156**	162
Royalties and license revenue		**242**	195
Other income		**136**	69
Total operating revenue	3	**13,310**	10,562
Cost of sales		**(6,466)**	(4,830)
Gross profit		**6,844**	5,732
Research and development expenses	7	**(1,235)**	(1,156)
Selling and marketing expenses		**(1,454)**	(961)
General and administration expenses		**(1,086)**	(688)
Operating profit		**3,069**	2,927
Finance costs	3	**(444)**	(165)
Finance income		**38**	18
Profit before income tax expense		**2,663**	2,780
Income tax expense	4	**(419)**	(525)
Net profit for the year		**2,244**	2,255
Other comprehensive income (OCI)			
Items that may be reclassified subsequently to profit or loss			
Hedging transactions			
– Changes in fair value	12	**–**	135
– Realised in profit and loss	12	**(14)**	(1)
Exchange differences on translation of foreign operations, net of hedges on foreign investments	12	**(17)**	(287)
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value on equity securities measured through OCI, net of tax	12	**(42)**	(7)
Actuarial gains on defined benefit plans, net of tax	19	**1**	35
Total other comprehensive losses		**(72)**	(125)
Total comprehensive income for the year		**2,172**	2,130
Net profit for the year attributable to:		**2,244**	2,255
– Shareholders of CSL Limited		**2,194**	2,255
– Non-controlling interests		**50**	–
Total comprehensive income for the year attributable to:		**2,172**	2,130
– Shareholders of CSL Limited		**2,122**	2,130
– Non-controlling interests		**50**	–
Earnings per share (based on net profit attributable to CSL Limited shareholders for the year)		**US$**	US$
Basic earnings per share	10	**4.55**	4.81
Diluted earnings per share	10	**4.53**	4.80

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2023

	Notes	Consolidated Entity 2023 US$m	Consolidated Entity 2022 US$m
CURRENT ASSETS			
Cash and cash equivalents	14	**1,548**	10,436
Receivables and contract assets	15	**2,205**	1,657
Inventories	5	**5,466**	4,333
Current tax assets		**31**	30
Other financial assets	11	**9**	5
Total Current Assets		**9,259**	16,461
NON-CURRENT ASSETS			
Property, plant and equipment	9	**7,797**	7,017
Right-of-use assets	9	**1,555**	1,292
Intangible assets	8	**16,446**	2,638
Deferred tax assets	4	**902**	518
Retirement benefit assets	18	**6**	5
Other receivables	15	**96**	12
Other financial assets	11	**173**	403
Total Non-Current Assets		**26,975**	11,885
TOTAL ASSETS		**36,234**	28,346
CURRENT LIABILITIES			
Trade and other payables	15	**2,947**	2,301
Interest-bearing liabilities and borrowings	11	**1,055**	4,494
Current tax liabilities		**296**	131
Provisions	16	**310**	182
Total Current Liabilities		**4,608**	7,108
NON-CURRENT LIABILITIES			
Interest-bearing liabilities and borrowings	11	**11,172**	5,165
Retirement benefit liabilities	18	**204**	189
Deferred tax liabilities	4	**1,464**	670
Provisions	16	**467**	102
Other non-current liabilities	15	**493**	535
Total Non-Current Liabilities		**13,800**	6,661
TOTAL LIABILITIES		**18,408**	13,769
NET ASSETS		**17,826**	14,577
EQUITY			
Contributed equity	12	**517**	483
Reserves	12	**648**	590
Retained earnings	19	**14,621**	13,504
Equity attributable to shareholders of CSL Limited		**15,786**	14,577
Non-controlling interests	23	**2,040**	–
TOTAL EQUITY		**17,826**	14,577

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

	Equity attributable to shareholders of CSL Limited											
	Contributed Equity US$m		Other reserves US$m		Retained earnings US$m		Total shareholders' equity US$m		Non-controlling interests US$m		Total equity US$m	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
As at the beginning of the year	**483**	(4,505)	**590**	633	**13,504**	12,253	**14,577**	8,381	**–**	–	**14,577**	8,381
Profit for the year	**–**	–	**–**	–	**2,194**	2,255	**2,194**	2,255	**50**	–	**2,244**	2,255
Other comprehensive (losses)/income	**–**	–	**(73)**	(160)	**1**	35	**(72)**	(125)	**–**	–	**(72)**	(125)
Total comprehensive (losses)/income	**–**	–	**(73)**	(160)	**2,195**	2,290	**2,122**	2,130	**50**	–	**2,172**	2,130
Transactions with owners in their capacity as owners												
Share-based payments	**–**	–	**138**	117	**–**	–	**138**	117	**–**	–	**138**	117
Dividends	**–**	–	**–**	–	**(1,085)**	(1,039)	**(1,085)**	(1,039)	**(154)**	–	**(1,239)**	(1,039)
Share issues	**34**	4,988	**–**	–	**–**	–	**34**	4,988	**–**	–	**34**	4,988
Acquisition of CSL Vifor (Note 2)[1]	**–**	–	**(7)**	–	**7**	–	**–**	–	**2,144**	–	**2,144**	–
As at the end of the year	**517**	483	**648**	590	**14,621**	13,504	**15,786**	14,577	**2,040**	–	**17,826**	14,577

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

1 Prior to acquisition close in August 2022, the Group commenced buying Vifor's shares on-market. These shares were carried at fair value through OCI and the subsequent fair value gain was transferred to retained earnings on acquisition date.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Notes	Consolidated Entity 2023 US$m	2022 US$m
Cash Flows from Operating Activities			
Profit before income tax expense		**2,663**	2,780
Adjustments for:			
Depreciation, amortisation and impairment		**831**	668
Inventory provisions		**182**	224
Share-based payment expense		**139**	117
Provision for expected credit losses		**(4)**	3
Finance costs, net		**406**	165
(Gain)/Loss on disposal of property, plant and equipment		**(57)**	1
Contingent consideration liabilities reversal		**(32)**	(63)
Unrealised foreign exchange losses/(gains)		**41**	(60)
Changes in operating assets and liabilities:			
Decrease/(increase) in receivables and contract assets		**28**	(45)
Increase in inventories		**(907)**	(902)
Increase in trade and other payables		**197**	337
Increase/(decrease) in provisions and other liabilities		**51**	(102)
Proceeds from settlement of treasury lock		**–**	135
Income tax paid		**(563)**	(457)
Finance costs, net paid		**(374)**	(172)
Net cash inflow from operating activities		**2,601**	2,629
Cash flows from Investing Activities			
Payments for property, plant and equipment		**(1,228)**	(1,079)
Proceeds from sale of property, plant and equipment		**111**	–
Payments for intangible assets		**(464)**	(169)
Payments for business acquisition, net of cash acquired	2	**(10,534)**	(388)
Proceeds from sale of financial assets		**272**	–
Net cash outflow from investing activities		**(11,843)**	(1,636)
Cash flows from Financing Activities			
Proceeds from issue of shares		**34**	4,988
Dividends paid to CSL Limited shareholders	10	**(1,085)**	(1,039)
Dividends paid to non-controlling interests	23	**(154)**	–
Proceeds from borrowings		**2,539**	4,093
Repayment of borrowings		**(798)**	(316)
Principal payments of lease liabilities		**(80)**	(50)
Net cash inflow from financing activities		**456**	7,676
Net (decrease)/increase in cash and cash equivalents		**(8,786)**	8,669
Cash and cash equivalents at the beginning of the financial year		**10,334**	1,730
Exchange rate variations on foreign cash and cash equivalent balances		**(39)**	(65)
Cash and cash equivalents at the end of the year		**1,509**	10,334
Reconciliation of cash and cash equivalents in the statement of cash flows:			
Cash and cash equivalents		**1,548**	10,436
Bank overdrafts		**(39)**	(102)
Cash and cash equivalents at the end of the year		**1,509**	10,334

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2023

Contents

About this Report

Notes to the financial statements:

Corporate information

CSL Limited (CSL) is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of directors on 15 August 2023.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

a. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the *Australian Accounting Standards Board, International Financial Reporting Standards (IFRS)* and the *Corporations Act 2001*. It presents information on a historical cost basis, except for certain financial instruments, which have been measured at fair value. Amounts have been rounded off to the nearest million dollars.

The report is presented in US dollars, because this currency is the pharmaceutical industry standard currency for reporting purposes. It is the predominant currency of the Group's worldwide sales and operating expenses.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of CSL and its subsidiaries as at 30 June 2023. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns. A list of significant controlled entities (subsidiaries) at year end is contained in Note 17.

Non-controlling interests in the financial results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively. Further details about the Group's non-controlling interest is contained in Note 23.

The financial results of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company.

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full. The Group has formed a trust to administer the Group's employee share plan. This trust is consolidated as it is controlled by the Group.

c. Foreign currency

While the presentation currency of the Group is US dollars, entities in the Group may have other functional currencies, reflecting the currency of the primary economic environment in which the relevant entity operates. The parent entity, CSL Limited, has a functional currency of US dollars.

If an entity in the Group has undertaken transactions in foreign currency, these transactions are translated into that entity's functional currency using the exchange rates prevailing at the dates of the transactions.

Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. The resulting exchange differences are recognised in other comprehensive income (OCI) and in the foreign currency translation reserve in equity.

d. Other accounting policies

Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

e. Key judgements and estimates

In the process of applying the Group's accounting policies, a number of judgements and estimates of future events are required. Material judgements and estimates are found in the following notes:

The Group has assessed the impact of climate risk on its financial reporting. The impact assessment principally focuses on key judgement areas, being the valuation and useful lives of intangible and tangible assets and the identification and valuation of provisions and contingent liabilities. No material accounting impacts or changes to judgements or other required disclosures have resulted from the assessment. While the assessment did not have a material impact for the year ended 30 June 2023, this may change in future periods as the Group regularly updates its assessment of the impact of the lower carbon economy.

f. The notes to the financial statements

The notes to these financial statements have been organised into logical groupings to help users find and understand the information they need. Where possible, related information has been provided in the same place. More detailed information (for example, valuation methodologies and certain reconciliations) has been placed at the rear of the document and cross-referenced where necessary. CSL has also reviewed the notes for materiality and relevance and provided additional information where it is helpful to an understanding of the Group's performance.

g. Significant changes in the current year

The Group completed the acquisition of Vifor Pharma Ltd (CSL Vifor) on 9 August 2022. The financial results of CSL Vifor consolidated within the Group as a result represent the contribution from that date onward, and therefore not for a full twelve month period. Refer to Note 2 for details of this acquisition.

There were no significant changes in accounting policies during the year ended 30 June 2023, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements.

The Group has not adopted any accounting standards that are issued but not yet effective. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

Our Current Performance

Note 1: Segment Information

The Group's segments represent strategic business units that offer different products and operate in different industries and markets. They are presented consistent with the way the CEO who is the chief operating decision-maker (CODM) monitors and assesses business performance to make resource allocation decisions.

The acquisition of CSL Vifor in August 2022, resulted in a change in which the business is monitored and assessed. The operating segments are now being measured based on the segment operating result, being the revenues and costs directly under the control of the business unit.

The Group's operating segments are:

CSL Behring – manufactures, markets and distributes plasma products, gene therapies and recombinants.

CSL Seqirus – manufactures, markets and distributes predominantly influenza related products and provides pandemic services to governments.

CSL Vifor – manufactures, markets and distributes products in the therapeutic areas of iron deficiency and nephrology.

The Group's centralised research and development ('R&D') function builds on its capabilities across the R&D value chain. The Group continues to make balanced investments in life cycle management and market development of existing and new products. Costs related to R&D are reported separately and are not allocated to the operating segments.

The Group utilises globally integrated functions to realise economies of scale. The functions include executive office, communications, finance, human resources, legal, information & technology. The costs related to these functions, as well as any other non-business unit related costs (including depreciation and amortisation of unallocated assets) are reported as General and Administration expenses and are not allocated to the operating segments.

To enable a comparison of prior year performance, 'Segment revenue and expenses' has been restated using the new segments for the prior year comparatives ended 30 June 2022.

Segment information is presented as reviewed by the CODM on a regular basis, being the underlying performance of the businesses. A reconciliation of the segment results to the AASB financials is provided within this note.

Note 1: Segment Information continued

	CSL Behring		CSL Seqirus		CSL Vifor[2]		Consolidated Entity	
US$m	2023	2022	2023	2022	2023	2022	2023	2022
Sales and service revenue	**8,968**	8,359	**1,851**	1,777	**1,957**	–	**12,776**	10,136
Influenza pandemic facility reservation fees	**–**	–	**156**	162	**–**	–	**156**	162
Royalty and license revenue	**215**	195	**–**	–	**27**	–	**242**	195
Other income	**107**	44	**24**	25	**5**	–	**136**	69
Total segment revenue	**9,290**	8,598	**2,031**	1,964	**1,989**	–	**13,310**	10,562
Segment gross profit[3]	**4,575**	4,582	**1,264**	1,152	**1,411**	–	**7,250**	5,734
Segment gross profit %[3]	**49.2%**	53.3%	**62.2%**	58.7%	**70.9%**	–	**54.5%**	54.3%
Sales and marketing expenses	**(782)**	(774)	**(182)**	(187)	**(490)**	–	**(1,454)**	(961)
Segment operating result[3]	**3,793**	3,808	**1,082**	965	**921**	–	**5,796**	4,773
Segment operating result %	**40.8%**	44.3%	**53.3%**	49.1%	**46.3%**	–	**43.5%**	45.2%
Research and development expenses[3]							**(1,232)**	(1,043)
General and administrative expenses[3]							**(907)**	(648)
Operating profit (EBIT)[3]							**3,657**	3,082
Finance costs							**(444)**	(165)
Finance income							**38**	18
Profit before tax[3]							**3,251**	2,935
Income tax expense[3]							**(504)**	(554)
NPATA[4]							**2,747**	2,381
Amortisation and impairment of acquired intellectual property (IP)[5]							**(235)**	(115)
Unwind of inventory fair value uplift[6]							**(169)**	–
Acquisition and integration costs[7]							**(184)**	(40)
Income tax credit on above adjustments							**85**	29
Statutory net profit after tax (NPAT)							**2,244**	2,255
Amortisation of intangibles (excluding IP)	**3**	3	**14**	17	**9**	–	**106**	95
Depreciation	**273**	281	**60**	60	**24**	–	**490**	445
Impairment not relating to acquired IP	**–**	13	**–**	–	**–**	–	**–**	13
EBITDA[8]	**4,069**	4,105	**1,156**	1,042	**954**	–	**3,900**	3,595
NPATA[4]							**2,747**	2,381
– Attributable to equity holders of CSL							**2,610**	2,381
– Attributable to non-controlling interests							**137**	–
Statutory net profit after tax (NPAT)							**2,244**	2,255
– Attributable to equity holders of CSL							**2,194**	2,255
– Attributable to non-controlling interests							**50**	–

2 CSL acquired CSL Vifor in August 2022 (Note 2) and as a result the financial results represent the profit contribution from that date onward, therefore not for a full twelve month period as with other segments.
3 Underlying results are adjusted to exclude impairment and amortisation of acquired IP, business acquisition and integration costs and unwind of the inventory fair value uplift. The reconciliation between the underlying and statutory results has been disclosed.
4 NPATA is defined as the statutory net profit after tax before impairment and amortisation of acquired intellectual property, business acquisition and integration costs and unwind of the inventory fair value uplift. The reconciliation between NPATA to the statutory NPAT has been disclosed.
5 The amortisation of acquired IP for the year ended 30 June 2023 is attributable to CSL Vifor ($229m) and CSL Behring ($6m), of which $181m is attributable to CSL Limited shareholders. Amortisation and impairment of commercialised IP and in-development IP is reported within cost of sales and research and development expenses respectively within the statutory consolidated statement of comprehensive income and is excluded from underlying results.
6 The unwind of the inventory fair value uplift represents the purchase price allocation adjustment recognised upon the acquisition of CSL Vifor. The unwind is reported within cost of sales within the statutory consolidated statement of comprehensive income and is excluded from underlying results. The inventory fair value uplift recognised on the date of acquisition ($200m) has been substantially unwound during the year ended 30 June 2023 ($169m, of which $122m is attributable to CSL Limited shareholders).
7 The acquisition and integration costs are associated with the acquisition of CSL Vifor (Note 2).
8 EBITDA is defined as statutory net profit for the period before interest, tax, depreciation, amortisation and impairment for the respective operating segment where activities, assets and liabilities can be directly attributed to the segment. Results related to the groups centrally managed functions, impairment and amortisation of acquired IP, business acquisition related costs, tax and net finance costs are not allocated to segments. The total unallocated costs at an EBITDA level were $2,279m for the year ended 30 June 2023 (2022: $1,552m). The unallocated depreciation, amortisation and impairment expenses (including acquired IP amortisation and impairment) were $448m for the year ended 30 June 2023 (2022: $407m, which included the impairment of Calimmune related in-development IP of $113m).

Note 1: Segment Information continued

Reconciliation of statutory results to underlying results

Year ended 30 June (US$m)	Statutory results 2023	Statutory results 2022	Adjustments 2023	Adjustments 2022	Underlying results[3] 2023	Underlying results[3] 2022	Nature of adjustments
Gross profit	**6,844**	5,732	**406**	2	**7,250**	5,734	• $235m (2022: $2m) amortisation of acquired IP (commercialised) of which $181m is attributable to CSL Limited shareholders (2022: $2m)[5] • $169m (2022: nil) unwind of inventory fair value uplift of which $122m is attributable to CSL Limited shareholders (2022: nil)[6] • $2m (2022: nil) acquisition and integration costs attributable to the CSL Limited shareholders
Operating profit	**3,069**	2,927	**588**	155	**3,657**	3,082	Consistent with adjustments to gross profit coupled with the following: • Impairment of acquired IP (in development). Adjustments were nil for 2023 (2022: $113m attributable to CSL Limited shareholders)[5] • $182m (2022: $40m) acquisition and integration costs attributable to CSL Limited shareholders[7]
Profit before tax	**2,663**	2,780	**588**	155	**3,251**	2,935	• Consistent with adjustments made to operating results
NPAT/NPATA[4]	**2,244**	2,255	**503**	126	**2,747**	2,381	• Consistent with adjustments made to profit before tax, net of tax impact including $71m attributable to CSL Limited shareholders (2022: $29m)
NPAT/NPATA[4] attributable to CSL Limited shareholders	**2,194**	2,255	**416**	126	**2,610**	2,381	• Share of NPATA[4] adjustments attributable to CSL Limited shareholders (after non-controlling interests)
Basic earnings/ NPATA[4] per share (US$)	**4.55**	4.81	**0.86**	0.27	**5.41**	5.08	• Calculated based on NPATA[4] attributable to CSL Limited shareholders divided by the weighted average number of shares during the period (2023: 482,173,148; 2022: 468,754,857)

Segment assets and liabilities

Segment assets for the year ended 30 June 2023 include goodwill acquired in connection with the acquisition of CSL Vifor which has been allocated across the Group's segments (Note 2).

	CSL Behring US$m		CSL Seqirus US$m		CSL Vifor US$m		Intersegment Elimination US$m		Consolidated Entity US$m	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Segment assets	**34,535**	25,882	**5,908**	3,041	**10,742**	–	**(14,951)**	(577)	**36,234**	28,346
Segment liabilities	**15,782**	12,665	**3,696**	1,618	**2,155**	–	**(3,225)**	(514)	**18,408**	13,769
Other segment information – capital expenditure										
Cash payments for property, plant and equipment (PPE)	**869**	921	**326**	158	**33**	–	**–**	–	**1,228**	1,079
Cash payments for intangibles	**83**	162	**292**	7	**89**	–	**–**	–	**464**	169
Total capital expenditure[9]	**952**	1,083	**618**	165	**122**	–	**–**	–	**1,692**	1,248

9 Capital expenditure excludes PPE and intangible assets acquired in connection with the acquisition of CSL Vifor (Note 2).

Note 1: Segment Information continued

Geographical areas of operation

The Group operates predominantly in Australia, the United States, Germany, the United Kingdom, Switzerland and China. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World'. Inter-segment sales are carried out on an arm's length basis and reflect current market prices.

	Australia US$m		United States US$m		Germany US$m		UK US$m		Switzerland US$m		China US$m		Rest of World US$m		Total US$m	
Geographic areas	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
External operating revenue	**1,045**	1,022	**6,563**	5,124	**869**	781	**717**	596	**488**	281	**779**	745	**2,849**	2,013	**13,310**	10,562
PPE, right-of-use assets and intangible assets (excluding goodwill)	**1,918**	1,374	**4,284**	3,825	**1,273**	1,232	**329**	331	**9,478**	2,568	**80**	85	**357**	345	**17,719**	9,760

Note 2: Business Combinations

The Group completed the acquisition of CSL Vifor on 9 August 2022 and paid $11,665m for 100% of CSL Vifor shares (includes shares acquired in the prior year ended 30 June 2022). The Group delisted Vifor Pharma Ltd from the Swiss Stock Exchange effective 23 December 2022.

The acquisition has been accounted for as a business combination using the acquisition method of accounting in accordance with *AASB 3 'Business Combinations'* and consequently the CSL Vifor assets acquired, and liabilities assumed, have been recorded at fair value, with any excess of the purchase price over the fair value of the identifiable assets and liabilities being recognised as goodwill. The purchase price allocation was finalised during the year ended 30 June 2023. The purchase consideration, and fair values of the net assets acquired and goodwill at the date of acquisition are as follows:

Fair value as at the date of acquisition	US$m
Cash and cash equivalents	743
Receivables and contract assets (note a)	527
Inventories (note b)	459
Current tax assets	7
Property, plant and equipment (note c)	179
Right-of-use assets	40
Intangible assets excluding goodwill (note e)	6,706
Deferred tax assets (note i)	101
Other financial assets (note d)	525
Trade and other payables	(488)
Interest bearing liabilities and borrowings	(630)
Current tax liabilities	(59)
Provisions (note f)	(434)
Deferred tax liabilities (note i)	(759)
Net identifiable assets acquired	**6,917**
Less: Non-controlling interests (NCI) (note g)	(2,144)
Add: Goodwill (note h)	6,892
Fair value of net assets acquired	**11,665**
Consideration paid in the prior year ended 30 June 2022	388
Consideration paid in the year ended 30 June 2023	11,277
Total purchase consideration	**11,665**

Note 2: Business Combinations continued

Key Judgements and Estimates

As part of the CSL Vifor acquisition in the year ended 30 June 2023, the Group identified the assets (comprising principally launched products and post pre-clinical stage) and liabilities acquired. Attributing fair values to assets acquired and liabilities assumed as part of business combinations is considered to be a key judgement. The purchase price allocation was performed with assistance from an independent valuer to advise on the valuation techniques and key assumptions in the valuation, in particular in respect of the valuation of the intangible assets and inventory.

(a) Acquired trade receivables

The fair value of acquired trade receivables is $422m, which approximates the gross contractual amount for trade receivables due.

(b) Inventories

The fair value of inventories, which includes raw materials, work in progress and finished goods related to the launched products was estimated at $459m. Acquired inventories includes a fair value adjustment related to work in progress and finished goods and was calculated as the estimated selling price less costs to complete and sell the inventory, associated margins on these activities and holding costs.

(c) Property, plant and equipment

Property, plant and equipment principally comprises manufacturing facilities and office space. Property, plant and equipment was fair valued using a market approach.

(d) Other financial assets

Other financial assets principally comprises investments in publicly traded securities (carried at fair value through OCI 'FVTOCI') and venture funds (carried at fair value through the profit or loss 'FVTPL'). Valuation methods and assumptions used have been disclosed in Note 11(e).

(e) Intangible assets (excluding goodwill)

The fair value and useful lives of intangible assets at the date of acquisition were as follows:

Fair value as at the date of acquisition	US$m	Useful lives (years)
Commercialised products	6,494	19 – 30
Products in development	115	Not amortised
Other intangible assets (software, brand name and customer assets)	97	5 – 20
Total intangible assets (excluding goodwill)	**6,706**	

Product related intangible assets are fair valued using the multi-period excess earnings method, which uses a number of estimates regarding the amount and timing of future cash flows. The key assumptions in the cash flows are sales forecast, peak year sales, revenue erosion curves and probability of success. Future milestones have been included in the valuation of product related intangibles (as a deduction of cash flows).

(f) Provisions (including recognised contingent liabilities)

Provisions assumed include provisions for employee benefits, asset retirement obligations and onerous contracts. Provisions also include the estimated fair value of potential contingent liabilities assumed on acquisition date relating to various claims and disputes with third parties in each case where there is a possible, but not probable, future financial exposure, and involve an assessment of the likelihood of several scenarios in relation to those matters.

Key Judgements and Estimates

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that a future settlement of economic benefits is not probable. If the expected settlement of the liability becomes probable, a provision is recognised. The outcomes of litigation are inherently difficult to predict, and judgement has been applied in assessing the likely outcome of legal claims and determining which claims require recognition of a provision or disclosure of a contingent liability.

Contingent liabilities are recognised at fair value within provisions on acquisition date in connection with a business combination after consideration of a range of possible outcomes unless the economic outflows are not possible. A number of pending legal matters have been identified from the acquisition of CSL Vifor, which include matters relating to intellectual property, contractor, competitor and regulatory disputes, product liability claims and various other matters.

Management has recorded such contingent liabilities at fair value on the date of the Vifor acquisition, which requires the use of significant judgements, estimates and assumptions and is subject to uncertainty. The key estimates that may have a significant impact on the estimated contingent liability in the future reporting periods include the timing and final amounts of any payments. These uncertainties can also cause reversals in previously recognised liabilities once final settlement is reached.

(g) Non-controlling interests

In connection with the acquisition of CSL Vifor, the Group acquired 55% of the share capital and voting rights of Vifor Fresenius Medical Care Renal Pharma (VFMCRP). For the non-controlling interests in VFMCRP, the Group elected to recognise the non-controlling interests at its fair value on acquisition date. The fair value was estimated by applying an income approach. The fair value estimates are based on an assumed discount rate, long-term sustainable growth rate and a control premium discount.

Further detail on the Group's non-controlling interests are disclosed in Note 23.

(h) Goodwill

Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is treated as goodwill. The goodwill is attributable to future business growth opportunities, an assembled workforce and synergies expected to be realised from the Group's acquisition of CSL Vifor.

The acquisition of CSL Vifor resulted in the recognition of goodwill of $6,892m. Goodwill has been allocated to each of the relevant cash generating units (CGUs) which are expected to realise the synergies from the acquisition. The recoverability of goodwill is monitored at the segment (business unit) level, represented by CSL Behring ($4,281m), CSL Seqirus ($911m) and CSL Vifor ($1,700m).

(i) Deferred tax

The net deferred tax liability recognised of $658m principally related to the deferred tax impact of the fair value uplifts on intangible assets, inventories, property, plant and equipment and recognised contingent liabilities.

(j) Revenue and profit contribution

CSL Vifor contributed revenues of $1,989m and segment contribution of $921m to the Group for the period from 9 August 2022 to 30 June 2023. If the acquisition had occurred on 1 July 2022, consolidated pro-forma revenue and segment contribution for the year ended 30 June 2023 would have been $2,126m and $1,045m respectively.

(k) Acquisition and integration costs

During the year ended 30 June 2023, the Group has incurred $184m of acquisition and integration planning costs (pre-tax) in connection with the transaction that are primarily recognised as general and administrative expenses.

Note 3: Revenue and Expenses

Recognition and measurement of revenue and other income

Revenue is recognised when the Group satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for the goods or services. Revenue from contracts with customers includes amounts in total operating revenue. Further information about each source of revenue from contracts with customers and the revenue recognition criteria follows.

Sales: Revenue is earned (constrained by variable considerations, which include returns, discounts, rebates and allowances) from the sale of products and services. Sales are recognised when performance obligations are either satisfied over time or at a point in time. Generally the supply of product under a contract with a customer will represent the satisfaction of a performance obligation at a point in time, which is when control of the product passes to the customer.

Key Judgements and Estimates

Significant estimates on CSL Seqirus sales returns is performed in respect of the influenza season expected to be subject to return. The estimate is performed with inputs including historical returns and customer sales data amongst other factors. With respect to CSL Behring, for contracts where the customer controls the plasma (tolling contracts) and the Group provides fractionation services, the Group recognises revenue over time as the performance obligations are satisfied based upon a percentage of completion of our fractionation services.

Royalties: Revenue from licensees of CSL intellectual property reflect a right to use the intellectual property as it exists at the point in time in which the licence is granted. Where consideration is based on sales of product by the licensee, it is recognised when the customer's subsequent sales of product occurs.

License revenue: Revenue from licensees of CSL intellectual property reflects the transfer of a right to use the intellectual property as it exists at the point in time in which the licence is transferred to the customer. Consideration is highly variable and estimated using the most likely amount method. Subsequently, the estimate is constrained until it is highly probable that a significant revenue reversal will not occur when the uncertainty is resolved. Revenue is recognised as or when the performance obligations are satisfied.

Influenza pandemic facility reservation fees: Revenue from governments in return for access to influenza manufacturing facilities in the event of a pandemic. Contracts are time-based and revenue is recognised progressively over the life of the relevant contract, which aligns to the performance obligations being satisfied.

Other income: Other income is realised from activities that are outside of the ordinary business, such as the disposal of property, plant and equipment and rental income.

Revenue from contracts with customers includes amounts in total operating revenue except other income.

Note 3: Revenue and Expenses continued

The table below shows a summary of the Group's operating revenue by product or service category for the years 30 June 2023 and 30 June 2022:

Revenue	2023 US$m	2022 US$m
CSL Behring		
Immunoglobulins	**4,675**	4,024
Albumin	**1,109**	1,072
Haemophilia	**1,193**	1,166
Specialty	**1,831**	1,792
Other	**375**	500
CSL Seqirus		
Egg based vaccines	**148**	228
Cell culture vaccines	**599**	486
Adjuvanted egg based vaccines	**893**	885
Pandemic	**156**	162
Other (including in-license)	**211**	178
CSL Vifor		
Iron	**1,009**	–
Nephrology – Dialysis	**771**	–
Nephrology – Non Dialysis	**136**	–
Other	**68**	–
Total revenue from contracts with customers	**13,174**	10,493
Other income	**136**	69
Total operating revenue	**13,310**	10,562

Expenses	2023 US$m	2022 US$m
Borrowing costs	**374**	143
Lease related interest expense	**36**	35
Unrealised foreign currency losses/(gains) on debt	**22**	(13)
Fair value losses on financial assets	**12**	–
Total finance costs	**444**	165
Depreciation of property, plant and equipment (PPE) and right-of-use assets	**490**	445
Amortisation of intangibles	**341**	97
Impairment expense	**–**	126
Total depreciation, amortisation and impairment expense	**831**	668
Write-down of inventory	**182**	224
Employee benefits expense	**3,513**	2,804
Foreign exchange currency losses/(gains)[10]	**127**	(58)

10 Foreign exchange currency losses/(gains) are recorded net within administration expenses in the statement of comprehensive income.

Note 3: Revenue and Expenses continued

Recognition and measurement of expenses

Total finance costs: Includes borrowing costs primarily related to interest expense net of a $14m gain reclassified to the profit and loss (2022: $1m) in connection with Group's treasury lock arrangement and lease related interest expense. Lease related interest expense and borrowing costs are recognised as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalised as part of the cost of the asset. Capitalised interest for qualifying assets during the year ended 30 June 2023 was $61m (2022: $27m). The weighted average interest rate applicable to capitalised borrowing costs during the year was 3.4% (2022: 2.4%). Any difference between borrowing proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income using the effective interest method.

Unrealised foreign currency losses/(gains) on debt is principally related to the Group's EUR250m and CHF400m senior unsecured notes in the US Private Placement market. The foreign currency risk related to this debt was partially hedged as a cash flow hedge.

Fair value losses on financial assets primarily relates to the Group's investments in venture funds measured at fair value through profit or loss (Note 11(e)). The resulting changes in fair value are recognised directly in profit or loss within finance costs at each reporting period.

Goods and Services Tax (GST) and other foreign equivalents: Amounts are recognised net of GST, except where GST is not recoverable from a taxation authority, in which case it is recognised as part of an asset's cost or expense.

Note 4: Tax

	2023 US$m	2022 US$m
a. Income tax expense recognised in the statement of comprehensive income		
Current tax expense		
Current year	**648**	354
Deferred tax (recovery)/expense		
Origination and reversal of temporary differences	**(209)**	223
Total deferred tax (recovery)/expense	**(209)**	223
Over provided in prior years	**(20)**	(52)
Income tax expense	**419**	525
b. Reconciliation between tax expense and pre-tax net profit		
Accounting profit before income tax	**2,663**	2,780
Income tax calculated at 30% (2022: 30%)	**799**	834
Effects of different rates of tax on overseas income	**(282)**	(247)
Research and development incentives	**(74)**	(63)
Over provision in prior year	**(20)**	(52)
Revaluation of deferred tax balances	**23**	18
Other (non-assessable income)/non-deductible expenses	**(27)**	35
Income tax expense	**419**	525
c. Income tax recognised directly in equity		
Share-based payments	**1**	–
Income tax benefit recognised in equity	**1**	–
d. Deferred tax assets and liabilities		
Deferred tax asset	**902**	518
Deferred tax liability	**(1,464)**	(670)
Net deferred tax liability	**(562)**	(152)
The composition of the Group's net deferred tax assets and liabilities are attributable to:		
Inventories	**326**	135
Property, plant and equipment	**(405)**	(352)
Intangible assets	**(1,006)**	(215)
Trade and other payables	**124**	160
Recognised carry-forward tax losses	**213**	3
Retirement liabilities, net	**41**	23
Receivables and contract assets	**(3)**	(98)
Interest-bearing liabilities	**64**	50
Provisions and other liabilities	**61**	88
Other	**23**	54
Net deferred tax liability	**(562)**	(152)
e. Movement in net deferred tax liability during the year		
Opening balance	**(152)**	70
Net deferred tax liabilities recognised on acquisition of CSL Vifor (Note 2)	**(658)**	–
Credit/(charged) to profit before tax	**237**	(212)
Charged to other comprehensive income (OCI)	**(17)**	–
Credit/(charged) to equity	**28**	(10)
Closing balance	**(562)**	(152)

Note 4: Tax continued

Current taxes

Current tax assets and liabilities are the amounts expected to be recovered from (or paid to) tax authorities, under the tax rates and laws in each jurisdiction. These include any rates or laws that are enacted or substantively enacted as at the balance sheet date.

Deferred taxes

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, carried forward unused tax assets and unused tax losses, only if it is probable that taxable profit will be available to utilise them.

The carrying amount of deferred income tax assets is reviewed at the reporting date. If it is no longer probable that taxable profit will be available to utilise them, they are reduced accordingly.

Deferred tax is measured using tax rates and laws that are enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or when the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set-off current tax assets against current tax liabilities and if they relate to the same taxable entity or group and the same taxation authority.

Income taxes attributable to amounts recognised in OCI or directly in equity are also recognised in OCI or in equity, and not in the consolidated income statement.

CSL Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group effective from 1 July 2003.

Key Judgements and Estimates

The risk of uncertain tax positions, and recognition and recoverability of deferred tax assets, are regularly assessed. To do this requires judgements about the application of income tax legislation in jurisdictions in which the Group operates and the future operating performance of entities with carry forward losses. These judgements and assumptions, which include matters such as the availability and timing of tax deductions and the application of the arm's length principle to related party transactions, are subject to risk and uncertainty. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets and liabilities. Any resulting adjustment to the carrying value of a deferred tax item will be recorded as a credit or charge to the statement of comprehensive income.

Note 5: Inventories

	2023 US$m	2022 US$m
Raw materials	**1,592**	1,515
Work in progress	**2,119**	1,600
Finished goods	**1,755**	1,218
Total inventories	**5,466**	4,333

Raw Materials

Raw materials comprise collected and purchased plasma, chemicals, filters and other inputs to production that will be further processed into saleable products but have yet to be allocated to manufacturing.

Work in Progress

Work in progress comprises all inventory items that are currently in use in manufacturing and intermediate products such as pastes generated from the initial stages of the plasma production process.

Finished Products

Finished products comprise material that is ready for sale and has passed all quality control tests.

Inventories generally have expiry dates and the Group provides for product that is short-dated. Expiry dates for raw material are no longer relevant once the materials are used in production. The relevant expiry date at this point then becomes that of the resultant intermediate or finished product.

Inventories are carried at the lower of cost or net realisable value. Cost includes direct material and labour and an appropriate proportion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity.

Net realisable value is the estimated revenue that can be earned from the sale of a product less the estimated costs of both completion and selling.

The Group assesses net realisable value of plasma derived products on a basket of products basis given their joint product nature.

Key Judgements and Estimates

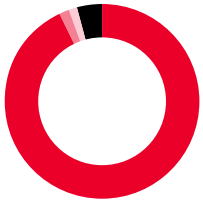
Various factors affect the assessment of recoverability of the carrying value of inventory, including regulatory approvals and future demand for the Group's products. These factors are taken into account in determining the appropriate level of provisioning for inventory.

Note 6: People Costs

(a) Employee Benefits

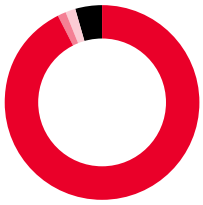
Employee benefits include salaries and wages, annual leave and long-service leave, defined benefit and defined contribution plans and share-based payments incentive awards.

People Cost 2023 – US$3,513m



- Salaries and wages **$3,265m**
- Defined benefit plan expense **$55m**
- Defined contribution plan expense **$54m**
- Equity settled share-based payments expense (LTI) **$139m**

People Cost 2022 – US$2,804m



- Salaries and wages **$2,597m**
- Defined benefit plan expense **$42m**
- Defined contribution plan expense **$48m**
- Equity settled share-based payments expense (LTI) **$117m**

Salaries and wages

Wages and salaries include non-monetary benefits, annual leave and long service leave. These are recognised and presented in different ways in the financial statements:

- The liability for annual leave and the portion of long service leave expected to be paid within twelve months is measured at the amount expected to be paid.
- The liability for long service leave and annual leave expected to be paid after one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.
- The liability for annual leave and the portion of long service leave that has vested at the reporting date is included in the current provision for employee benefits.
- The portion of long service leave that has not vested at the reporting date is included in the non-current provision for employee benefits.

Note 6: People Costs continued

Defined benefit plans

	2023 US$m	2022 US$m
Expenses recognised in the statement of comprehensive income are as follows:		
Current service costs	**51**	42
Net interest cost	**4**	3
Past service costs	**–**	(3)
Total included in employee benefits expense	**55**	42

Defined benefit pension plans provide either a defined lump sum or ongoing pension benefits for employees upon retirement, based on years of service and final average salary.

Liabilities or assets in relation to these plans are recognised in the balance sheet, measured as the present value of the obligation less the fair value of the pension fund's assets at that date.

Present value is based on expected future payments to the reporting date, calculated by independent actuaries using the projected unit credit method. Past service costs are recognised in statement of comprehensive income on the earlier of the date of plan amendments or curtailment, and the date that the Group recognises restructuring related costs.

Detailed information about the Group's defined benefit plans is in Note 18(a).

Key Judgements and Estimates

The determination of certain employee benefit liabilities requires an estimation of future employee service periods and salary levels and the timing of benefit payments. These assessments are made based on past experience and anticipated future trends. The expected future payments are discounted using the rate applicable to high quality corporate bonds. Discount rates are matched to the expected payment dates of the liabilities.

Defined contribution plans

The Group makes contributions to various defined contribution pension plans and the Group's obligation is limited to these contributions. The amount recognised as an expense for the year ended 30 June 2023 was $54m (2022: $48m).

Equity settled share-based payment expense

Share-based payment expenses arise from plans that award long-term incentives. Detailed information about the terms and conditions of the share-based payment arrangements is presented in Note 18(b).

Note 6: People Costs continued

Outstanding share-based payment equity instruments

The number and weighted average exercise price for each share-based payment plan outstanding is as follows. All plans are settled by physical delivery of shares at the time of vesting date except for instruments that may be settled in cash at the discretion of the Board.

	Retain and Grow Plan (RGP)		Executive Performance and Alignment Plan (EPA)		Non-Executive Director Plan (NED)		Global Employee Share Plan (GESP)		Total
	Number	Weighted average exercise price (A$)	Number	Weighted average exercise price (A$)	Number	Weighted average exercise price (A$)	Number	Weighted average exercise price (A$)	Number
Outstanding at the beginning of the year	930,579	–	404,108	–	1,253	–	98,752	221.94	1,434,692
Granted during year	902,407	–	216,255	–	3,135	–	263,809	242.60	1,385,606
Exercised during year[11]	(398,775)	–	(68,052)	–	(2,822)	–	(210,903)	238.70	(680,552)
Forfeited during year	(96,314)	–	(61,413)	–	–	–	–	–	(157,727)
GESP true-up[12]	–	–	–	–	–	–	(8,705)	221.94	(8,705)
Closing balance at the end of the year	**1,337,897**	**–**	**490,898**	**–**	**1,566**	**–**	**142,953**	**236.55**	**1,973,314**

The share price at the dates of exercise (expressed as a weighted average) by equity instrument type, is as follows:

	2023	2022
RGP	**A$295.73**	A$308.97
EPA	**A$295.99**	A$309.08
NED	**A$296.74**	A$281.18
GESP	**A$293.98**	A$303.87

(b) Key Management Personnel Disclosures

The remuneration of key management personnel is disclosed in Section 17 of the Directors' Report and has been audited.

Total compensation for key management personnel

	2023 US$	2022 US$
Total of short term remuneration elements	**8,849,461**	10,880,861
Total of post employment elements	**342,883**	180,451
Total of other long term elements	**21,242**	24,438
Total share-based payments	**5,217,940**	10,229,740
Total of all remuneration elements	**14,431,526**	21,315,490

11 During the year ended 30 June 2023, 14,721 (RGP) and 14 (GESP) of the rights exercised were issued out of treasury stock that was purchased on-market in the prior year. For the NED Rights Plan, all shares are purchased on-market.

12 The fair value of GESP equity instruments is estimated based on the assumptions prevailing on the grant date. In accordance with the terms and conditions of the GESP plan, shares are issued at 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

Our Future

Note 7: Research and Development

The Group conducts research and development activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies. All costs associated with our research and development activities are expensed as incurred as uncertainty exists up until the point of regulatory approval as to whether a research and development project will be successful. Development costs incurred after regulatory approval are expensed unless it meets the criteria to be recognised as an intangible asset.

The Group also gains control of intellectual property (IP) through acquisitions or license arrangements which are capitalised as intangible assets (Note 8).

For the year ended 30 June 2023, research and development costs recognised in the statement of comprehensive income, were $1,235m (2022: $1,156m).

Note 8: Intangible Assets

	Goodwill US$m		Intellectual property and other intangible assets US$m		Software US$m		Intangible work in progress US$m		Total US$m	
Year	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Cost	**8,079**	1,187	**8,379**	1,133	**833**	786	**193**	120	**17,484**	3,226
Accumulated amortisation	**–**	–	**(558)**	(190)	**(480)**	(398)	**–**	–	**(1,038)**	(588)
Net carrying amount	**8,079**	1,187	**7,821**	943	**353**	388	**193**	120	**16,446**	2,638
Net carrying amount at the beginning of the year	**1,187**	1,188	**943**	936	**388**	469	**120**	78	**2,638**	2,671
Additions[13]	**–**	–	**452**	126	**15**	7	**76**	64	**543**	197
Acquisition of CSL Vifor (Note 2)	**6,892**	–	**6,660**	–	**32**	–	**14**	–	**13,598**	–
Transfers	**–**	–	**–**	–	**19**	24	**(19)**	(24)	**–**	–
Amortisation for the year	**–**	–	**(235)**	(2)	**(106)**	(95)	**–**	–	**(341)**	(97)
Impairment for the year	**–**	–	**–**	(113)	**–**	–	**–**	–	**–**	(113)
Currency translation differences	**–**	(1)	**1**	(4)	**5**	(17)	**2**	2	**8**	(20)
Net carrying amount at the end of the year	**8,079**	1,187	**7,821**	943	**353**	388	**193**	120	**16,446**	2,638

13 Key additions during the year includes development milestones paid in connection with the Group's licensing arrangements including with Arcturus Therapeutics Holdings Inc ('Arcturus Therapeutics') (Note 13) and the launch of Hemgenix.

Note 8: Intangible Assets continued

Goodwill

Any excess of the fair value of the purchase consideration of an acquired business over the fair value of the identifiable net assets is recorded as goodwill. During the year ended 30 June 2023, the Group acquired CSL Vifor resulting in the recognition of goodwill valued on acquisition date of $6,892m. Goodwill is initially allocated to a group of cash-generating units but is monitored at the segment (business unit) level. Goodwill acquired during the year ended 30 June 2023 relates to the acquisition of CSL Vifor (Note 2). The aggregate carrying amounts of goodwill by segment are as follows:

	2023 US$m	2022 US$m
CSL Behring	**5,468**	1,187
CSL Seqirus	**911**	–
CSL Vifor	**1,700**	–
Closing balance of goodwill as at 30 June	**8,079**	1,187

Goodwill is not amortised but is measured at cost less any accumulated impairment losses. Impairment occurs when a business unit's recoverable amount falls below the carrying value of its net assets. The results of the impairment test show that each business unit's recoverable amount exceeds the carrying value of its net assets, inclusive of goodwill. Consequently, there is no goodwill impairment as at 30 June 2023 (2022: Nil). A change in assumptions significant enough to lead to impairment is not considered a reasonable possibility.

Intellectual property

Intellectual property acquired in a business combination is initially measured at fair value. Intellectual property internally developed or acquired separately is initially measured at cost. Following initial recognition, it is carried at cost less any accumulated amortisation and impairment. Amortisation is calculated on a unit-of-production or straight-line basis over periods generally ranging from 5 to 30 years, except where it is considered that the useful economic life is indefinite. Certain intellectual property acquired may be considered to have an indefinite life.

Contingent consideration in connection with the purchase of individual assets outside of business combinations is recognised as a financial liability only when a non-contingent obligation arises (i.e. when milestone is met). The determination of whether the payment should be capitalised or expensed is usually based on the substance of the contingent payment and whether it is expected to give rise to future economic benefits that will flow to the Group. If the milestones paid are for regulatory approval and a sales target, they are likely to meet the capitalisation criteria, and would be accumulated into the cost of the intangible.

Changes in the fair value of financial liabilities from contingent consideration should be capitalised or expensed based on the nature of the asset acquired (refer above), except for changes due to interest rate fluctuations and the effect from unwinding discounts. Interest rate effects from unwinding of discounts as well as changes due to interest rate fluctuations are recognised as finance costs.

Software

Costs incurred in developing or acquiring software, licences or systems that will contribute future financial benefits are capitalised. These include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 10 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, where the Group has the intention and ability to use the asset.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. The Group applies judgement in determining the nature and the resulting accounting treatment of the costs of SaaS arrangements.

Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software.

Recognition and measurement

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life of the asset on a straight-line or unit-of-production basis. Significant software intangible assets are amortised over the useful life of up to ten years. The amortisation period and method is reviewed at each financial year end at a minimum. Intangible assets with indefinite useful lives are not amortised. The useful life of these intangibles is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable.

Note 8: Intangible Assets continued

Impairment of intangible assets

Assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life (including goodwill) or not yet ready for use are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired.

An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units), other than goodwill that is monitored at the segment level.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units, and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

Key Judgements and Estimates

The Group's impairment assessment requires significant judgement. Determining whether goodwill, indefinite lived intangibles and in development intangibles have been impaired requires estimation of the recoverable amount of cash generating units based on value-in-use calculations. The calculations use cash flow projections based on operating budgets and a ten-year strategic business plan, after which a terminal value, based on our view of the longer term growth profile of the business unit is applied. Cash flows have been discounted using an implied pre-tax discount rate of 9.4% (2022: 9.0%) which is calculated with reference to external analyst views, long-term government bond rates and the Group's pre-tax cost of debt.

The determination of cash flows over the life of an asset requires judgement in assessing the future demand for the Group's products, climate related impacts, any changes in the price and cost of those products and of other costs incurred by the Group.

Factors considered in the exercise of our judgement include the progress of the research project, time to market and the anticipated competitive landscape. These factors require judgement and may change in future periods, the impairment analysis takes into account the latest available information.

Note 9: Property, Plant and Equipment

	Land US$m		Buildings US$m		Leasehold improvements US$m	
	2023	2022	2023	2022	2023	2022
Cost	**65**	36	**2,284**	1,819	**666**	597
Accumulated depreciation	**–**	–	**(305)**	(297)	**(206)**	(182)
Net carrying amount	**65**	36	**1,979**	1,522	**460**	415
Movement						
Net carrying amount at the start of the year	**36**	40	**1,522**	711	**415**	389
Transfers	**–**	–	**502**	879	**79**	56
Additions[14]	**–**	–	**10**	2	**1**	1
Acquisition of CSL Vifor (Note 2)	**42**	–	**48**	–	**3**	–
Disposals	**(13)**	(4)	**(31)**	(2)	**(9)**	–
Depreciation for the year	**–**	–	**(61)**	(51)	**(30)**	(27)
Impairment for the year	**–**	–	**–**	–	**–**	–
Currency translation differences	**–**	–	**(11)**	(17)	**1**	(4)
Net carrying amount at the end of the year	**65**	36	**1,979**	1,522	**460**	415

Property, plant and equipment

Land, buildings, capital work in progress and plant and equipment assets are recorded at historical cost less, where applicable, depreciation.

Right-of-use assets are measured at cost, less accumulated depreciation, impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities and restoration obligations recognised less any lease incentives received and initial direct costs.

Depreciation is recognised on a systematic basis over the estimated useful life of the asset, generally on a straight-line basis.

Buildings	5 – 50 years
Plant and equipment	3 – 40 years
Leasehold improvements	3 – 25 years
Right-of-use assets	
– Plasma centres	5 – 40 years
– Office and warehouses	1 – 39 years
– Land	40 – 101 years

The unit-of-production depreciation method, based on the expected use or output as the asset is being used, may be applied during the early stages of operation of manufacturing facilities, as a substantial period of time may be required to ramp up the production and operate at intended capacity. This method is to be applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits.

Assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. Items of property, plant and equipment are derecognised upon disposal or when no further economic benefits are expected from their use or disposal.

Impairment testing for property, plant and equipment will be performed if an impairment trigger is identified.

Gains and losses on disposals of items of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income when realised.

Leasehold improvements

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

14 Key capital investments made during the year includes the CSL Melbourne Headquarters, a new cell-based influenza vaccine manufacturing facility in Tullamarine, Australia, continued investment in the Group's R&D facilities including in Marburg, Germany and Waltham, United States and new plasma centres.

Plant and Equipment US$m		Right-of-use assets US$m		Capital work in progress US$m		Total US$m	
2023	2022	2023	2022	2023	2022	2023	2022
4,900	4,078	**2,134**	1,849	**2,771**	3,082	**12,820**	11,461
(2,378)	(2,116)	**(579)**	(557)	**–**	–	**(3,468)**	(3,152)
2,522	1,962	**1,555**	1,292	**2,771**	3,082	**9,352**	8,309
1,962	1,667	**1,292**	1,102	**3,082**	3,628	**8,309**	7,537
789	615	**–**	–	**(1,370)**	(1,550)	**–**	–
24	9	**372**	301	**1,065**	1,084	**1,472**	1,397
68	–	**40**	–	**18**	–	**219**	–
(11)	(4)	**(26)**	–	**–**	(2)	**(90)**	(12)
(297)	(277)	**(102)**	(90)	**–**	–	**(490)**	(445)
–	–	**–**	–	**–**	(13)	**–**	(13)
(13)	(48)	**(21)**	(21)	**(24)**	(65)	**(68)**	(155)
2,522	1,962	**1,555**	1,292	**2,771**	3,082	**9,352**	8,309

Right-of-use assets

The Group principally has leases for plasma centres, office buildings, land, manufacturing facilities and warehouses.

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The Group accounting policy for lease liabilities has been disclosed in Note 11(d).

Unless the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Other arrangements

CSL has leased a recombinant protein facility in Lengnau to Thermo Fisher Scientific (TFS), which has a 20 year term with two five year extension options. The lease has been accounted for as an operating lease and the leased property, plant and equipment continue to be presented in the balance sheet. The total future operating lease payments due from TFS (excluding extension options and variable lease payments) were $448m as at 30 June 2023 (2022: $454m).

Returns, Risk & Capital Management

Note 10: Shareholder Returns

(a) Dividends paid to CSL Limited shareholders

Dividends paid to CSL Limited shareholders are paid from the retained earnings and profits of CSL Limited, as the parent entity of the Group (Note 22). During the year, the parent entity reported profits of $931m (2022: $507m). The parent entity's retained earnings as at 30 June 2023 were $6,169m (2022: $6,323m). During the financial year $1,085m was distributed to shareholders by way of a dividend, with a further $622m being determined as a dividend payable subsequent to the balance date.

Dividend Paid to CSL Limited shareholders	2023 US$m	2022 US$m
Final ordinary dividend of US$1.18 per share, 10% franked at 30% tax rate, paid on 5 October 2022 for FY22 (prior year: US$1.18 per share, unfranked, paid on 30 September 2021 for FY21)	**569**	538
Interim ordinary dividend of US$1.07 per share, unfranked, paid on 5 April 2023 for FY23 (prior year: US$1.04 per share, unfranked, paid on 6 April 2022 for FY22)	**516**	501
Total dividends paid to CSL Limited shareholders	**1,085**	1,039
Dividend determined, but not paid at year end to CSL Limited shareholders:		
Final ordinary dividend of US$1.29 per share, 10% franked at 30% tax rate, expected to be paid on 4 October 2023 for FY23, based on shares on issue at reporting date. The aggregate amount of the proposed dividend will depend on actual number of shares on issue at dividend record date (prior year: US$1.18 per share, 10% franked at 30% tax rate, paid on 5 October 2022 for FY22)	**622**	568

The distribution in respect of the 2023 financial year represents a US$2.36 dividend for FY23 on each ordinary share held.

(b) Earnings per Share attributable to CSL Limited shareholders

CSL's basic and diluted EPS are calculated using the Group's net profit attributable to CSL Limited shareholders for the year of $2,194m (2022: $2,255m). Diluted EPS differs from Basic EPS as the calculation takes into account potential ordinary shares arising from employee share plans operated by the Group.

	2023	2022
Basic EPS	**US$4.55**	US$4.81
Weighted average number of ordinary shares	**482,173,148**	468,754,857
Diluted EPS	**US$4.53**	US$4.80
Adjusted weighted average number of ordinary shares, represented by:	**483,886,450**	470,117,188
Weighted average number of ordinary shares	**482,173,148**	468,754,857
Plus:		
Employee Share Plans (Note 6 and 18)	**1,713,302**	1,362,331

(c) Contributed Equity

The following table illustrates the movement in the Group's contributed equity. Refer to Note 12 for further details.

	2023		2022	
	Number of shares	US$m	Number of shares	US$m
Opening balance	**481,706,266**	**483**	455,125,994	(4,505)
Shares issued to employees (Note 6 and 18):				
Performance Rights Plan (for nil consideration)	**–**	**–**	8,350	–
Retain and Grow Plan (for nil consideration)	**384,054**	**–**	294,020	–
Executive Performance & Alignment Plan (for nil consideration)	**68,052**	**–**	148,615	–
Global Employee Share Plan (GESP)	**210,889**	**34**	94,488	9
Shares issued through Institutional Placement	**–**	**–**	23,076,924	4,442
Shares issued through Share Purchase Plan	**–**	**–**	2,957,875	537
Closing balance	**482,369,261**	**517**	481,706,266	483

Note 11: Financial Risk Management

CSL holds financial instruments that arise from the Group's need to access financing, from the Group's operational activities and as part of the Group's risk management activities. The Group is exposed to financial risks associated with its financial instruments. Financial instruments comprise cash and cash equivalents, receivables, contract assets, other financial assets, payables and other liabilities, bank loans and overdrafts, unsecured notes, and lease liabilities.

The primary risks these give rise to are:

- Foreign exchange risk
- Interest rate risk
- Credit risk
- Funding and liquidity risk
- Capital management risk

Source of Risk	Risk Mitigation
a. Foreign Exchange Risk	
The Group is exposed to foreign exchange risk because of its international operations. These risks relate to future commercial transactions, assets and liabilities denominated in other currencies and net investments in foreign operations.	Where possible CSL takes advantage of natural hedging (i.e. the existence of payables and receivables in the same currency). The Group also reduces its foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of its foreign investments.
b. Interest Rate Risk	
The Group is exposed to interest rate risk through its primary financial assets and liabilities.	The Group mitigates interest rate risk on borrowings principally by entering into fixed rate arrangements, which are not subject to interest rate movements in the ordinary course. If necessary, CSL also hedges interest rate risk using derivative instruments. As at 30 June 2023 and 2022, there were no material outstanding derivative financial instruments hedging interest rate risks.
c. Credit Risk	
The Group is exposed to credit risk from financial instruments contracts and trade and other receivables. The maximum exposure to credit risk at reporting date is the carrying amount, net of any provision for impairment inclusive of any lifetime expected credit losses under AASB 9, if applicable, of each financial asset in the balance sheet.	The Group mitigates credit risk from financial instruments contracts by only entering into transactions with counterparties who have sound credit ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations. The Group minimises the credit risk associated with trade and other debtors by undertaking transactions with a large number of customers in various countries. The Group enters into arrangements with distributors to sell products in some markets. Certain distributors may contribute to 10% or more revenue of the Group. Creditworthiness of customers is reviewed prior to granting credit, using trade references and credit reference agencies.
d. Funding and Liquidity Risk	
The Group is exposed to funding and liquidity risk from operations and from external borrowing. One type of this risk is credit spread risk, which is the risk that in refinancing its debt, CSL may be exposed to an increased credit spread. Another type of this risk is liquidity risk, which is the risk of not being able to refinance debt obligations or meet other cash outflow obligations when required. Liquidity and re-financing risks are not significant for the Group, as CSL has a prudent gearing level and strong cash flows.	The Group mitigates funding and liquidity risks by ensuring that: • The Group has sufficient funds on hand to achieve its working capital and investment objectives • The Group focuses on improving operational cash flow and maintaining a strong balance sheet • The Group from time to time enters into non-recourse receivable factoring arrangements with unrelated entities to optimise cash • Short-term liquidity, long-term liquidity and crisis liquidity requirements are effectively managed, minimising the cost of funding and maximising the return on any surplus funds through efficient cash management • The Group has adequate flexibility to balance short-term liquidity needs, long-term core funding and in minimise refinancing risk
e. Capital Risk Management	
The Group's objectives when managing capital are to safeguard its ability to continue as a going concern while providing returns to shareholders and benefits to other stakeholders. Capital is defined as the amount subscribed by shareholders to the Company's ordinary shares and amounts advanced by debt providers to any Group entity.	The Group aims to maintain a capital structure, which reflects the use of a prudent level of debt funding. The aim is to reduce the Group's cost of capital without adversely affecting the credit margins applied to the Group's debt funding. Each year the Directors determine the dividend taking into account factors such as profitability and liquidity.

Note 11: Financial Risk Management continued

Risk management approach

The Group uses sensitivity analysis (together with other methods) to measure the extent of financial risks and decide if they need to be mitigated. If so, the Group's policy is to use derivative financial instruments, such as foreign exchange contracts and interest rate swap and forward contracts, to support its objective of achieving financial targets while seeking to protect future financial security. The aim is to reduce the impact of short-term fluctuations in currency or interest rates on the Group's earnings. Derivatives are exclusively used for this purpose and not as trading or other speculative instruments.

a. Foreign Exchange Risk

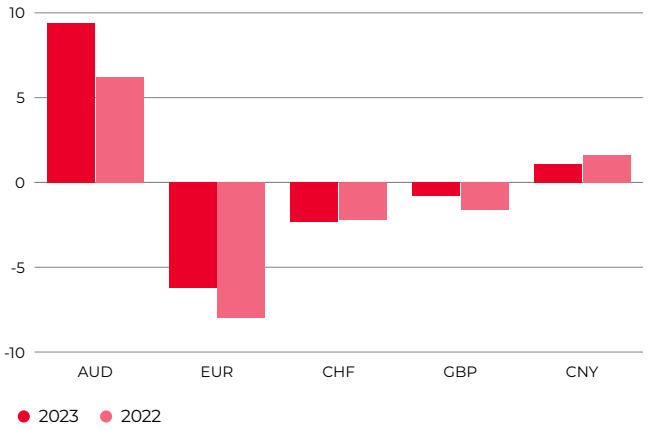
The objective is to match the contracts with committed future cash flows from sales and purchases in foreign currencies to protect the Group against exchange rate movements. The Group reduces its foreign exchange risk on net investments in foreign operations by denominating external borrowings in currencies that match the currencies of forecasted sales. There are no material outstanding foreign exchange forward contracts at 30 June 2023 and 2022.

Sensitivity analysis – USD values

Profit after tax – sensitivity to general movement of 1%

Monetary items, including financial asset and liabilities, denominated in currencies other than the functional currency of an operation are revalued at the end of each reporting period to US dollar equivalents and the associated gain or loss is taken to the profit or loss. The following chart is based on decreasing the actual rate of US Dollars to AUD, EUR, CHF, GBP and CNY as at 30 June 2023 and 2022 by 1% and applying these adjusted rates to the net monetary assets/liabilities denominated in foreign currency of various Group entities. Amounts shown are rounded to the nearest US$m.

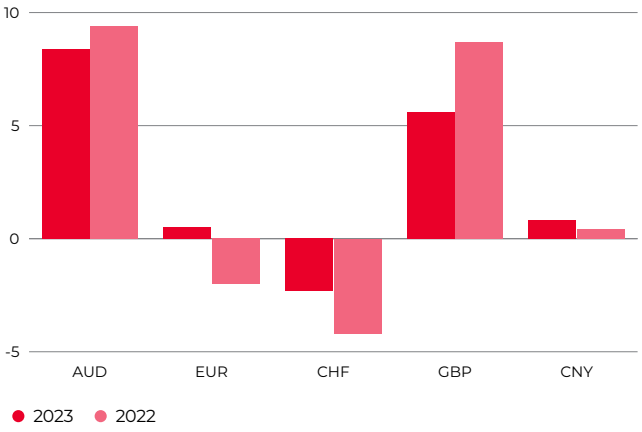
FX Sensitivity on Profit after tax (US$m)



Equity – sensitivity to general movement of 1%

Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in the foreign currency translation reserve in equity. The following chart is based on decreasing the actual exchange rate of US Dollars to AUD, EUR, CHF, GBP and CNY as at 30 June 2023 and 2022 by 1% and applying these adjusted rates to the net assets/liabilities (excluding investments in subsidiaries) of the foreign currency denominated financial statements of various Group entities. Amounts shown are rounded to the nearest US$m.

FX Sensitivity on Equity (US$m)



b. Interest Rate Risk

As at 30 June 2023, it is estimated that a general movement of one percentage point in the interest rates applicable to investments of cash and cash equivalents would have changed the Group's profit after tax by approximately $10m (2022: $10m). This calculation is based on applying a 1% movement to the total of the Group's cash and cash equivalents at year end.

As at 30 June 2023, it is estimated that a general movement of one percentage point in the interest rates applicable to floating rate unsecured bank loans would have changed the Group's profit after tax by approximately $22m (2022: $4m). This calculation is based on applying a 1% movement to the total of the Group's floating rate unsecured bank loans at year end.

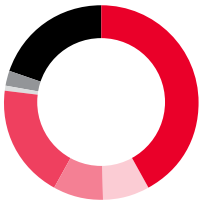
Note 11: Financial Risk Management continued

c. Credit Risk

The Group only invests its cash and cash equivalent financial assets with financial institutions having a credit rating of at least 'BBB+' or better, as assessed by independent rating agencies.

	Floating Rate[15]		Non-Interest Bearing		Total		Average Closing Interest Rate	
	US$m		US$m		US$m		%	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial assets and contract assets								
Cash and cash equivalents	**1,548**	10,436	**–**	–	**1,548**	10,436	**2.24%**	0.86%
Receivables and contract assets (excluding prepayments)	**–**	–	**2,001**	1,496	**2,001**	1,496	**–**	–
Other financial assets	**–**	–	**182**	407	**182**	407	**–**	–
	1,548	10,436	**2,183**	1,903	**3,731**	12,339		

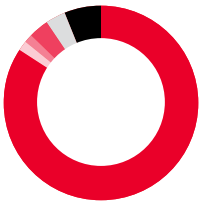
Credit quality of financial assets
30 June 2023 (US$m)



- Financial Institutions* **$1,572m**
- Governments **$291m**
- Hospitals **$306m**
- Buying Groups **$704m**
- Publicly traded securities **$30m**
- Venture fund assets **$94m**
- Other **$734m**

* $1,548m of the assets held with financial institutions are held as cash or cash equivalents and $24m of other financial assets. Financial assets held with non-financial institutions include $2,001m of trade and other receivables.

Credit quality of financial assets
30 June 2022 (US$m)



- Financial Institutions* **$10,462m**
- Governments **$224m**
- Hospitals **$151m**
- Buying Groups **$399m**
- Publicly traded securities **$381m**
- Other **$722m**

* $10,436m of the assets held with financial institutions are held as cash or cash equivalents and $26m of other financial assets. Financial assets held with non-financial institutions include $1,496m of trade and other receivables.

Government or government-backed entities (such as hospitals) often account for a significant proportion of trade receivables. As a result, the Group carries receivables from a number of Southern European governments. The credit risk associated with trading in these countries is considered on a country-by-country basis and the Group's trading strategy is adjusted accordingly. The factors taken into account in determining the credit risk of a particular country include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

The following table analyses trade receivables and contract assets that are past due and, where required, the associated provision for expected credit losses (Note 15). All other financial assets are less than 30 days overdue.

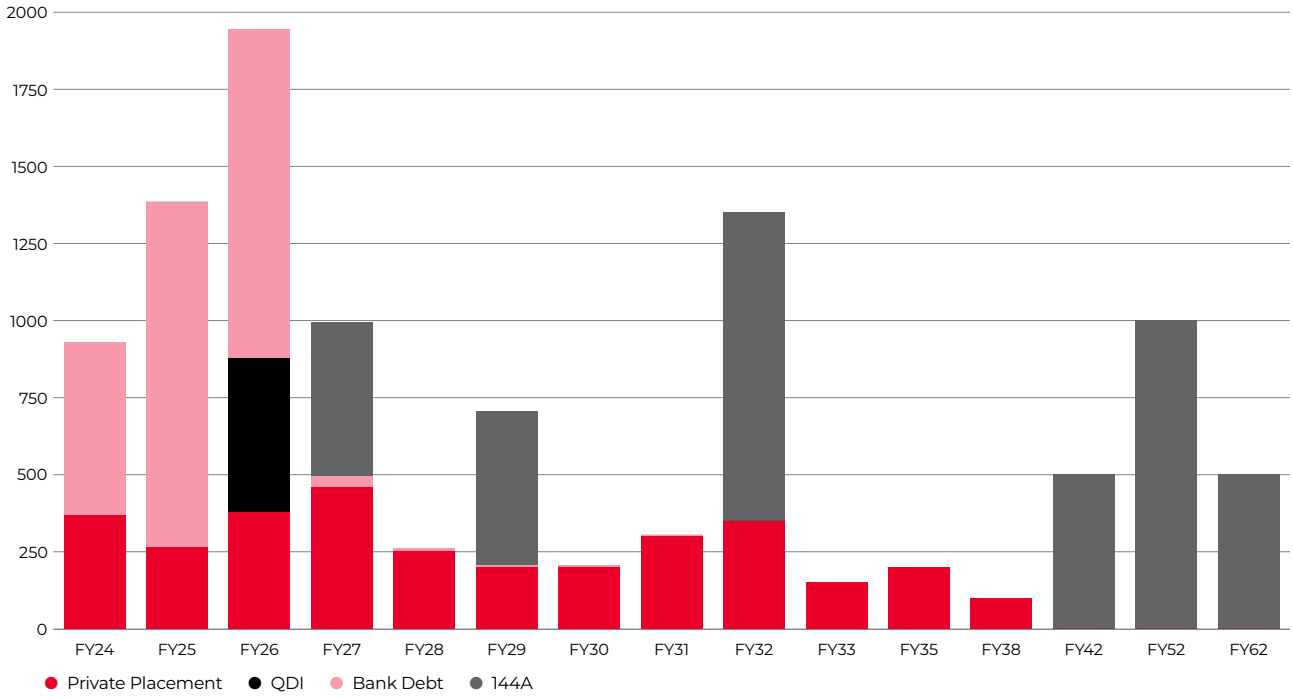
	Gross		Provision		Net	
Trade receivables and contract assets	2023 US$m	2022 US$m	2023 US$m	2022 US$m	2023 US$m	2022 US$m
current	**1,468**	1,083	**(5)**	(9)	**1,463**	1,074
less than 30 days overdue	**55**	21	**–**	–	**55**	21
between 30 and 90 days overdue	**38**	40	**–**	–	**38**	40
more than 90 days overdue	**51**	24	**(7)**	(8)	**44**	16
	1,612	1,168	**(12)**	(17)	**1,600**	1,151

15 Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial assets are subject to reset within the next six months.

Note 11: Financial Risk Management continued

d. Funding and Liquidity Risk

The following chart summarises the Group's maturity profile of debt on an undiscounted basis by facility (US$m).



The following table analyses the Group's interest-bearing liabilities and borrowings:

Interest-bearing liabilities and borrowings	2023 US$m	2022 US$m
Current		
Bank overdraft – unsecured	**39**	102
Bank borrowings – unsecured[16]	**563**	203
Senior notes – unsecured	**362**	150
Senior 144A notes – unsecured[17]	**–**	3,959
Lease liabilities	**91**	80
	1,055	4,494
Non-current		
Bank borrowings – unsecured[16]	**2,252**	180
Senior notes – unsecured	**3,351**	3,675
Senior 144A notes – unsecured[17]	**3,961**	–
Lease liabilities	**1,608**	1,310
	11,172	5,165

16 Unsecured bank borrowings includes $2,500m in bilateral credit facilities drawn down during the year ended 30 June 2023 following the acquisition close of CSL Vifor (Note 2). $500m of these unsecured bank borrowings are classified within current liabilities.
17 The 144A senior unsecured notes were reclassified to non-current during the year ended 30 June 2023 aligned to the removal of a mandatory redemption feature in connection with the acquisition of CSL Vifor (Note 2).

Interest-bearing liabilities and borrowings

Interest-bearing liabilities and borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, interest-bearing liabilities and borrowings are stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate of the lessee at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The Group exercises judgement when determining the incremental borrowing rate based on the interest that the lessee would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment, and observable inputs such as market interest rates are used as applicable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. Subsequent to initial recognition, lease liabilities are measured at amortised cost. Lease liabilities are remeasured if there is a modification, such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group's lease liabilities are inclusive of extension options the Group is reasonably certain to exercise based upon our judgement as at the lease commencement date. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption, which relates to leases such as office photocopiers, gas storage cylinders, and other miscellaneous low value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Contractual maturities of financial liabilities

The following table categorises the financial liabilities into relevant maturity periods, taking into account the remaining period at the reporting date and the contractual maturity date. The weighted average contractual maturity date of financial liabilities (excluding trade and other payables and lease liabilities) as at 30 June 2023 is 9 years (2022: 12 years). The amounts disclosed represent principal and interest cash flows, so they may differ from the equivalent reported amounts in the balance sheet.

Note 11: Financial Risk Management continued

	Contractual payments due as at 30 June									
	1 year or less US$m		Between 1 year and 5 years US$m		Over 5 years US$m		Total US$m		Weighted average interest rate %	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Trade and other payables (non-interest bearing)	**2,947**	2,301	**–**	–	**–**	–	**2,947**	2,301	**–**	–
Bank overdraft – unsecured (floating rates)[18]	**39**	102	**–**	–	**–**	–	**39**	102	**–**	–
Bank borrowings – unsecured (floating rates)[18]	**661**	63	**2,192**	–	**–**	–	**2,853**	63	**5.5%**	2.0%
Bank borrowings – unsecured (fixed rates)	**40**	39	**127**	149	**17**	28	**184**	216	**1.0%**	1.0%
Senior notes – unsecured (floating rates)[18]	**13**	13	**518**	506	**–**	–	**531**	519	**5.9%**	2.5%
Senior notes – unsecured (fixed rates)	**450**	359	**1,602**	1,772	**1,660**	1,965	**3,712**	4,096	**2.8%**	2.8%
Senior 144A notes – unsecured (fixed rates)[19]	**177**	177	**1,187**	1,210	**5,968**	6,154	**7,332**	7,541	**4.1%**	4.1%
Lease liabilities (fixed rates)	**105**	86	**309**	288	**1,296**	1,018	**1,710**	1,392	**3.6%**	3.0%
	4,432	3,140	**5,935**	3,925	**8,941**	9,165	**19,308**	16,230		

Available debt facilities

As at 30 June 2023, the Group had the following available debt facilities (undiscounted and excludes bank overdrafts and lease liabilities):

- Five revolving committed bank facilities totalling $1,604m, which includes $1,551m in undrawn funds (2022: $1,604m which included $1,543m in undrawn funds)
- Bilateral credit facility restricted to the acquisition of CSL Vifor (Note 2) totalling $2,500m (2022: $2,500m undrawn)
- Senior unsecured notes in the the US private placement market totalling $3,217m (2022: $3,435m)
- Senior unsecured notes in the 144A US private placement market totalling $4,000m (2022: $4,000m)
- Senior unsecured notes in the Hong Kong market (QDI) totalling $500m (2022: $500m)
- Commercial paper program totalling US$750m undrawn (2022: $750m undrawn)
- Other bank facilities totalling $262m (2022: $216m)

The Group is in compliance with all debt covenants as at 30 June 2023.

e. Fair value of financial assets and financial liabilities

The carrying value of financial assets and liabilities approximates fair value, with the exception of the Group's fixed interest rate debt. The following methods and assumptions were used to determine the fair values of financial assets and liabilities.

Cash

The carrying value of cash equals fair value, due to the liquid nature of cash.

Receivables, contract assets and payables

Carrying value of receivables, contract assets and payables with a remaining life of less than one year is deemed to equal fair value.

Other financial assets

Other financial assets includes equity securities (publicly traded securities) carried at fair value through OCI (FVTOCI) which are not held for trading. The value of the publicly traded securities depends on the share price quoted on the corresponding stock exchange. Other financial assets also includes investments in venture funds which are not publicly traded carried at fair value through the profit or loss (FVTPL). The value of the venture funds depends on the net asset value of the underlying investments and not directly on a share index.

Interest-bearing and other financial liabilities

The carrying amount of the interest-bearing liabilities approximates the fair value, with the exception of the Group's fixed interest rate debt. At 30 June 2023, the total fixed rate debt (excluding lease liabilities) has a carrying amount of $7,353m (FY22: $7,605m) and a fair value of $6,684m (FY22: $7,300m). Fair value is calculated based on the discounted expected principal and interest cash flows, using rates currently available for debt of similar terms, credit risk and remaining maturities.

The Group also has foreign currency loans payable that have been designated as a cash flow hedge against forecast sale transactions in foreign currency. An effective hedge is one that meets certain criteria. Gains or losses on the cash flow hedge that relate to the effective portion of the hedge are recognised in equity. Gains or losses relating to the ineffective portion, if any, are recognised in the profit or loss. Other financial liabilities also includes contingent consideration liabilities from business combinations.

18 Floating interest rates represent the most recently determined rate applicable to the instrument at balance sheet date. All interest rates on floating rate financial liabilities are subject to reset within the next six months.
19 Contractual payments due within 1 year from 30 June 2023 related to the senior unsecured 144A notes represents interest payments only.

Note 11: Financial Risk Management continued

Key Judgements and Estimates

Contingent consideration liabilities are valued with reference to our judgement of the expected probability and timing of potential future milestone payments, based upon level 3 inputs under the fair value hierarchy, which is then discounted to a present value using appropriate discount rates with reference to the Group's incremental borrowing rates.

Valuation of financial instruments

Financial instruments measured and carried at fair value are categorised as follows:

- Level 1: Items traded with quoted prices in active markets for identical liabilities
- Level 2: Items with significantly observable inputs other than quoted prices in active markets
- Level 3: Items with unobservable inputs (not based on observable market data)

There were no transfers between Level 1 and Level 2 during the year, or any transfers into Level 3.

Financial assets/(liabilities) measured at fair value		2023 US$m	2022 US$m
Publicly traded securities – FVTOCI[20]	Level 1	**30**	381
Venture fund assets – FVTPL	Level 3	**94**	–
Contingent consideration assets (earn-out receivable)	Level 3	**25**	–
Contingent consideration liabilities from business combinations	Level 3	**(242)**	(269)

Note 12: Equity and Reserves

(a) Contributed Equity

	2023 US$m	2022 US$m
Ordinary shares issued and fully paid	**5,022**	4,988
Share buy-back reserve	**(4,505)**	(4,505)
Total contributed equity	**517**	483

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Where the Group reacquires its own shares, those shares are cancelled. No gain or loss is recognised in the statement of comprehensive income and the consideration paid to acquire the shares, including transaction costs net of income taxes is recognised directly as a reduction in equity.

Ordinary shares receive dividends as declared and, in the event of winding up the company, participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

Share buy-backs were undertaken at higher prices than the original subscription prices which reduced the historical balance for ordinary share contributed equity to nil. The share buy-back reserve was created to reflect the excess value of shares bought over the original amount of subscribed capital. Information relating to changes in contributed equity is set out in Note 10.

20 Prior to acquisition close in August 2022, the Group commenced buying Vifor's shares on-market. These shares were carried at fair value through OCI and the subsequent fair value gain was transferred to retained earnings on acquisition date.

Note 12: Equity and Reserves continued

(b) Movement in Reserves

	Share-based payments reserve (i)		Foreign currency translation reserve (ii)		Hedge reserve (iii)		Other reserves (iv)		Total	
US$m	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	**544**	427	**(81)**	206	**134**	–	**(7)**	–	**590**	633
Share-based payment expense, net of tax	**138**	117	**–**	–	**–**	–	**–**	–	**138**	117
Net exchange gains/(losses) on translation of foreign subsidiaries, net of hedging reserve	**–**	–	**(17)**	(287)	**–**	–	**–**	–	**(17)**	(287)
Acquisition of CSL Vifor (Note 2)[21]	**–**	–	**–**	–	**–**	–	**(7)**	(7)	**(7)**	(7)
Change in fair value of investments valued through OCI	**–**	–	**–**	–	**–**	–	**(42)**	–	**(42)**	–
Fair value of cash flow hedge	**–**	–	**–**	–	**–**	135	**–**	–	**–**	135
Reclassification to profit and loss	**–**	–	**–**	–	**(14)**	(1)	**–**	–	**(14)**	(1)
Closing balance	**682**	544	**(98)**	(81)	**120**	134	**(56)**	(7)	**648**	590

Nature and purpose of reserves

i. Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of awards issued to employees.

ii. Foreign currency translation reserve

Where the functional currency of a subsidiary is not US dollars, its assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates.

All resulting exchange differences are recognised in OCI and in the foreign currency translation reserve in equity. Exchange differences arising from borrowings designated as hedges of net investments in foreign entities are also included in this reserve.

iii. Hedge reserve

The hedge reserve recognises the effective portion of gains and losses on derivatives that are designated and qualify as hedges. Amounts are subsequently reclassified into the profit and loss as appropriate. The hedge reserve includes the cash flow hedge reserve associated with the T-lock which settled during the prior year ended 30 June 2022.

iv. Other reserves

The Group has elected to recognise changes in the fair value of the investments in publicly traded securities through OCI (excluding dividend income) (Note 11(e)). These changes are accumulated within the other reserves. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised (or triggered by a change of control including the acquisition of CSL Vifor).

21 Prior to acquisition close in August 2022, the Group commenced buying Vifor's shares on-market. These shares were carried at fair value through OCI and the subsequent fair value gain was transferred to retained earnings on acquisition date.

Note 13: Commitments and Contingencies

(a) Capital Commitments

Commitments in relation to capital expenditure contracted but not provided for in the financial statements are payable as follows:

	Capital Commitments	
	2023 US$m	2022 US$m
Not later than one year	**411**	403
Later than one year but not later than five years	**84**	83
Total	**495**	486

(b) Contingent assets and liabilities

Litigation

In the ordinary course of business, the Group is exposed to contingent liabilities related to litigation for breach of contract and other claims. Contingent liabilities occur when the possibility of a future settlement of economic benefits is considered to be less than probable but more likely than remote. If the expected settlement of the liability becomes probable, a provision is recognised. Where appropriate, contingent liabilities are recognised at fair value on acquisition date in connection with a business combination (Note 2).

Other contingent assets and liabilities

The Group has entered into collaboration arrangements, including in-licensing arrangements with various companies. Such collaboration agreements may require the Group to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales or profit (e.g. royalty and profit share payments). The amount of variable payments under the arrangements are inherently uncertain and difficult to predict, given the direct link to future sales, profit levels and the range of outcomes.

The maximum potential unrecognised future milestone payments could amount to $7,952m in the event each related product reached its full commercial potential (2022: $2,050m). These amounts are undiscounted and are not risk-adjusted, which include all such possible payments that can arise assuming all products currently in development are successful and all possible performance objectives are met.

The increase in potential milestone payments during the year includes commitments assumed from the acquisition of CSL Vifor (Note 2) and the collaboration and license agreement with Arcturus Therapeutics. The arrangement with Arcturus Therapeutics was entered into by the Group during the year in order to access their late stage self-amplifying mRNA (sa-mRNA) vaccine platform technology. Payments in connection with the transaction was paid to Arcturus during the year ended 30 June 2023, which has been recognised as an intangible asset (Note 8). The arrangement requires the Group to make payments on achievement of certain regulatory and commercial milestones, as well as royalties and future profit share arrangements.

The Group also has certain take or pay arrangements with contract manufacturers or service providers which serve as commercial manufacturers and suppliers for certain products. To the extent a commitment is determined to be onerous, these are provided for within provisions in the consolidated balance sheet.

Efficiency of Operation

Note 14: Cash and Cash Equivalents

	2023 US$m	2022 US$m
Cash at bank and on hand	**996**	1,531
Cash deposits	**552**	8,905
Total cash and cash equivalents[22]	**1,548**	10,436

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. They are made up of:

- Cash on hand.
- At call deposits with banks or financial institutions.
- Investments in money market instruments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash at the end of the financial year is net of bank overdraft amounts.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from or payable to a taxation authority are presented as part of operating cash flows.

Note 15: Receivables, Contract Assets and Payables

(a) Receivables and contract assets

	2023 US$m	2022 US$m
Current		
Trade receivables	**1,424**	966
Contract assets	**188**	202
Less: Provision for expected credit losses	**(12)**	(17)
Carrying amount of trade receivables and contract assets[23]	**1,600**	1,151
Other receivables	**305**	332
Prepayments	**300**	174
Carrying amount of current receivables and contract assets[23]	**2,205**	1,657
Other receivables	**96**	12
Carrying amount of non-current receivables and contract assets[23]	**96**	12

Receivables are initially recorded at their transaction price and are generally due for settlement within 30 to 60 days from date of invoice. Collectability is regularly reviewed at an operating unit level.

A provision for expected credit losses (ECL) is recognised based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. When a trade receivable for which a provision for expected credit loss has been recognised becomes uncollectible in a subsequent period, it is written off against the provision.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

22 Prior year cash and cash equivalents as at 30 June 2022 included $8,939m in proceeds raised in connection with the acquisition of CSL Vifor (Note 2).
23 The carrying amount disclosed above is a reasonable approximation of fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable disclosed above. Refer to Note 11 for more information on the risk management policy of the Group and the credit quality of trade receivables.

Note 15: Receivables, Contract Assets and Payables continued

As at 30 June 2023, the Group had a provision for expected credit losses of $12m (2022: $17m).

	2023 US$m	2022 US$m
Opening balance as at 1 July	**17**	24
Allowance utilised/written back	**(5)**	(6)
Currency translation differences	**–**	(1)
Closing balance at 30 June	**12**	17

Key Judgements and Estimates

In applying the Group's accounting policy to trade and other receivables with governments and related entities in South Eastern Europe as set out in Note 11, significant judgement is involved in assessing the expected credit loss of trade or other receivable amounts. Matters considered include recent trading experience, current economic and political conditions and the likelihood of continuing support from agencies such as the European Central Bank.

As at 30 June 2023, receivables totalling $286m (2022: $16m) had been sold as part of the Group's non-recourse receivable factoring arrangements. The receivables were derecognised upon sale as substantially all risks and rewards associated with the receivables passed to the purchaser.

Contract assets and deferred revenue (contract liabilities): The completion of performance obligations often differs from contract payment schedules. A contract asset is initially recognised for revenue earned from satisfying a performance obligation. However, the receipt of consideration is conditional upon the full satisfaction of the performance obligation within the contract. Upon completing the full performance obligation, the amount recognised as contract assets is reclassified to trade receivables. Amounts billed in accordance with customer contracts, but where the Group had not yet provided a good or service, are recorded and presented as part of deferred revenue. Deferred revenue is recognised as revenue when the Group performs under the contract.

Other current receivables are recognised and carried at the nominal amount due upon an unconditional right to payment. Non-current receivables are recognised and carried at amortised cost. They are non-interest bearing and have various repayment terms.

(b) Trade and other payables

	2023 US$m	2022 US$m
Current		
Trade payables	**820**	592
Accruals and other payables	**2,127**	1,709
Carrying amount of current trade and other payables	**2,947**	2,301
Non-current		
Accruals and other payables	**251**	266
Contingent consideration associated with business combinations	**242**	269
Carrying amount of other non-current liabilities	**493**	535

Trade payables, accruals and other payables: Represents the notional amounts owed to suppliers for goods and services provided to the Group prior to the end of the financial year that are unpaid. Trade and other payables are non-interest bearing and have various repayment terms but are usually paid within 30 to 60 days of recognition.

Receivables and payables include the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, taxation authorities is included in other receivables or payables in the balance sheet.

Contingent consideration associated with business combinations: The Group's recognised contingent consideration principally relates to Vitaeris and CSL Vifor's past business combinations. These liabilities are recorded as non-current financial liabilities at fair value, which are then remeasured at each subsequent reporting date at fair value through profit and loss.

The fair value estimations typically depend on factors such as technical milestones or market performance, and are adjusted for the probability of their likelihood of potential future payments, and are appropriately discounted to reflect the impact of time. Refer to Note 11 for further details on the fair value measurement. As at 30 June 2023, the maximum amount of undiscounted potential future milestone payments relating to historical business combinations are $470m (2022: $470m).

Changes in the fair value of contingent consideration liabilities in subsequent periods are recognised in research and development expenses for early-stage products and as cost of sales for currently marketed products. The effect of unwinding the discount over time for contingent consideration carried at fair value is recognised as finance costs.

Note 16: Provisions

	Employee benefits		Other		Total	
	US$m	US$m	US$m	US$m	US$m	US$m
	2023	2022	2023	2022	2023	2022
Current						
Carrying amount at the start of the year	**172**	212	**10**	16	**182**	228
Acquisition of CSL Vifor (Note 2)	**11**	–	**67**	–	**78**	–
Utilised/Transfers	**(65)**	(59)	**(9)**	(14)	**(74)**	(73)
Additions	**126**	31	**4**	9	**130**	40
Currency translation differences	**2**	(12)	**(8)**	(1)	**(6)**	(13)
Carrying amount at the end of the year	**246**	172	**64**	10	**310**	182
Non-current						
Carrying amount at the start of the year	**41**	48	**61**	60	**102**	108
Acquisition of CSL Vifor (Note 2)	**9**	–	**347**	–	**356**	–
Utilised/Transfers	**(2)**	(6)	**(1)**	–	**(3)**	(6)
Additions	**6**	3	**1**	5	**7**	8
Currency translation differences	**6**	(4)	**(1)**	(4)	**5**	(8)
Carrying amount at the end of the year	**60**	41	**407**	61	**467**	102

Provisions are recognised when all three of the following conditions are met:

- The Group has a present or constructive obligation arising from a past transaction or event
- It is probable that an outflow of resources will be required to settle the obligation
- A reliable estimate can be made of the obligation.

Provisions are not recognised for future operating losses. Provisions recognised reflect our best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to settle the obligation at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions for employee benefits includes the liability for leave entitlements, related on costs and restructuring costs where required. Other provisions include provisions for asset retirement obligations and onerous contracts. Other provisions also include the estimated fair value of potential contingent liabilities assumed on business acquisition date relating to various claims and disputes with third parties in each case where there is a possible, but not probable, future financial exposure, and involve an assessment of the likelihood of several scenarios in relation to those matters.

Other Notes

Note 17: Related Party Transactions

Ultimate controlling entity and subsidiaries

The ultimate controlling entity is CSL Limited, otherwise described as the parent company. The following table lists the Group's material subsidiaries including those acquired in connection with the acquisition of CSL Vifor during the year ended 30 June 2023 (Note 2).

		Percentage owned (%)	
Company	Country of Incorporation	2023	2022
CSL Limited	Australia		
Subsidiaries of CSL Limited:			
CSL Innovation Pty Ltd	Australia	**100**	100
CSL Behring (Australia) Pty Ltd	Australia	**100**	100
CSL Behring LLC	USA	**100**	100
CSL Plasma Inc	USA	**100**	100
CSL Behring GmbH	Germany	**100**	100
CSL Behring AG	Switzerland	**100**	100
CSL Behring Lengnau AG	Switzerland	**100**	100
CSLB Holdings Inc	USA	**100**	100
CSL Finance Plc	UK	**100**	100
CSL Behring Holdings Limited	UK	**100**	100
CSL Behring (Holdings) Pty Ltd	UK	**100**	100
CSL Finance Pty Ltd	Australia	**100**	100
Seqirus Pty Ltd	Australia	**100**	100
Seqirus UK Limited	UK	**100**	100
Seqirus Vaccines Limited	UK	**100**	100
Seqirus USA Inc	USA	**100**	100
Seqirus Inc	USA	**100**	100
Vifor Pharma Participations Ltd[24]	Switzerland	**100**	–
Vifor (International) Ltd	Switzerland	**100**	–
Vifor Fresenius Medical Care Renal Pharma Ltd	Switzerland	**55**	–

Related party transactions

All transactions with subsidiaries have been eliminated on consolidation.

24 Vifor Pharma Ltd was merged into Vifor Pharma Participations Ltd effective 14 June 2023.

Note 18: Detailed Information – People Costs

(a) Defined benefit plans

The Group sponsors a range of defined benefit pension plans that provide either a lump sum or ongoing pension benefit for its worldwide employees upon retirement. Entities of the Group who operate defined benefit plans contribute to the respective plans in accordance with the Trust Deeds, following the receipt of actuarial advice. The surplus/deficit for each defined benefit plan operated by the Group is as follows:

	2023 US$m			2022 US$m		
Pension Plan	Plan Assets	Accrued benefit	Plan surplus/ (deficit)	Plan Assets	Accrued benefit	Plan surplus/ (deficit)
Funded:						
CSL Pension Plan (Australia) – provides a lump sum benefit upon exit	**15**	**(13)**	**2**	15	(14)	1
CSL Behring AG Pension Plan (Switzerland) – provides an ongoing pension[25]	**674**	**(674)**	**–**	621	(621)	–
CSL Vifor Pension Plan (Switzerland) – provides an ongoing pension[25]	**453**	**(453)**	**–**	–	–	–
CSL Behring Union Pension Plan (USA) – provides an ongoing pension	**41**	**(37)**	**4**	45	(41)	4
Unfunded:						
CSL Behring GmbH Supplementary Pension Plan (Germany) – provides an ongoing pension	**–**	**(150)**	**(150)**	–	(138)	(138)
CSL Behring Innovation GmbH Supplementary Pension Plan (Germany) – provides an ongoing pension	**–**	**(25)**	**(25)**	–	(23)	(23)
bioCSL GmbH Pension Plan (Germany) – provides an ongoing pension	**–**	**(2)**	**(2)**	–	(3)	(3)
CSL Behring KG Pension Plan (Germany) – provides an ongoing pension	**–**	**(14)**	**(14)**	–	(12)	(12)
CSL Plasma GmbH Pension Plan (Germany) – provides an ongoing pension	**–**	**–**	**–**	–	–	–
CSL Behring KK Retirement Allowance Plan (Japan) – provides a lump sum benefit upon exit	**–**	**(11)**	**(11)**	–	(11)	(11)
CSL Behring S.A. Pension Plan (France) – provides a lump sum benefit upon exit	**–**	**(1)**	**(1)**	–	(1)	(1)
CSL Behring S.p.A Pension Plan (Italy) – provides a lump sum benefit upon exit	**–**	**(1)**	**(1)**	–	(1)	(1)
Total	**1,183**	**(1,381)**	**(198)**	681	(865)	(184)

In addition to the plans listed, CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH employees are members of multi-employer plans administered by an unrelated third party. CSL Behring GmbH, CSL Behring Innovation GmbH, Seqirus GmbH and their employees make contributions to the plans and receive pension entitlements on retirement. Participating employers may have to make additional contributions in the event that the plans have insufficient assets to meet their obligations. However, there is insufficient information available to determine this amount on an employer by employer basis. The contributions made by CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH are determined by the Plan Actuary and are designed to be sufficient to meet the obligations of the plans based on actuarial assumptions. Contributions made by CSL Behring GmbH, CSL Behring Innovation GmbH and Seqirus GmbH are expensed in the year in which they are made.

25 The CSL Behring AG and CSL Vifor pension plans have asset surplus' not recognised on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund. The plan assets have been recognised up to the asset ceiling limit.

Movements in accrued benefits and assets

During the financial year the value of accrued benefits increased by $516m, mainly attributable to:

- CSL Vifor accrued benefits assumed on acquisition date of $424m;
- Service costs charged to the profit and loss of $53m;
- Interest costs of $24m, from the discount rate on benefit obligations and anticipated benefit payments;
- Employee contributions of $24m;
- Unfavourable foreign currency movements of $68m taken directly to the Foreign Currency Translation Reserve;
- Offsetting these movements were decreases from:
  - Benefits paid by the plans of $48m;
  - Actuarial adjustments, generating a decrease in accrued benefits of $33m.

During the financial year, plan assets increased by $502m, mainly attributable to:

- CSL Vifor plan assets acquired on acquisition date of $424m;
- Employer and employee contributions of $69m and investment returns that increased plan assets by $21m;
- Favourable foreign currency movements of $56m taken directly to the Foreign Currency Translation Reserve;
- Favourable asset ceiling movements of $9m;
- Offsetting these movements were decreases from:
  - Benefits paid by the plans of $44m;
  - Actuarial adjustments, generating a decrease in plan assets of $34m.

The major categories of total plan assets are as follows:	2023 US$m	2022 US$m
Cash	**9**	27
Instruments quoted in active markets:		
Equity instruments	**551**	252
Bonds	**354**	246
Unquoted investments – property	**341**	200
Other assets	**103**	32
Asset ceiling adjustment[25]	**(175)**	(76)
Total Plan Assets	**1,183**	681

The actuarial assumptions, expressed as weighted averages, at the reporting dates are:	2023 %	2022 %
Discount rate	**2.3%**	2.0%
Future salary increases	**2.7%**	2.3%
Future pension increases	**0.3%**	0.4%

The variable with the most significant impact on the defined benefit obligation is the discount rate applied in the calculation of accrued benefits. A decrease in the average discount rate applied to the calculation of accrued benefits of 0.25% would increase the defined benefit obligation by $43m. An increase in the average discount rate of 0.25% would reduce the defined benefit obligation by $41m.

The defined benefit obligation will be discharged over an extended period as members exit the plans. The plan actuaries have estimated that the following payments will be required to satisfy the obligation. The actual payments will depend on the pattern of employee exits from the Group's plans.

Estimated defined benefit plan payments (actuarial assumption) as at 30 June:	2023 US$m	2022 US$m
Within one year	**76**	48
Between two and five years	**293**	175
Between five and ten years	**360**	84
Beyond ten years	**652**	558

Note 18: Detailed Information – People Costs continued

(b) Share-based payments

Long Term Incentives

A face value equity allocation methodology, being a five day volume weighted average share price based on the market price of a CSL share at the time of grant, is used to determine the number of units granted to a participant under each of the shared based payment plans, which are as follows:

- The Executive Performance and Alignment Plan (EPA) grants Performance Share Units (PSU) to qualifying executives. Vesting is subject to continuing employment, satisfactory performance and the achievement of absolute return measures. The return measures include EPS growth and seven-year average Return on Invested Capital (ROIC).
- The Retain and Grow Plan (RGP) grants Restricted Share Units (RSU) to qualifying employees, participation in the RGP plan is broader than in the EPA plan. Vesting is subject to continuing employment and satisfactory performance.

EPA and RGP grants made prior to 1 September 2021 vest in equal tranches on the first, second, third and fourth anniversaries of the grant. EPA grants made from 1 September 2021 vest on the third anniversary. RGP grants made from 1 September 2021 vest in equal tranches on the first, second and third anniversaries of the grant. For EPA and RGP commencement benefit awards, vesting dates will vary. There have been no changes to the grant terms of any existing instruments.

The fair value of the awards granted is estimated at the date of grant using an adjusted form of the Black-Scholes model, considering the terms and conditions upon which the PSUs and RSUs were granted. There is no exercise price payable on PSUs and RSUs. The following grants were issued during the year ended 30 June 2023:

Date of grant	PSUs	RSUs
1 September 2022	411	781,314
1 November 2022	210,065	–
1 March 2023	5,779	121,093

The relevant tranche of PSUs will exercise upon vesting between September 2024 and September 2025. The relevant tranche of RSUs will exercise upon vesting between September 2023 and September 2025.

The Non-Executive Directors Plan

The Non-Executive Directors (NED) pay a minimum of 20% of their pre-tax base fee in return for a grant of rights, each right entitling a NED to acquire one CSL share at no cost (shares purchased on market). There is a nominated restriction period of three to fifteen years, after which the NED will have access to their shares. On 25 August 2022, 3,135 rights were granted under the NED Rights Plan with vesting through to August 2023.

Global Employee Share Plan

The Global Employee Share Plan (GESP) allows employees to make contributions from post-tax salary up to a maximum of A$12,000 (or equivalent) per six month contribution period. Employees receive shares at a 15% discount to the applicable market rate over the five day period up to and including the first and last ASX trading days of the six month period, whichever is the lower.

Recognition and measurement

The fair value of awards granted are recognised as an employee benefit expense with a corresponding increase in equity. Fair value is independently measured at grant date and recognised over the period during which the employees become unconditionally entitled to the award.

Fair value is independently determined using a combination of the Binomial and Black-Scholes valuation methodologies, including Monte Carlo simulation, considering the terms and conditions on which the awards were granted. The fair value of the awards granted excludes the impact of any non-market vesting conditions, which are included in assumptions about the number of awards that are expected to vest.

At each reporting date, the number of awards that are expected to vest is revised. The employee benefit expense recognised each period considers the most recent estimate of the number of awards that are expected to vest. No expense is recognised for awards that do not ultimately vest, except where the vesting is conditional upon a market condition and that market condition is not met. The Group does not have any awards with a market condition as at 30 June 2023.

Note 18: Detailed Information – People Costs continued

Valuation assumptions and fair values of equity instruments granted

The model inputs for share-based payments granted during the year ended 30 June 2023 included:

	Fair Value (A$)	Share Price (A$)	Exercise Price (A$)	Expected Volatility[26]	Life Assumption	Expected Dividend Yield	Risk-free Interest Rates
Performance Share Units (by grant date)[27]							
1 September 2022 – Tranche 1	$286.27	$293.38	–	25.00%	24 months	1.23%	3.01%
1 November 2022 – Tranche 1	$267.12	$276.69	–	25.00%	34 months	1.25%	3.26%
1 March 2023 – Tranche 1	$285.54	$297.10	–	22.50%	30 months	1.60%	3.51%
Restricted Share Units (by grant date)							
1 September 2022 – Tranche 1	$291.59	$293.38	–	25.00%	6 months	1.23%	2.99%
1 September 2022 – Tranche 2	$289.80	$293.38	–	25.00%	12 months	1.23%	2.99%
1 September 2022 – Tranche 3	$288.91	$293.38	–	25.00%	15 months	1.23%	2.99%
1 September 2022 – Tranche 4	$288.03	$293.38	–	25.00%	18 months	1.23%	3.01%
1 September 2022 – Tranche 5	$286.27	$293.38	–	25.00%	24 months	1.23%	3.01%
1 September 2022 – Tranche 6	$284.52	$293.38	–	25.00%	30 months	1.23%	3.23%
1 September 2022 – Tranche 7	$282.78	$293.38	–	25.00%	36 months	1.23%	3.23%
1 March 2023 – Tranche 1	$294.90	$297.10	–	22.50%	6 months	1.50%	3.71%
1 March 2023 – Tranche 2	$292.71	$297.10	–	22.50%	12 months	1.50%	3.71%
1 March 2023 – Tranche 3	$290.11	$297.10	–	22.50%	18 months	1.60%	3.51%
1 March 2023 – Tranche 4	$287.82	$297.10	–	22.50%	24 months	1.60%	3.51%
1 March 2023 – Tranche 5	$285.54	$297.10	–	22.50%	30 months	1.60%	3.51%
Rights (by grant date)							
25 August 2022 – Tranche 1	$292.74	$294.46	–	25.00%	6 months	1.21%	2.94%
25 August 2022 – Tranche 2	$290.97	$294.46	–	25.00%	12 months	1.21%	2.94%
GESP (by grant date)[28]							
2 September 2022 – Tranche 1	$72.13	$295.99	$223.86	25.00%	6 months	1.23%	2.99%
3 March 2023 – Tranche 1	$43.26	$293.02	$249.76	22.50%	6 months	1.50%	3.71%

Note 19: Detailed Information – Shareholder Returns

	Consolidated Entity	
	2023 US$m	2022 US$m
Retained earnings		
Opening balance	**13,504**	12,253
Net profit for the year	**2,194**	2,255
Dividends paid to CSL Limited shareholders	**(1,085)**	(1,039)
Transfer of gain on disposal of equity investments at fair value through OCI to retained earnings	**7**	–
Actuarial gain on defined benefit plans	**2**	40
Deferred tax expense on actuarial gain/loss on defined benefit plans	**(1)**	(5)
Closing balance	**14,621**	13,504

26 Expected volatility is based on historical volatility (based on the remaining life assumption of each equity instrument, adjusted for expected changes).
27 PSUs are subject to an EPS growth and ROIC performance measure.
28 Fair value of GESP shares is estimated based on the assumptions prevailing on the grant date. In accordance with the terms and conditions of the GESP plan, shares are issued at a 15% discount to the lower of the ASX market price on the first and last dates of the contribution period.

Note 20: Auditor Remuneration

The following fees were paid or were payable for services provided by CSL's auditor and by the auditor's related practices. For the year ended 30 June 2023, fees include audit and non-audit services provided to CSL Vifor from acquisition date in August 2022 and as such are not included in the 30 June 2022 comparative fees.

AUDIT SERVICES – Ernst & Young Australia	2023 US$	2022 US$
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**2,872,343**	2,402,268
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Assurance services over the 144a bond issuance	**–**	326,152
– Sustainability assurance	**174,810**	106,873
– Agreed-upon procedures and other audit engagements	**101,653**	146,124
Fees for other services		
Training	**60,000**	39,000
Due diligence	**–**	150,295
Remuneration advisory	**373,823**	190,832
Total fees to Ernst & Young (Australia)	**3,582,629**	3,361,544
AUDIT SERVICES – Ernst & Young Overseas Member Firms		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**4,752,475**	3,678,633
Fees for assurance services that are required by legislation to be provided by the auditor	**12,254**	2,721
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
– Agreed-upon procedures and other audit engagements	**107,103**	147,474
Fees for other services	**591,635**	35,127
Total fees to overseas member firms of Ernst & Young (Australia)	**5,463,467**	3,863,955
Total audit and other assurance services	**8,020,638**	6,810,245
Total non-audit services	**1,025,458**	415,254
Total auditor's remuneration	**9,046,096**	7,225,499

Note 21: Deed of Cross Guarantee

A deed of cross guarantee was executed between CSL Limited and some of its wholly-owned entities, namely CSL Behring (Holdings) Pty Ltd, CSL Finance Pty Ltd, Seqirus (Australia) Pty Ltd, CSL Innovation Pty Ltd, Seqirus Pty Ltd, CSL Behring (Australia) Pty Ltd, Seqirus Holdings Australia Pty Ltd and CSL IP Investments Pty Ltd. Under this deed, each company guarantees the debts of the others. By entering into the deed, these specific wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 2016/785 (as amended) issued by the Australian Securities and Investments Commission.

The entities that are parties to the deed represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by CSL Limited, they also represent the 'Extended Closed Group'. A consolidated income statement and a summary of movements in consolidated retained profits for the years ended 30 June 2023 and 2022 and a consolidated balance sheet as at each date for the Closed Group is set out below.

	Consolidated Closed Group	
Income Statement	2023 US$m	2022 US$m
Sales and service revenue	**1,124**	1,181
Other income	**79**	16
Total operating revenue	**1,203**	1,197
Cost of sales	**(813)**	(801)
Gross profit	**390**	396
Dividend income	**1,257**	935
Finance income	**16**	9
Research and development expenses	**(161)**	(157)
Selling and marketing expenses	**(60)**	(64)
General, administration and other expenses	**(125)**	(165)
Finance costs	**(58)**	(45)
Profit before income tax expense	**1,259**	909
Income tax credit/(expense)	**22**	(28)
Profit for the year	**1,281**	881

Note 21: Deed of Cross Guarantee continued

Balance Sheet	Consolidated Closed Group 2023 US$m	2022 US$m
CURRENT ASSETS		
Cash and cash equivalents	**24**	2,292
Receivables and contract assets	**699**	562
Inventories	**279**	232
Total Current Assets	**1,002**	3,086
NON-CURRENT ASSETS		
Other receivables	**265**	3,021
Other financial assets	**19,541**	14,641
Property, plant and equipment	**1,881**	1,334
Deferred tax assets	**131**	85
Intangible assets	**16**	20
Retirement benefit assets	**2**	2
Total Non-Current assets	**21,836**	19,103
TOTAL ASSETS	**22,838**	22,189
CURRENT LIABILITIES		
Trade and other payables	**1,330**	1,344
Provisions	**61**	67
Interest-bearing liabilities and borrowings	**167**	158
Other current liabilities	**–**	4
Total Current Liabilities	**1,558**	1,573
NON-CURRENT LIABILITIES		
Trade and other payables	**664**	404
Interest-bearing liabilities and borrowings	**1,512**	1,331
Provisions	**44**	44
Other non-current liabilities	**22**	24
Total Non-Current Liabilities	**2,242**	1,803
TOTAL LIABILITIES	**3,800**	3,376
NET ASSETS	**19,038**	18,813
EQUITY		
Contributed equity	**517**	484
Reserves	**437**	441
Retained earnings	**18,084**	17,888
TOTAL EQUITY	**19,038**	18,813

Summary of movements in retained earnings of the Consolidated Closed Group	2023 US$m	2022 US$m
Retained earnings at beginning of the financial year	**17,888**	18,048
Net profit	**1,281**	881
Actuarial gain/(loss) on defined benefit plans, net of tax	**–**	(2)
Dividends paid to CSL Limited shareholders	**(1,085)**	(1,039)
Retained earnings at the end of the financial year	**18,084**	17,888

Note 22: Parent Entity Information

Information relating to CSL Limited (parent entity)

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:	2023 US$m	2022 US$m
Profit for the year	**931**	507
Total comprehensive income	**931**	507
Current assets	**375**	351
Total assets	**11,438**	7,089
Current liabilities	**460**	314
Total liabilities	**4,806**	337
Contributed equity	**517**	483
Reserves	**(54)**	(54)
Retained earnings	**6,169**	6,323
Net assets/Total equity	**6,632**	6,752

(b) Guarantees entered into by the parent entity

The parent entity provides certain financial guarantees in the ordinary course of business. No liability is recognised in relation to these guarantees as the fair value of the guarantees is immaterial. These guarantees are mainly related to the external debt facilities of the Group. In addition, the parent entity provides letters of comfort to indicate support for certain controlled entities to the amount necessary to enable those entities to meet their obligations as and when they fall due, subject to certain conditions (including that the entity remains a controlled entity).

(c) Contingent liabilities of the parent entity

The parent entity did not have any material contingent liabilities as at 30 June 2023 and 2022. For information about guarantees given by the parent entity, please refer above and to Note 21.

(d) Contractual commitments for the acquisition of property, plant and equipment

The parent entity did not have any material contractual commitments for the acquisition of property, plant and equipment as at 30 June 2023 and 2022.

Note 23: Non-Controlling Interests

VFMCRP is the only Group's subsidiary with material non-controlling interests. VFMCRP is registered in St. Gallen, Switzerland. Following the acquisition of CSL in August 2022 (Note 2), the Group owns 55% of the share capital and voting rights of VFMCRP, while Fresenius Medical Care (FMC) holds 45% of the share capital and voting rights. The minority shareholder has extensive protection rights. In the event of disagreement, the Group has the casting vote within a defined escalation process.

Summarised financial information (before any intercompany eliminations) of VFMCRP:	2023 US$m
Statement of Comprehensive Income information:	
Net sales	**786**
Other income	**24**
Operating profit (EBIT)	**120**
Net profit	**112**
Other comprehensive income (OCI)	**–**
Balance Sheet information:	
Current assets	**757**
Non-current assets	**2,986**
Current liabilities	**201**
Non-current liabilities	**392**
Equity before appropriation of earnings	**3,150**
Statement of Cash flows information:	
Cash flows from operating activities	**387**

VFMCRP paid dividends of $154m during the year ended 30 June 2023 to FMC (2022: Nil), which included the non-controlling's share of the proceeds received by VFMCRP ($173m) from the sale of investment in shares.

Note 24: Subsequent Events

Other than as disclosed elsewhere in these statements, there are no matters or circumstances which have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

Note 25: Amendments to Accounting Standards and Interpretations

(a) Amendments to accounting standards and interpretations adopted by the Group

The Group has adopted the following amendment to the accounting standards. This change did not have a material impact on the Group's accounting policies nor did it require any restatement.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
  - – Reference to the Conceptual Framework – Amendments to AASB 3 Business Combinations
  - – Property, Plant and Equipment – Proceeds before Intended Use
  - – Onerous Contracts – Cost of Fulfilling a Contract
  - – Derecognition of financial liabilities – Amendments to AASB 9 Financial Instruments

(b) Amendments to accounting standards and interpretations not yet effective for the Group

A number of other accounting standards and interpretations have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. These standards have not been applied in the preparation of these Financial Statements.

Applicable to the Group for the year ending 30 June 2024:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2022-7 Amendments to Australian Accounting Standards – Editorial Corrections and Repeal of Superseded and Redundant Standards
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules

Applicable to the Group for the year ending 30 June 2025 or after:

- AASB 2014-10, AASB 2015-10, AASB 2017-5 and AASB 2021-7 Amendments to Australian Accounting Standards
  - – Amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures and Editorial Corrections
- AASB 2020-1, AASB 2020-6 and AASB 2022-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
  - – Amendments to AASB 101 Presentation of Financial Statements including non-current liabilities with covenants
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

Directors' Declaration

1) In the opinion of the Directors:

   a) the Financial Statements and notes of the Company and of the Group are in accordance with the *Corporations Act 2001* (Cth), including:

      i. giving a true and fair view of the financial position of the Company and the Group as at 30 June 2023, and the performance of the Company and the Group for the year ended 30 June 2023; and

      ii. complying with Australian Accounting Standards and *Corporations Regulations 2001* (Cth).

   b) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

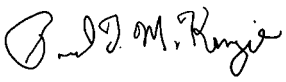
2) About this Report (a) in the notes to the Financial Statements confirms that the financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* (Cth) for the financial period ended 30 June 2023.

4) In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 21 (Deed of Cross Guarantee) of the Financial Statements will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee dated 3 February 2017.

This declaration is made in accordance with a resolution of the directors.

Brian McNamee AO
Chairman



Paul McKenzie
Managing Director

Melbourne
14 August 2023

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Building a better working world

Independent auditor's report to the members of CSL Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of CSL Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Existence and valuation of inventories

Why significant	How our audit addressed the key audit matter
At 30 June 2023, the Group holds inventories of $5,466 million which are recorded at the lower of cost and net realisable value. The Group's accounting for inventories is complex due to the nature of products being manufactured requiring multiple inputs into the determination of cost and the need to ensure the effect of inventory sales within the Group is appropriately considered in the determination of cost. Provisions may be recognised in relation to all components of inventories, including raw materials, work in progress and finished goods in considering whether inventories are carried at the lower of cost and net realisable value. The Group considers a number of factors when determining the appropriate level of inventory provisioning, including expiry dates, current selling prices and achieved margins. Due to the significant value of inventories, global distribution, intra-group transactions and the judgements involved in determining whether inventory is carried at the lower of cost and net realisable value, the existence and valuation of inventories was considered a key audit matter. The Group's disclosures with respect to inventories are included in Note 5 of the financial report.	We have assessed the carrying value of inventories, including the determination of cost and provisions required to ensure inventory is carried at the lower of cost and net realisable value at 30 June 2023. We assessed the appropriateness of the determination of inventory cost by assessing the accuracy of the standard cost approach used by the Group and assessing the recognition of variances from those standard costs. We assessed the elimination of any unrealised profits on sales of inventories between group entities and resultant tax consequences by the Group. We assessed whether inventory is recognised at the lower of cost and net realisable value at period end by comparing the inventory value measured at cost to evidence supporting net realisable value such as the current selling prices and achieved margins. We considered whether the Group's inventory provisioning policy appropriately identified and considered the obsolescence and expiration of inventory. We assessed the mathematical accuracy of the Group's provisioning calculations, recalculated inventory provisions in line with Group policy and considered any specific inventory valuation risks identified through our inventory cost, NRV and observation procedures. We assessed the Group's stock taking procedures which included attendance at periodic cycle counts or through attendance at year-end inventory stocktakes in locations with significant inventory holdings. We remained alert for obsolescence issues during our observation of physical inventories. We have assessed the Group's disclosures with respect to inventories in Note 5 of the financial report.

CSL Vifor Acquisition

Why significant	How our audit addressed the key audit matter
On 9 August 2022, the Group received the final regulatory approval for the acquisition of Vifor Pharma Group (now CSL Vifor) and obtained control effective from that date. The total consideration paid by the Group amounted to $11,665 million as disclosed in Note 2. Accounting for this transaction required the Group to exercise significant judgement to determine the fair value of acquired assets and liabilities assumed, in particular the identification and valuation of intangible assets and inventory. The Group's disclosures with respect to this acquisition are included in Note 2 of the financial report.	We read the underlying transaction agreements to gain an understanding of the key terms and conditions and assessed whether the Group accounting treatment appropriately reflected these transaction conditions and complied with the requirements of Australian Accounting Standards. We assessed the appropriateness of the criteria used for the determination of the acquisition date and the total consideration paid. We considered the values ascribed by the Group to the assets acquired and liabilities assumed at acquisition date. With the assistance of our valuation specialists, we assessed the: ▸ reasonableness of the valuation assumptions used by the internal and external experts in their determination of fair value of the acquired assets and liabilities

Why significant	How our audit addressed the key audit matter
	▸ competence, qualifications and objectivity of the internal and external experts; and ▸ whether the fair values were appropriately recorded in the financial report. We recalculated the value of residual goodwill and assessed the reasonableness of the Group's allocation of goodwill to its cash generating units. Our tax specialists in Australia and Switzerland considered the Group's accounting for the taxation impacts of the transaction. We assessed the adequacy of the financial report disclosures in Note 2.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that at is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Building a better working world

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on the audit of the Remuneration Report

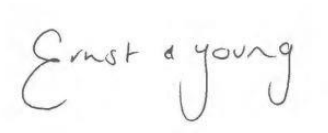
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of CSL Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young

Kylie Bodenham
Partner
Melbourne
14 August 2023

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

American Depositary Receipts (ADRs)

BNY Mellon Shareowner Services
PO Box 43006
Providence RI 02940-3078 US
Enquiries within the United States: 1-888-BNY-ADRS
(1-888-269-2377)
Enquiries outside the United States: 201-680-6825
Email: shrrelations@cpushareownerservices.com
Website: www-us.computershare.com/investor

Auditors

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Melbourne VIC 3000
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CSL.com

Further Information

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

Find out more **CSL.com**