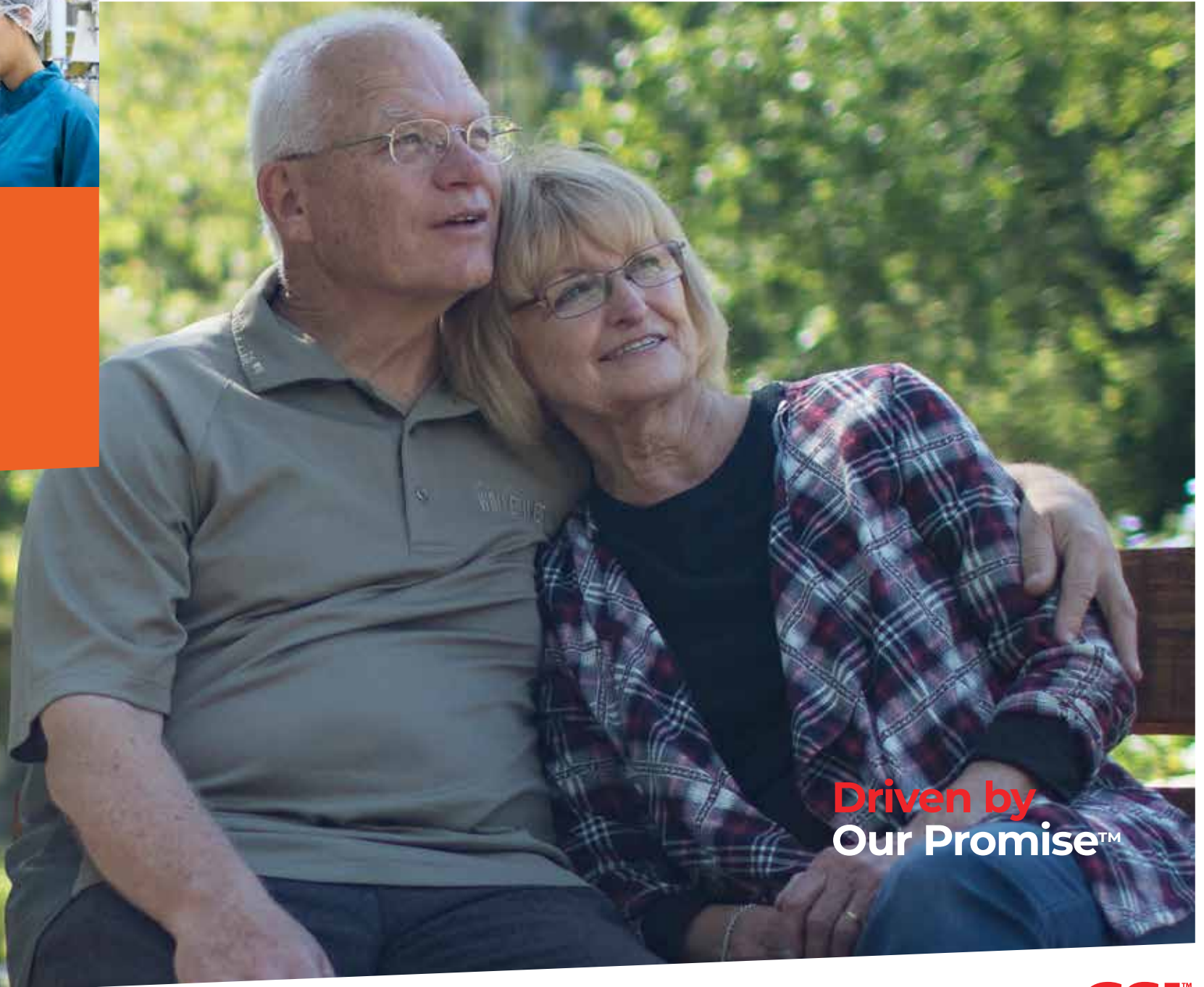




CSL Limited
Our Corporate
Responsibility

2017/18



Driven by
Our Promise™

CSL™

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About this report

CSL's tenth corporate responsibility (CR) report spans the financial year 1 July 2017 to 30 June 2018. Any relevant events of a significant nature that have occurred between the end of the reporting period and the publication date are also detailed. Previous CR reports are available at CSL.com (Corporate Responsibility). This report primarily addresses CSL's top sustainability topics resulting from our third sustainability materiality assessment. Topics that sit immediately outside the top nine are also covered as they remain important for CSL and its stakeholders to monitor and manage.

Our CR report covers the businesses and operations over which we exercise direct control and incorporates CSL Limited, CSL Behring (including CSL Plasma), Seqirus, and global research and development (R&D), including Calimmune which was acquired in 2017. This includes our seven manufacturing facilities in Australia, Europe, the United Kingdom (UK) and the United States (US) 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.

Over the reporting period, we were working towards fully integrating systems and processes for the acquired Novartis influenza vaccine business and the recently acquired operations in China – plasma-derived therapies manufacturer Wuhan Zhong Yuan Rui De Biological Products Co. Ltd. (Ruide). Unless otherwise stated in relevant sections of this report, data for the acquired Novartis influenza vaccines business has been included and data for Ruide has been excluded.

In preparing this CR report, we have been guided by the Global Reporting Initiative's (GRI's) Sustainability Reporting Standards. Our materiality process is in accordance with GRI's 101: Foundation (2016) standard, specifically section 1.3.

CSL has sought independent external, limited assurance of our materiality process (its application and disclosure against the GRI materiality principle definition) and results and data related to

research and development investment, health and safety; product safety and quality; economic contribution; employee opinion survey and community contribution data (humanitarian access) in this report. Limited assurance was conducted by Ernst & Young. An assurance statement can be found on page 41.

CONTACT

We welcome your direct enquiries and feedback regarding our reporting. Communications can be addressed to:

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PROVIDE YOUR FEEDBACK

CSL welcomes your input into our CR reporting. Take a moment to answer a few questions via our online survey at surveyMonkey.com/r/2018CSLCCRReport



Message from the Chief Executive Officer and Managing Director

I am pleased to present CSL's tenth corporate responsibility (CR) report.



This year, we concluded our third global sustainability materiality assessment, engaging more directly with employees, investors and patient groups on the topics of most importance to them.

We've identified the top nine sustainability topics that are most important to our stakeholders and our impact on the organisation, economy, society and the environment. In this report, you will find details of our approach and performance across these topics, as well as others we know specific stakeholders have a keen interest in.

While prioritisation is important to focus our efforts, it's the action we take to continually improve our performance that is critical – an area our Global Corporate Responsibility Steering Committee continues to lead. We know that constant development across these areas strengthens our risk management capabilities and helps to create value and long-term growth for our organisation.

CSL is growing at a rapid pace. Since our corporate responsibility reporting began in 2009, we have seen consecutive years of workforce growth, expansion in both our research and development capabilities and outcomes and in the regions in which we deliver innovative medicines that save lives, protect public health and help people with life-threatening medical conditions live full lives. For example, in this year alone:

- we invested US\$39 million in patient, biomedical and local communities;
- our workforce grew by 13%;
- we invested US\$702 million in research and development; and
- we distributed US\$7.5 billion in economic value, up 8% on the prior year.

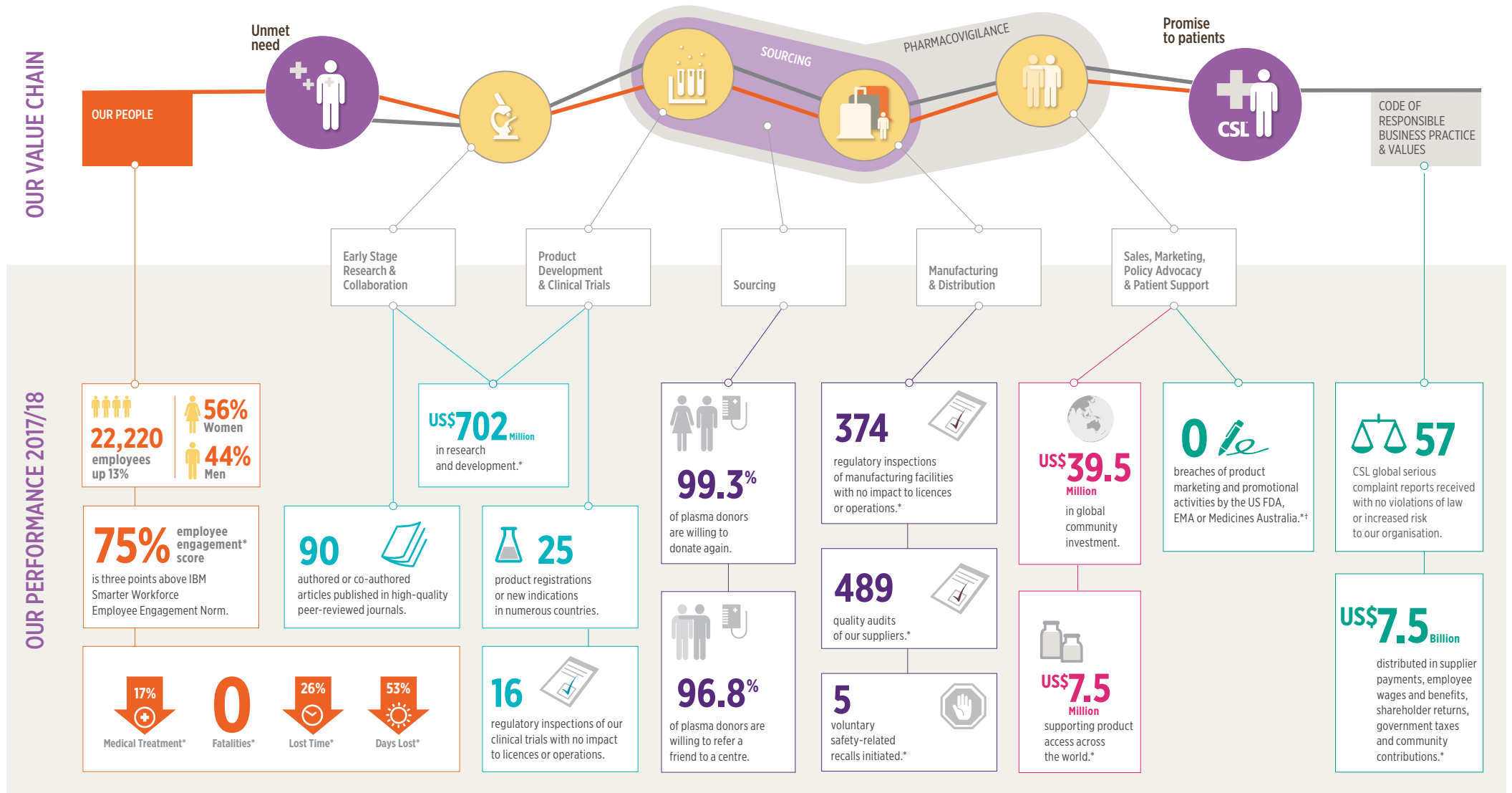
We know that this growth must be underpinned by strong corporate governance, an employee culture that

drives our values and an ongoing strong focus on sustainability across all areas of our value chain.

On behalf of the Board and management of CSL, we would like to thank all our staff, partners and stakeholders who have contributed to our performance this year. We look forward to your continued engagement, partnership and support.

Paul Perreault
Chief Executive Officer
and Managing Director

Corporate Responsibility Performance Summary



* 2017/18 data received independent external, limited assurance.

** EMA = European Medicines Agency, FDA = Food and Drug Administration

1. Our Organisation

With more than 22,000 employees operating in over 35 countries, CSL generated revenues in 2017/18 totalling US\$7.9 billion.



1.1 Our businesses

CSL BEHRING

CSL Behring is a global leader in biotherapies with the broadest range of quality products in our industry and substantial markets in North America, Latin America, Europe, Asia and Australia. Our therapies are indicated for treatment of bleeding disorders including haemophilia and von Willebrand disease, primary and secondary immunodeficiencies, hereditary angioedema, neurological disorders and inherited respiratory disease. Our products are also used to prevent haemolytic disease in newborns, for urgent warfarin reversal in patients with acute major bleeding, to prevent infection in solid organ transplant recipients and treat specific infections, and to help victims of trauma, shock and burns.

From our family of recombinant coagulation products that aim to dramatically improve the lives of patients with bleeding disorders, to industry-

leading immunoglobulin and specialty products that are shifting treatment paradigms around the world, CSL Behring knows how to meet the needs of these unique populations.

With an integrated manufacturing platform and production facilities located in the United States (US), Germany, Switzerland, Australia and China, we use the most sophisticated production methods available to meet or exceed stringent safety and quality standards around the world.

CSL Plasma, a division of CSL Behring, operates one of the world's largest and most efficient plasma collection networks, with more than 200 centres in the US and Europe. Each step of our manufacturing process – from plasma donor to patient – reflects CSL Behring's unyielding commitment to ensuring our products are safe and effective.

SEQIRUS

Seqirus was established on 31 July 2015, following CSL's acquisition of the Novartis influenza vaccines business, and subsequent integration with bioCSL. Seqirus is one of the world's largest influenza vaccine companies and a major partner in the prevention and control of influenza globally. It is a reliable supplier of influenza vaccine for Northern and Southern Hemisphere markets and a transcontinental partner in pandemic preparedness and response.

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

In Australia and the Asia Pacific region, Seqirus is a leading provider of in-licensed vaccines and specialty pharmaceuticals. It is also the world's only supplier of a unique range of products made in the national interest for the Australian Government, including antivenoms and Q fever vaccine.

RESEARCH AND DEVELOPMENT (R&D)

CSL continues to develop innovative biotherapies that address unmet medical needs or enhance current treatments. Global R&D activities support innovation in new products and technology, improved products and manufacturing expertise to ensure our continued growth and commitment to fulfil patients' needs. Our balanced research and development portfolio includes new therapies that align with our commercial and technical capabilities in immunoglobulins, specialty products, haemophilia and coagulation therapies, breakthrough medicines, transplant and vaccines.

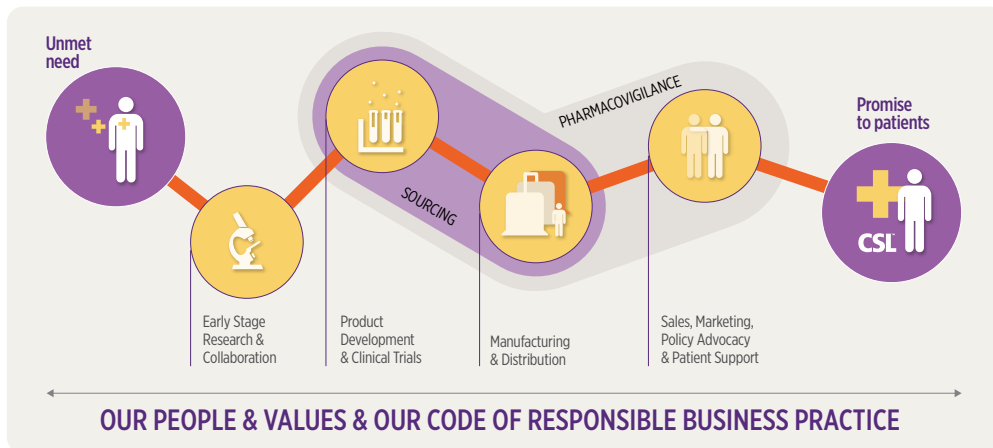
1. Our Organisation continued

1.2 Our promise

CSL's ultimate strategy is to deliver value through fulfilling unmet needs and enhancing patient experience. With patients at the core of our focus, we also strive to deliver sustainable financial growth for our investors. We achieve this through high-quality, focused innovation capabilities, operational excellence and global commercial strength. Across our value chain, employees drive our strategy and underpin the delivery of our promise, while our Code of Responsible Business Practice sets the foundation for making good decisions across the organisation.

OUR STRATEGIC OBJECTIVES AND ALIGNMENT WITH TOP SUSTAINABILITY TOPICS

Through CSL's value chain, along with the effective management and performance across our sustainability topics, we seek to deliver on our strategic objectives and our promise to stakeholders.



MOST IMPORTANT SUSTAINABILITY TOPICS

- 1 Access to healthcare
- 2 Corporate governance
- 3 Financial performance and business strategy
- 4 Product safety and quality
- 5 R&D – products and services innovation
- 6 Employee recruitment, development and retention
- 7 Supply chain management
- 8 Ethical marketing
- 9 Bribery, corruption and anti-competitive behaviour

1.3 Our approach to corporate sustainability

Corporate responsibility (CR) is governed by a global steering committee reporting to the Chief Executive Officer and Managing Director (CEO). The CR Committee is led by CSL's Executive Vice President, Quality and Business Services. Supporting the Chair are senior executive members from finance, legal and risk management, research and development, human resources, manufacturing and plasma operations, commercial operations, communications and healthcare policy and external affairs.

The CR Committee drives the awareness, integration and continuous improvement of CR throughout the company, ensuring alignment with CSL's strategic goals and operational priorities. In addition, over the reporting period, the CR Committee finalised the identification of CSL's top nine sustainability topics as part of our third global materiality assessment.

OUR COMMITMENT TO ETHICAL BEHAVIOUR

On 1 July 2017, CSL released to all employees a third edition of the Code of Responsible Business Practice (our Code). A new e-learn module of the Code has also been developed and will be deployed to all employees in 2018/19. Our Code sets out the rights and obligations of our employees and affirms our commitment to our stakeholders for the highest standard of conduct in all that we do.

In September 2017, CSL issued a new Global Serious Complaints (formerly "Whistleblower") Policy to provide a mechanism by which employees and third parties can confidently and anonymously (where applicable by law) report serious issues or concerns without fear of discriminatory treatment or retaliation. The revised policy continues to support the prompt reporting of matters across our global operations.

From 1 July 2017 to 30 June 2018, 57 instances were raised for the attention of management. For substantiated allegations, corrective actions were taken to the extent warranted. For matters closed during the reporting period, no allegations resulted in any regulatory action or action by law enforcement authorities and there was no indication of any increased risk profile.

STAKEHOLDER ENGAGEMENT

At CSL, we regard stakeholder engagement as a foundation of corporate responsibility. Our key stakeholders are those who are potentially affected by our operations or who are interested in how we address our strategic priorities. Engaging with each identified stakeholder group is therefore very important to ensure we understand their expectations and respond to their various interests and concerns. We strive to establish

appropriate channels to engage with each of our stakeholders and ensure they can voice their perspectives and concerns throughout our value chain.

CSL's commitment is not only to develop active listening with regard to the changing expectations of our diverse stakeholders, but also to ensure transparent disclosure on how we are addressing those expectations. Over the reporting year, we engaged with a number of key stakeholders to provide input to and validate our top sustainability topics. More information on our key stakeholders, how we engage with them and their key interest areas is available at CSL.com (Corporate Governance and Corporate Responsibility).



1. Our Organisation continued

SUSTAINABILITY PERFORMANCE RECOGNISED

CSL's environmental, social and governance (ESG) performance has been recognised by the FTSE4Good Index Series, a leading sustainability index, for the last 7 years.



FTSE4Good

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

CORPORATE GOVERNANCE

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

A detailed statement outlining CSL's principal corporate governance practices in place during the financial year ended 30 June 2018 can be found at CSL.com (Corporate Governance).

TAX DISCLOSURE

CSL recognises that operating responsibly and transparently is critical to the long term sustainability of our business. Our continued success requires strong corporate governance and transparent engagement with our stakeholders, including in relation to our tax philosophy and tax profile. In December 2017, CSL published its first tax transparency report. In keeping with the voluntary Australian Tax Transparency Code, the report aims to provide a greater understanding of CSL's tax profile, tax contributions, and the manner in which we govern and manage our tax obligations. A copy of the report and future reports can be found on CSL.com (Corporate Responsibility).

1.4 Material topics

Identifying and managing sustainability topics that are material to CSL is very important to us, given their potential to positively and negatively impact our business, our people and the communities we operate in. We use our internal Risk Management Framework to apply a consistent approach in assessing these risks from both a business and key stakeholder perspective.

CSL's Global CR Committee has overall responsibility for the materiality process and executes a global materiality assessment on a biennial basis. In 2017/18, we concluded our third such assessment and followed the Global Reporting Initiative (GRI) standards of sustainability context, materiality, completeness and stakeholder inclusiveness through our process of identification, review and prioritisation. The application and disclosure of our materiality process against the GRI materiality principle definition was externally assured by Ernst & Young.

Our third materiality assessment provided coverage across the CSL group of businesses, including Seqirus, but excluded our newly acquired operations in China (Ruide) and Calimmune. The first stage of the materiality process involved developing a universal list of topics driven by an evidence-based approach involving internal and external stakeholder interviews and considering a number of factors relevant to our organisation, such as peer organisation reviews; existing and emerging global trends; alignment with CSL's risk register; views of standard setting organisations (including GRI, SASB, RobecoSAM and OEKOM); regulatory and legislative changes; geographical considerations; investor and patient group views as well as CSL's ESG performance as independently assessed by CAER, CGI Glass Lewis and RobecoSam; and media responses to CSL's activities.

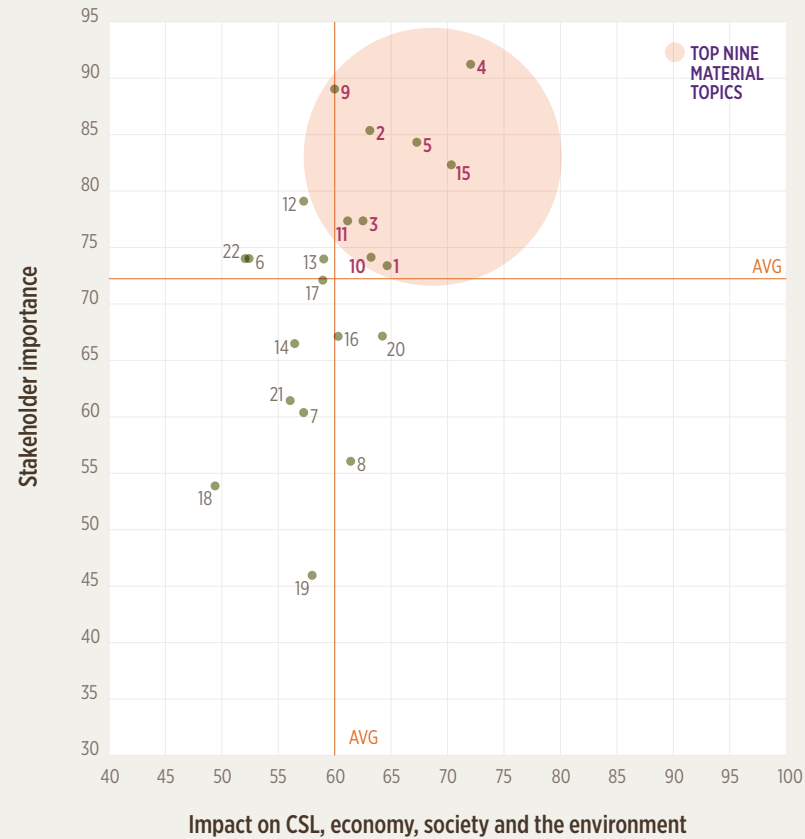
Material topics were prioritised by a group of 82 internal representatives from across the organisation who rated their importance by considering the perspectives of stakeholders and reviewing the potential impact to the business. The diversity of respondents at both a functional and geographical level ensured a broad set of views and perspectives. A resulting preliminary list of prioritised topics was provided externally to stakeholders (via a survey) for comment and validation. Stakeholders such as employees, investors and patient groups comprised the bulk of respondents and were in alignment with CSL's prioritised top nine topics.



1. Our Organisation continued

OUR MATERIAL TOPICS

As a result of the rating process, the average lines reflect the average score provided by CSL senior management across all the material topics evaluated for both stakeholder importance and overall impact. Average lines define the thresholds that have been used to identify CSL's top nine sustainability topics.



1. Access to healthcare
2. Corporate governance
3. Financial performance and business strategy
4. Products safety and quality
5. Research and development – products and services innovation
6. Maximising stakeholder feedback
7. Bioethics
8. Environmental responsibility and climate change
9. Employee recruitment, development and retention
10. Supply chain management
11. Ethical marketing
12. Employee health and safety (OHS)
13. Clinical trials
14. Strategic community impact
15. Bribery, corruption and anti-competitive behaviour
16. Human rights
17. Research and development – collaboration
18. Broad community impact
19. Energy efficiency
20. Plasma donations and donors
21. Public policy
22. Data protection and privacy

We have mapped our top nine sustainability topics to the relevant boundaries along our value chain. Each of these topics brings challenges and opportunities, explored in more detail throughout our report.




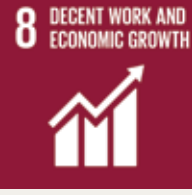
Top nine topics (not in any specific order)	Key stakeholders impacted	Value chain boundary	Relevant section in this report
<p>ACCESS TO HEALTHCARE</p> <p>Relates to strategy and initiatives to promote access to products through value-based pricing and affordability approaches. Limiting the negative impact of cost containment for patients and other key stakeholders; e.g., access to therapies, undue cost-sharing burdens on patients, and adequate payment policies for providers to care for patients and for recognition of the special needs of rare disease patients.</p>	<p>Patients and patient groups; customers; employees; local communities and non-governmental organisations</p>	<p>Sales, marketing, policy advocacy and patient support</p>	<p>Marketplace and Community (page 38)</p>
<p>CORPORATE GOVERNANCE</p> <p>Relates to codes, policies and standards to ensure the integrity and efficiency of governance frameworks, including executive remuneration and leadership effectiveness. Relates to CSL's highest governance body's accountability for risk management process and its overall effectiveness, including internal controls and processes in place to minimise and manage risks to assets, people and environment, and the integration of risk elements into strategic planning. Also includes compliance and conformance with local and international laws and regulations as well as CSL's adaptability to the changing regulatory landscape.</p>	<p>Investors/shareholders/ debt providers; customers; employees; regulatory agencies</p>	<p>Across the value chain</p>	<p>Corporate governance practices can be evidenced across the entire report</p>
<p>FINANCIAL PERFORMANCE AND BUSINESS STRATEGY</p> <p>Relates to organisational growth strategy and priorities in emerging and developed markets (e.g., China), including tax strategy, analysis of market risks and opportunities (e.g., mergers and acquisitions), debt levels, investments and other indirect economic impacts of improved health outcomes.</p>	<p>Patients and patient groups; Investors/shareholders/ debt providers; customers; research partners</p>	<p>Across the value chain</p>	<p>Marketplace and Community (page 34)</p>
<p>PRODUCT SAFETY AND QUALITY</p> <p>Relates to ensuring product stewardship and efficacy, including measures for preventing and managing counterfeit products. This topic also includes compliance with regulatory standards in all jurisdictions, internal standards and frameworks. For Seqirus, this goes beyond product safety and compliance as it links to the social obligation as a vaccine leader in the public health scene.</p>	<p>Investors/shareholders/ debt providers; patients and patient groups; customers; regulatory agencies; employees; healthcare professionals</p>	<p>Product development to sales, marketing, policy advocacy and patient support</p>	<p>Our Therapies (page 29)</p>

1. Our Organisation continued

Top nine topics (not in any specific order)	Key stakeholders impacted	Value chain boundary	Relevant section in this report
<p>R&D – PRODUCTS AND SERVICES INNOVATION</p> <p>Relates to ensuring businesses have the processes, skills and client relationships required to develop innovative products and services that align with industry code of ethics whilst meeting changing customer requirements and creating competitive advantage. Also relates to being aware of external disruptive technologies and incorporating these into business practices where relevant to gain a competitive advantage.</p>	Research partners; patients and patient groups; healthcare professionals	Early stage research and collaboration to product development and clinical trials	Innovation (page 22)
<p>EMPLOYEE RECRUITMENT, DEVELOPMENT AND RETENTION</p> <p>Relates to talent recruitment and retention efforts for highly skilled employees that are critical to the delivery of our business growth and strategy. It relates to ensuring the necessary people capabilities and expertise to meet medium to long-term strategic priorities. This topic also includes developing appropriate training, mentoring, equal opportunity and diversity, and career development programs using unique incentive structures to attract and retain the best talent.</p>	Employees; investors/ shareholders/debt providers	Across the value chain	Our People (page 15)
<p>SUPPLY CHAIN MANAGEMENT</p> <p>Relates to policies and procedures across all geographies to monitor and manage its supply chain and its associated risks to protect consumer health and corporate value. This includes effective management of sole-supplier products and reliable supply of market-share products. Also relates to growing stakeholder expectations to minimise environmental and social impacts (environmental and human rights) of the supply chain whilst also meeting cost optimisation objectives.</p>	Patients and patient groups; business partners; customers; regulatory agencies	Product development to sales, marketing, policy advocacy and patient support	Our Therapies (page 33)
<p>ETHICAL MARKETING</p> <p>Relates to mechanisms to enhance transparency, minimise risks and ensure compliance with regulations, in particular the interaction with healthcare professionals, patients and patient groups. In addition, relates to the disclosure of information on products' side effects that can surface after marketing approval, ensuring accuracy in describing and communicating this information to minimise exposure to the financial implications of recalls and other adverse events.</p>	Patients and patient groups; regulatory agencies; healthcare professionals; industry associations	Sales, marketing, policy advocacy and patient support	Responsible marketing of medicines (page 39)
<p>BRIBERY, CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR</p> <p>Pharmaceutical organisations are subject to various state, federal and international laws pertaining to healthcare fraud, abuse, anti-competitive behaviour, anti-trust and overpricing. This topic relates to ensuring transparent and ethical business practices governing interactions with healthcare professionals, especially in countries where corruption is widespread, including mechanisms to ensure employee compliance.</p>	Investors/shareholders/ debt providers; customers; employees; regulatory agencies	Across the value chain	Marketplace and Community (page 36 and 37)

1.5 United Nations Sustainable Development (SD) Goals

Across our value chain CSL's activities support the achievement of the United Nations Sustainable Development goals, in particular:

SD goal	CSL's position and contribution
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>CSL develops and delivers innovative medicines that save lives, protect public health and help people with life-threatening medical conditions live full lives. CSL holds more than 1,100 product registrations* in 101 countries, supporting newborns through to the elderly. Our support for patient groups and their programs helps to raise awareness and diagnosis of rare and serious diseases and improve access to our life-saving therapies.</p> <p>For more information, see page 22 in this report.</p> <p>* Includes varying vial sizes</p>
 <p>4 QUALITY EDUCATION</p>	<p>Across our facilities, CSL actively supports the placement of interns and/or graduates. For example, CSL Behring Australia's graduate program of three years has seen more than 12 individuals progress through two year rotations in highly specialised areas. In addition, we are committed to advancing women's education and opportunities in science, technology, engineering and mathematics (STEM) careers. A key element of CSL's global talent strategies is our relationships with schools at both the secondary and university levels as well as professional diversity organisations. We met our goal of forming and/or deepening our strategic relationships in all major markets. Our biomedical recognition and award programs encourage the best and brightest to pursue higher education in STEM and further their research outcomes.</p> <p>For more information visit CSL.com (Corporate Governance, Diversity & Inclusion, and In the Community).</p>
 <p>5 GENDER EQUALITY</p>	<p>CSL strives to create an open and trusting work environment characterised by equal opportunity, as well as a diverse, inclusive, collaborative and values-based culture. We rely on our people's unique perspectives, ideas, capabilities and experiences to deliver for our business, our patients and our shareholders. We believe diversity and inclusion are crucial to strong business growth and performance.</p> <p>For more information, see page 18 in this report and CSL.com (Corporate Governance).</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>We employ over 22,000 people worldwide representing 37 different nationalities. We promote safety, health and wellbeing in the workplace and strive to equip our people with the right skills to perform their roles. We provide development initiatives and opportunities and recognise the contribution of employees to our business success. Increased vigilance of decent work practices within our supply chain remains a focus for CSL.</p> <p>For more information, see page 21 in this report.</p>

1. Our Organisation continued

SD goal

CSL's position and contribution



Our product portfolio focuses on innovation in new products, improved products and manufacturing expertise, thereby ensuring our continued growth. We enter into collaborative partnerships to further the science and prospects for successful product development. These partnerships often result in shared knowledge, intellectual property or products.

For more information, see page 24 in this report.



CSL has an Environment, Health, Safety and Sustainability (EHS2) plan to ensure our facilities operate to industry and regulatory standards. This plan includes compliance with government regulations and commitments to continuously improve the health and safety of the workforce as well as minimising the impact of operations on the environment. We actively monitor our waste management practices as part of our business operations and environmental management efforts. Over the reporting period, CSL achieved a waste recycling rate of 43%, a decrease on the prior year. This is an area of focus for CSL.

For more information visit CSL.com (Corporate Responsibility and Environment).



Detailed climate change risk assessments are carried out following CSL's Risk Framework. Risk assessments are based on identification, quantification and mitigation of risks which would prevent or impair CSL from meeting its business objectives. These assessments were undertaken in 2008/09 and 2014/15, and will be repeated when a new international consensus on climate change physical and transitional risks emerges, notably through the Intergovernmental Panel on Climate Change (IPCC) process. The latest assessment undertaken in 2014/15 concluded that CSL is not exposed to climate change risks based on physical climate factors, regulatory changes or other factors that have the potential to generate substantive change in our business operations, revenue or expenditure in a 25-year period. Over the reporting period, CSL achieved reductions in energy consumption intensity*, greenhouse gas emission intensity* and water consumption intensity*, compared with prior years. Also in 2017, following participation in the CDP (formerly the Carbon Disclosure Project), CSL achieved a B for its submission to CDP water and a C for its climate impacts submission.

For more information visit CSL.com (Corporate Responsibility and Environment).

*Intensity is a measure against Group revenue.

2. Our People – providing a positive working environment

We believe our people can enjoy promising futures where they fulfil their individual career aspirations and potential and are inspired by a purpose-driven company with a values-based culture.

Governance

Every day, CSL is relying on our team of over 22,000 talented employees around the globe to deliver on our promise to our patients and our communities. In return, we are continually investing in our workplace and in our employees. We are building a diverse, flexible and engaging workplace where individuals can have promising futures. It is a workplace where people collaborate and innovate around global challenges and where everyone can make a difference.

How we identify, recruit and develop our employees is paramount to the long-term sustainability of our business, which is why our talent acquisition and talent development efforts are a key element of our overall human resource strategy.

CSL has a global network of internal recruiting experts, newly formed toward the end of 2016, focused on positively positioning the CSL brand among both active and passive job candidates. Global advertisement campaigns and recruiting events allow the team to target key talent populations, including engineers and scientists, as well as diverse top talent. The team is always looking for innovative ways to ensure a positive applicant experience from the first contact with the candidate through to the acceptance of a position.

We want to ensure that once on board, CSL employees have access to training and development opportunities that help them achieve superior performance in their current position and/or prepare for their next position.

We leverage technologies and frequent talent reviews/discussions to track employee and manager participation in development planning, career conversations and development courses to ensure our investments in these areas are making a positive difference. We also proactively assess the retention risk of key leaders and put intervention plans in place, as needed, such as skills training, job movement, mentoring and reward strategies.

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



2. Our People continued

2.1 Performance

CSL's global workforce has grown to a total of 22,220 employees (as at 30 June 2018) – up 13% from the previous year. Our people are employed in more than 35 countries across a number of geographic regions. As with past years, our workforce continues to grow to accommodate an expanding network of CSL Plasma centres, an expansive market presence of more than 60 countries and a growing manufacturing footprint that includes facilities in Australia, China, Germany, Switzerland, the United Kingdom (UK) and the United States (US).

In the most recent employee opinion survey conducted in April/May 2018, we achieved an engagement score of 75% favourable, which is three points above IBM's global norm and two points higher than last year's survey score.

Across the global workforce, females represent the majority at 56% of the population and 39% at the people manager level.

Over the reporting period, there were decreases across all three health and safety indicators: the lost time injury frequency rate decreased by 26%; the days lost frequency rate decreased by 53% to an all-time organisational low; and the medical treatment rate dropped by 17%. We also continued our long-standing record of no employee or contractor work-related fatalities.

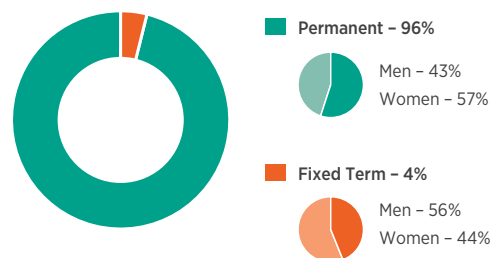
OUR TOTAL WORKFORCE NUMBERS*

Division	17-18
CSL Behring	9,604
CSL Plasma	9,459
CSL Limited†	532
Seqirus	2,285
Ruide	340
Total	22,220

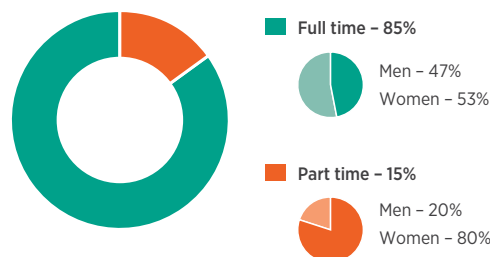
* Total headcount; excludes contingent workers, contractors, consultants, casual/temporary staff. Data includes Ruide. Data as at 30 June 2018.

† Includes Corporate and R&D employees in Australia.

OUR TOTAL WORKFORCE BY EMPLOYMENT CONTRACT*



OUR PERMANENT WORKFORCE BY EMPLOYMENT CONTRACT*



2.2 Culture

Our employees are inspired by our patients. They are motivated by and have the opportunity to contribute to the important work that CSL does, which is focussed on patients and the health of communities.

Last year, CSL introduced a newly designed Employee Feedback Survey that is administered twice a year and allows active, regular employees (including fixed term, but excluding contingent workers) to provide anonymous feedback. The survey gathers insights on our workplace and culture, and allows us to understand our progress in all areas, from handling change and collaboration to living our values and sharing recognition. Leadership teams review the results and incorporate actions into the overall objective setting process for the year so that individual teams can build upon their areas of strength and address any improvement opportunities.

In the survey conducted in April/May 2018, CSL's overall engagement score of 75% favourable is three percentage points above IBM's global norm (world norms database of data from 2012 to half-year 2015) and increased two percentage points compared to last year's survey score. Participation in the survey is completely optional so we were pleased to have over 12,600 employees (59%) share their feedback.

Survey results compared to last year also reveal that employees are extremely satisfied with CSL as a place to work (up 11 percentage points), believe they can have a promising future here (up five percentage points), and that they are empowered to make decisions without unnecessary levels of approval (up seven percentage points).

Work/life balance and recognition are two items currently below the global benchmark that we will continue to monitor and address. Many of our locations offer and promote local workplace flexibility options. We have also kicked off a global project to evaluate potential options for piloting a global recognition platform in the future.

We believe our strong company culture is reflected in both our high engagement scores as well as the external recognition we earn. Recognitions of note this year include being named one of the world's top 50 employers by Forbes, one of Australia's top 20 most innovative companies. Our Marburg site earned a Job & Family Employer award in recognition of the programs and policies offered in such areas as flexibility, family events and benefits.



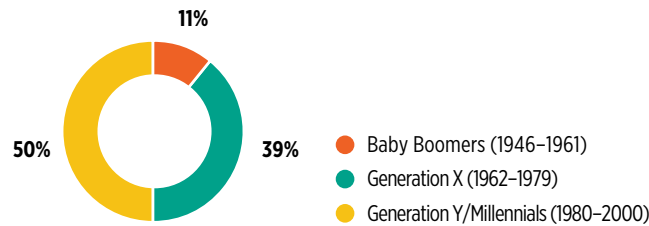
2. Our People continued

2.3 Diversity

CSL views diversity through a broad array of difference in people across attributes of gender, nationality, ethnicity, disability, sexual orientation, gender identity, generation/age, socioeconomic status, religious beliefs, professional and educational background as well as global and cultural experiences.

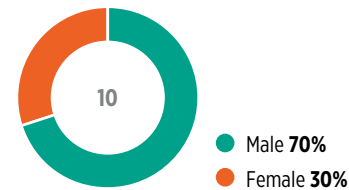
Our workforce profile shows that CSL is a multigenerational company with employees aged from 17 to 74. Currently, millennials make up half of CSL's total workforce and are also the largest and fastest-growing segment in the global workforce overall. We believe this generational diversity helps ensure we consider and leverage a wide range of perspective and experiences when addressing patients' needs now and in the future.

CSL continues its strong commitment to advancing women in the workplace. Female employees represent 56% of our global workforce. The CSL Board and executive team monitor the percentage of females in the workforce with a focus on senior executive positions. Over the reporting period, we have once again achieved our target percentage of 30% for female representation across our senior executive positions and we are at less than 1% below our target of 40% female representation for all people management positions. In line with Australian Securities Exchange (ASX) guidelines, the graphs on the right highlight the proportion of women and men on the Board, in senior executive positions (Senior Director and above), other management roles and across the whole organisation as at 30 June 2018.

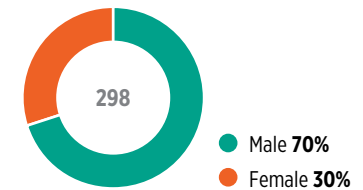


Data as of 30 June 2018 and includes all employees globally where birthdate is recorded (97% of workforce).

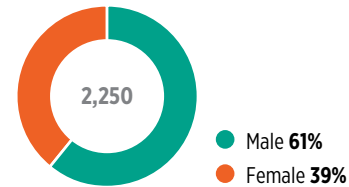
BOARD MEMBERS



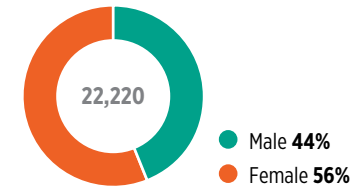
SENIOR EXECUTIVES



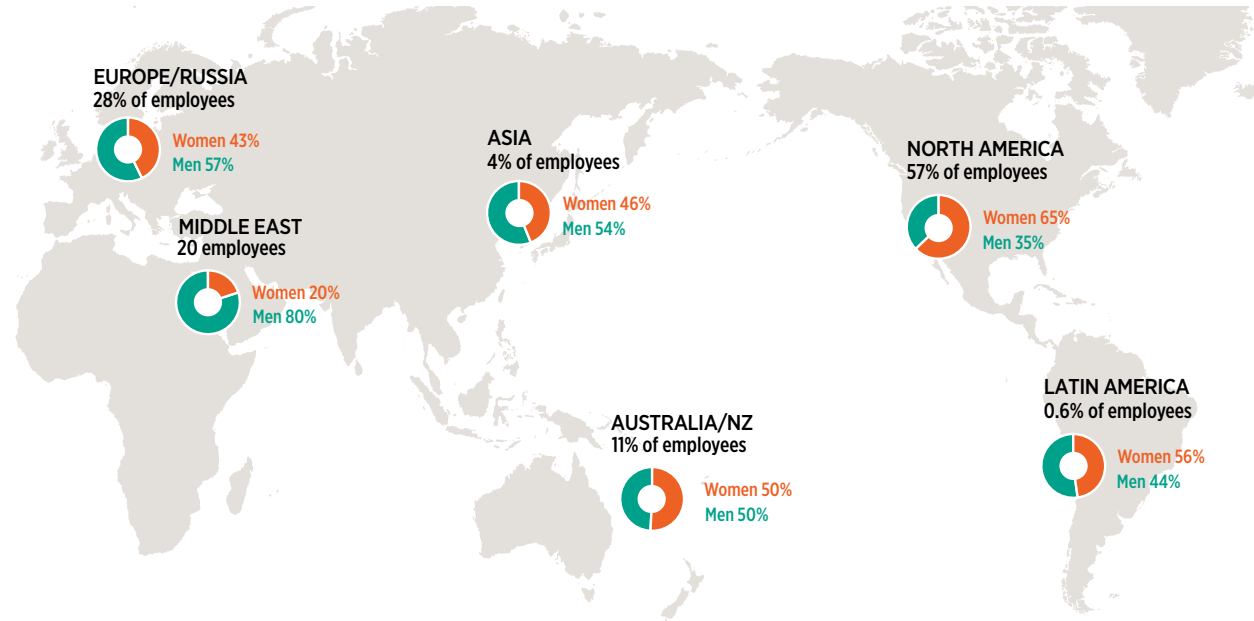
PEOPLE MANAGER



ALL EMPLOYEES



OUR TOTAL WORKFORCE BY REGION AND GENDER*



* Total headcount; excludes contingent workers, contractors, consultants, casual/temporary staff. Includes Ruide. Data as at 30 June 2018. Due to rounding percentages do not equal 100.

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



2. Our People continued

2.4 Development and retention

As the global workforce is changing, our performance and talent management processes must continue to evolve to stay contemporary and flexible. Ultimately, we are focused on attracting, retaining and developing the best talent to positively contribute to our culture and our long-term business success. This includes:

- hiring qualified and diverse talent around the globe;
- setting clear expectations for all employees in support of our strategic objectives and strategy execution;
- having leaders who champion and role model critical behaviours in alignment with our newly refreshed CSL Values (Patient Focus, Innovation, Integrity, Collaboration, Superior Performance); and
- providing performance coaching and feedback to help all people succeed.

This year, CSL:

- introduced leadership capabilities so people understand what's expected of them as a CSL leader (think beyond, build bridges, unleash outcomes, ignite agility, inspire the future, cultivate talent);
- launched a new global onboarding program to provide new hires with a consistent and positive onboarding experience so they can quickly integrate, contribute and be productive; and
- invested in training programs for our people managers that allow them to develop their skills through both instructor-led and virtual learning experiences on a range of topics, including building effective teams, coaching, managing change and delivering effective feedback.

ATTRACTING TALENT

Most recently, a specialised university relations function was created to optimise our ability to attract Master of Business Administration (MBA) students to participate in a new rotational pilot program in the US. The team is also leveraging the strategic relationship with Penn State University in the US based on CSL's contribution to enhance the fermentation lab as another source for attracting emerging STEM (science, technology, engineering and math) talent. This program builds upon CSL's history of strong partnering with universities and colleges, including the CSL graduate program in Australia, which is in its third year, and is focused on building a pipeline of future leaders in that region.

DEVELOPING TALENT

A key underpinning of our Promising Futures employee brand is the investment we make in the growth, learning and development of our people. As a global organisation, we are able to gather best practices from around the world and scale them for a global audience, which is what we did with the concept of "leadership day" development conferences.

Originally created by our Marburg site in Germany, leadership day was a single day dedicated to advancing the development of local leaders and building awareness around tools, programs and resources designed specifically for CSL leaders. The program included site management discussions, external thought leaders, networking and teambuilding opportunities, and development resources.

It was such a success locally that CSL has since invested in scaling the event worldwide. By the end of 2018, the company will hold leadership day events at every major site across the enterprise. We have also piloted an all-employee version of the event at a few sites and are creating a leadership day toolkit to be delivered to our remote leaders.

Participant feedback from the event reveals that this live, hands-on approach was valuable and reinforced CSL's commitment to developing our people.



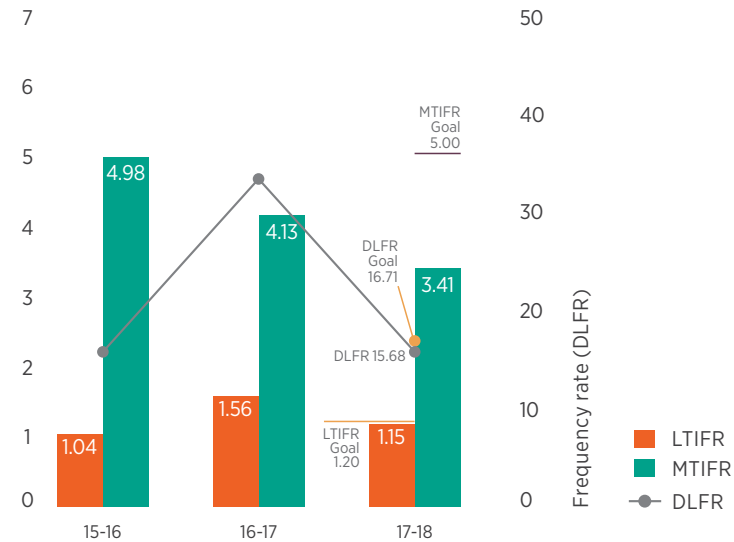
2.5 Employee health and safety

EMPLOYEE HEALTH AND SAFETY

CSL has an Environment, Health, Safety and Sustainability (EHS²) Strategic Plan, which ensures its facilities operate to industry and regulatory standards. This strategy includes compliance with government regulations and commitments to continuously improve the health and safety of the workforce as well as minimising the impact of operations on the environment. To drive this strategy, a Global CSL EHS² Management System Standard has been developed and is under implementation worldwide. Two sites have undergone EHS² Management System audits and both have received CSL certifications of compliance.

Employee safety targets are set annually through a collaborative process with business leaders and are intended to motivate CSL to make progress towards an injury and illness free workplace. The EHS² teams and the various business partners have worked diligently at building a safety culture with alignment to the CSL values. Against the prior comparable period, there were decreases across all three indicators: the lost time injury frequency rate decreased by 26%; the days lost frequency rate decreased by 53% to an all-time organisational low; and the medical treatment rate dropped by 17%. We also continued our long-standing record of no employee[^] or contractor work-related fatalities and zero regulatory safety violations or fines.

OUR HEALTH AND SAFETY PERFORMANCE*



* The frequency rate is the number of occurrences of injury or disease for each one million hours worked. DLFR = days lost frequency rate. LTIFR = lost time injury frequency rate (occurrences that resulted in a fatality or time lost from work of one day/shift or more). MTIFR = medical treatment incident frequency rate (occurrences which were not lost-time injuries and for which medical treatment was administered). Contractor injuries and hours are not included; however, injuries and hours for directly supervised workers, such as contingent workers, have been included for some sites. Employee hours have been estimated by each site and the estimation method varies based on region.

[^] In August 2017, an employee at King of Prussia, US, was found unresponsive and unfortunately could not be resuscitated. The collapse was investigated and determined to be due to a personal medical condition and the death not work-related.

3. Innovation – delivering unmet patient need

A dedicated focus on product research and development (R&D) and operational excellence ensures we are well positioned to deliver new and improved therapies for unmet patient need. For CSL, R&D is a critical driver of sustainability.

Governance

The CSL R&D governance framework is a system of committees and employees with clearly allocated decision-making rights and defined responsibilities, designed to ensure that R&D effectively supports the delivery of CSL's strategic objectives. The framework is designed to allow high-quality, timely decision making for individual projects and the global R&D portfolio.



3.1 Performance

In 2017/18, CSL invested US\$702 million in R&D efforts across our businesses. During the reporting year, we achieved 25 product registrations or new indications for serious diseases.

A major highlight was the registration and United States (US) launch of HAEGARDA[®], the first and only self-administered subcutaneous prophylactic therapy to prevent hereditary angioedema (HAE) attacks. Further achievements include regulatory approval of PRIVIGEN[®] (US) and HIZENTRA[®] (US and European Union) for the treatment of chronic inflammatory demyelinating polyneuropathy (CIDP), a rare and progressive disease that may cause permanent nerve damage.

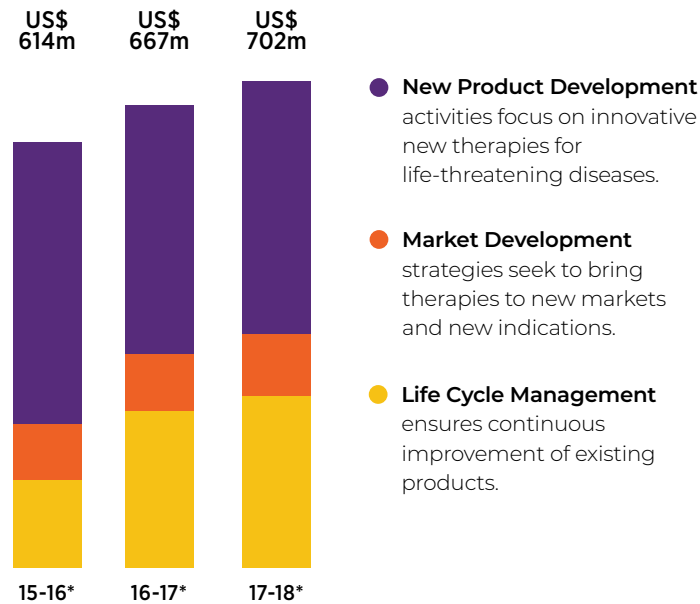
Significant progress has been made in the development of new breakthrough medicines over the past year with the completion of two Phase I trials and the initiation of a third using three of CSL's novel monoclonal antibodies (mAbs). CSL324, designed to treat inflammatory diseases, and CSL312, in development for the treatment of HAE, were both shown to be safe and well tolerated. In addition, CSL346, designed to control glucose absorption in type 2 diabetics, entered the clinic in November 2017. All three mAbs have novel mechanisms of action and the potential to treat multiple indications in patients. In addition, a fourth Phase I trial was initiated to evaluate the safety and tolerability of the potential first-in-class recombinant Fc multimer protein M230/CSL730 in development to control inflammation associated with autoimmune diseases.

In March 2018, the first patient was enrolled in the largest clinical trial ever to be undertaken by CSL. The Phase III trial will evaluate the efficacy and safety of CSL112, a novel plasma derived apolipoprotein A-1 formulation designed to reduce recurrent cardiovascular events by removing cholesterol from lipid-rich atherosclerotic plaques in the arteries. The trial will enrol over 17,000 patients globally and is the final step to evaluate whether CSL112 reduces cardiovascular events in high-risk patients during the critical 90 days following a heart attack. If successful, CSL112 will be a transformative growth driver for our company and has the potential to address one of the world's most prevalent and devastating diseases.

The most significant driver of growth for Seqirus was the ongoing shift in the product mix from standard trivalent influenza vaccines to cell-based quadrivalent and adjuvanted products, particularly in the US. The accelerated development of cell-based manufacturing technology at our state-of-the-art facility in Holly Springs, US, enabled a four-fold increase in output in just two years. Ongoing process innovation will help to meet increased demand for the vaccine in the US, support commercialisation plans in Europe and further strengthen pandemic response.

Over the reporting period, 16 inspections of our clinical trials were undertaken by regulatory agencies with no impact on clinical trial licences or operations.

RESEARCH AND DEVELOPMENT INVESTMENT



* Includes R&D for CSL Behring and Seqirus. Different methods and definitions for R&D spend and allocation have been used by Seqirus and CSL Behring in 2017/18.



3.2 Collaboration

Collaboration is at the heart of CSL's success. Strong and productive partnerships are essential for innovative scientific discoveries and for developing those ideas into new medicines for patients. Collaboration exists throughout all parts of our business, with patients, patient groups and clinicians, and with medical research institutions, universities and hospitals.

The majority of CSL's early stage research scientists are located at the University of Melbourne's internationally recognised Bio21 Molecular Science and Biotechnology Institute in Parkville, Australia. Our research scientists find Bio21 an attractive and intellectually stimulating place to work, and the cross-cultivation of ideas from academia to industry helps translate science into life-saving medicines. A substantial 5,000m² expansion of the Bio21 Institute is nearing completion with the state-of-the-art facility to house CSL's Global Research and Translational Medicine Hub. The new facility will double the presence of CSL research scientists from 75 to around 150. Our increased presence at Bio21 will enable us to increase our collaboration with University of Melbourne researchers

and other research institutes and hospitals in the Parkville precinct and provide a powerful way to build our long-term pipeline of medical therapies.

CSL continues to invest in the next generation of biotechnology scientists. A US\$4.9-million donation to Pennsylvania State University in the US has enabled the creation of the multidisciplinary Center of Excellence in Biotechnology and the revitalisation of the Shared Fermentation Facility on the University Park campus (see page 40 for more information).

CSL is also involved in initiatives to aid and accelerate the commercialisation of promising biomedical research. Through a commitment of almost A\$25 million, CSL is participating in the Brandon Capital-led A\$230-million Biomedical Translation Fund and the A\$200-million Medical Research Commercialisation Fund (MRCF). These funds, the largest life science funds in Australia's history, are investing in the development of promising Australian biomedical discoveries and increase the pool of products suitable for later-stage development.

New acquisitions, strategic partnerships and collaborations continue to accelerate the innovative pipeline at CSL. In August 2017, CSL announced the acquisition of Calimmune Inc., a biotechnology company focused on the development of ex vivo hematopoietic stem cell (HSC) gene therapy. The acquisition introduced Calimmune's pre-clinical asset CAL-H, an HSC gene therapy for the treatment of sickle cell disease, to the CSL R&D pipeline, complementing our current product portfolio and deep expertise in haematology. Through the acquisition of Calimmune's scientific expertise, people and technologies, we will continue to develop our gene and cell therapy capabilities.

In December 2017, we announced a strategic partnership with Vitaeris Inc. to expedite the development of clazakizumab (an anti-IL6 monoclonal antibody) as a therapeutic option for solid organ transplant rejection, an important area of unmet clinical need.

CSL's collaboration with Momenta Pharmaceuticals, Inc., resulted in the initiation of a Phase I clinical trial in January 2018. The study will evaluate the safety and tolerability of the potential

first-in-class recombinant Fc multimer protein M230/CSL730 in development to control inflammation associated with autoimmune diseases. M230/CSL730 is a unique recombinant trivalent human IgG1 Fc multimer, with optimal physicochemical and biological properties to modulate Fcγ receptors (FcγRs), which have been shown to play critical roles in inflammation and tissue damage.

In May 2018, CSL and CEVEC Pharmaceuticals GmbH announced an exclusive licence agreement for the development, manufacture and commercialisation of recombinant C1-esterase inhibitor (C1-INH) proteins for HAE and other potential indications using CEVEC's proprietary CAP[®]Go technology. The licensing agreement was the result of an ongoing collaboration between CSL and CEVEC, which yielded initial data on the significant potential of the CAP[®]Go technology to enable the development of a differentiated recombinant C1-INH product candidate.

Over the reporting period, our scientists and collaborators have continued to publish high-quality scientific research, authoring or co-authoring 90 articles in peer-reviewed journals.

3.3 Clinical trials

CSL is committed to conducting all of its R&D activities in a responsible manner, complying with government regulations, meeting industry codes and standards of best practice.

We continue to invest in clinical development activities as part of our R&D strategy. In 2017/18, CSL commenced 17 new trials, bringing the total number of clinical trials in operation across all therapeutic areas to 38.

CSL conducts ethical clinical trials and adheres to exemplary 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. The CSL Clinical Quality Management System allows us to monitor and effectively oversee the quality of our clinical trials. In 2017/18, we conducted 195 internal audits (160 CSL Behring, 35 Seqirus) of our clinical trial activities, which included study site, vendor, good clinical practice (GCP)/good laboratory practice (GLP), pharmacovigilance, and document and system audits. In addition, 16 inspections (7 CSL Behring and 9 Seqirus) were

undertaken by regulatory agencies such as the US Food & Drug Administration (FDA), the Swiss Agency for Therapeutic Products (Swissmedic) and Health Canada, to assess CSL's compliance with International Conference on Harmonization GCP (ICH-GCP) guidelines, including inspecting the clinical trials related to HIZENTRA in the US, as well as associated pharmacovigilance activities. All inspections confirmed adherence with GCP requirements, validated the data integrity of our clinical trials and had no impact on clinical trial licences or operations.

CLINICAL TRIAL TRANSPARENCY

CSL supports policies and actions that seek to appropriately enhance the exchange of scientific information, and is committed to ensuring the transparency and public accessibility of information related to our global clinical research activities. This information better places people to make informed decisions about possible options for treatments as well as potential participation in clinical trials. CSL makes every effort to comply with national and international standards relevant to clinical trial disclosure and data. Over the reporting period, 11 clinical trial registrations and 11 clinical trial results were published and made readily available to stakeholders and the general public.



NUMBER OF PRE-CLINICAL AND CLINICAL STUDIES COMMENCED* IN 2017/18

R&D strategy area	Pre-clinical [†]	Phase I	Phase II	Phase III	Phase IV	Total number of clinical trials commenced in 17-18	Total number of clinical trials in operation in 17-18
Haemophilia products	4	0	0	0	0	0	7
Specialty products	3	0	0	1	0	1	5
Immunoglobulins	0	2	0	0	1	3	8
Breakthrough medicines	1	2	1	1	0	4	8
Transplant	0	0	1	0	0	1	2
Vaccines	0	0	0	4	4	8	8
TOTALS	8	4	2	6	5	17	38

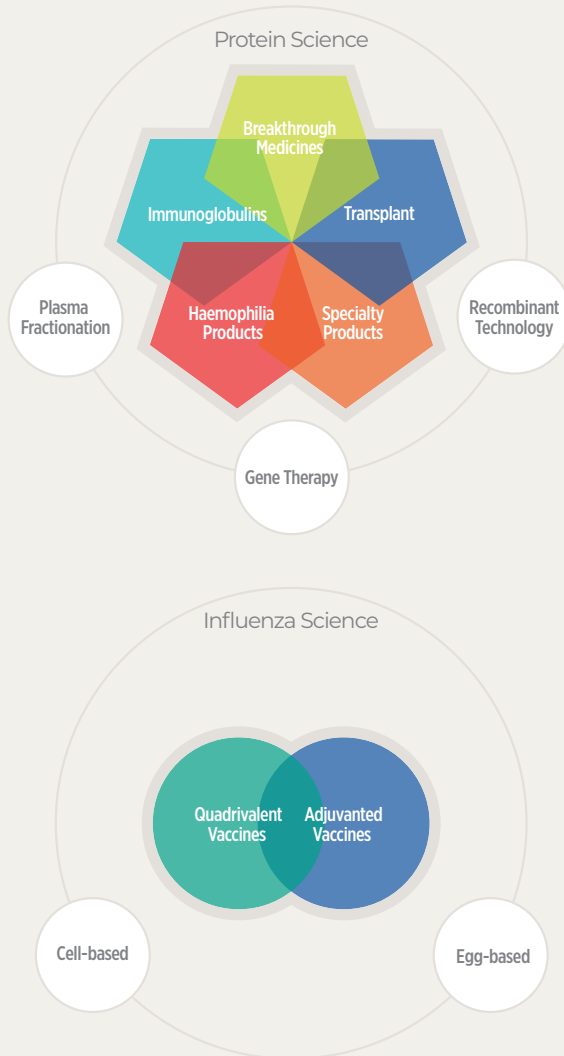
* Defined as having a final protocol approved and study start-up activities commenced.

† Total number of GLP-toxicological studies only.

3. Innovation continued

3.4 R&D strategy area profile and product highlights 2017/18

CSL's R&D capabilities are focused in four major areas: plasma therapies, recombinant proteins, gene therapy and vaccines. These capabilities manifest themselves in our innovative immunoglobulins, specialty plasma products, haemophilia products, breakthrough medicines, treatments for transplant and vaccines.



STRATEGY AREA PROFILE – SPECIALTY PRODUCTS

Strong progress has been made in the expansion of our specialty products portfolio over the past year. In July 2017, following FDA approval, CSL launched HAEGARDA (plasma derived human C1-Esterase Inhibitor [C1-INH]), the first and only subcutaneous preventative treatment for patients with hereditary angioedema (HAE). HAEGARDA represents a new standard of care for HAE patients, reducing HAE attacks by 95% and the need for rescue medication by 99%. In order to remain at the forefront

of innovation in HAE treatment, in May 2018, CSL announced an exclusive license agreement with CEVEC Pharmaceuticals to develop highly differentiated recombinant C1-INH proteins. Building on our deep knowledge and expertise of HAE and plasma derived C1-INH, CSL aims to leverage CEVEC's expertise in the production of recombinant C1-INH using their proprietary CAP®Go technology. The technology provides the opportunity to develop innovative proteins with improved half-life and more convenient administration, further improving the quality of life for patients suffering from HAE.

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

PRODUCT REGISTRATIONS AND INDICATIONS 2017/18*

Therapy area	Product	Type	Country/region
Immunoglobulins Focus on improved patient convenience, yield improvements, expanded labels, new formulation science and specialty immunoglobulins	HIZENTRA® Immune Globulin Subcutaneous (Human) 20% Liquid	NR	Bosnia and Herzegovina, Philippines, Malaysia, Singapore, Taiwan, Thailand
	HIZENTRA® Immune Globulin Subcutaneous (Human) 20% Liquid	NI	Argentina, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Germany, Hungary, Iceland, Iran, Ireland, Italy, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK, US
	PRIVIGEN® Immune Globulin Intravenous (Human) 10% Liquid	NR	Philippines, Thailand
	PRIVIGEN® Immune Globulin Intravenous (Human) 10% Liquid	NI	Costa Rica, El Salvador, Guatemala, Switzerland, US
	RHOPHYLAC® Rho(D) Immune Globulin Intravenous (Human)	NR	Cyprus
	INTRAGAM® P Human Normal Immunoglobulin	NI	New Zealand
Haemophilia and coagulation products Support and enhance plasma products and develop a novel recombinant portfolio with a focus on scientific and product innovation and patient benefit	AFSTYLA® Antihemophilic Factor (Recombinant) Single Chain	NR	Japan, New Zealand, Puerto Rico
	IDELVION® Coagulation Factor IX (Recombinant) Albumin Fusion Protein	NR	Israel, Malaysia, Puerto Rico, Taiwan
	BERIATE® Human Coagulation Factor VIII	NR	Tunisia
	VONCENTO® Human Coagulation Factor VIII/Human von Willebrand Factor	NR	Colombia
	VONCENTO® Human Coagulation Factor VIII/Human von Willebrand Factor	NI	Switzerland
	BIOSTATE® Intravenous Coagulation Factor VIII/VWF Complex (Human)	NI	Malaysia
	BERIPLEX® P/N Human Prothrombin Complex	NR	Cyprus
	FIBROGAMMIN® Factor VIII Concentrate (Human)	NR	Iran

3. Innovation continued

Therapy area	Product	Type	Country/region
Specialty products Leverage our high-quality, broad-specialty plasma products portfolio through new markets, novel indications and new modes of administration	BERINERT® Intravenous C1-Esterase Inhibitor Intravenous (Human)	NR	Chile, Columbia, Iran
	HAEGARDA® C1-Esterase Inhibitor Subcutaneous (Human)	NR	Canada
	ALBUREX® 20/ALBURX® 20 Human Albumin	NR	Iraq, Pakistan
	ZEMAIRA® Alpha1-Proteinase Inhibitor (Human)	NR	New Zealand
Vaccines and licensing Supporting products for the prevention of infectious diseases and partnering our intellectual property	FLUAD® Adjuvanted Trivalent Influenza Vaccine (aTIV)	NR	Australia, UK
	AFLURIA® Quadrivalent™, seasonal egg-based split quadrivalent influenza vaccine	NR	US
	AFLURIA® Quad, seasonal egg-based split quadrivalent influenza vaccine	NR	Australia
	AFLURIA® Quad, seasonal egg-based split quadrivalent influenza vaccine	NR	New Zealand
	AFLURIA TETRA™, seasonal egg-based split quadrivalent influenza vaccine	NR	Canada
	FOCLIVIA®, egg-based pandemic influenza vaccine (H5N1)	NR	Switzerland
	FLUCELVAX QUADRIVALENT®, the first and only cell culture-based influenza vaccine	NR	US

* First-time registrations or indications for CSL products in the listed countries/regions over the reporting period.  New Registration  New Indication

4. Our Therapies – ensuring the safety and quality

The development, manufacture and supply of high-quality and safe products is critical to our ability to continue to save lives and improve the health and wellbeing of patients with serious diseases.

Governance

CSL is committed to the development, manufacture and supply of high-quality, safe products that save lives and improve the health and wellbeing of patients with serious diseases. Assuring the safety of our plasma donors and the quality of our starting materials, through to the manufacture, distribution and ongoing safety surveillance of our products, is of the utmost importance to CSL.

People are the core of CSL's quality system and quality culture, and CSL takes a product lifecycle approach to the establishment of quality systems. CSL employs an integrated quality function that strives to maintain the highest standards through the use of global quality standards. These are reflected in global and local policies, and procedures as well as global and local electronic systems to support management of the quality processes.



4.1 Performance

In 2017/18, CSL's quality systems, plasma collection and manufacturing operations were subject to 374 good manufacturing practice (GMP) regulatory agency inspections around the world. These inspections resulted in no changes to our product marketing licences and provide significant evidence that the quality systems established globally by CSL are robust and in compliance with regulatory agency expectations.

The quality of CSL's end products begins with the quality of our suppliers. To supplement ongoing monitoring of supplier performance and to assure continued consistent high-quality materials from our partners, CSL Behring and Seqirus conducted a combined 489 quality (GMP) audits of suppliers worldwide.

Over the reporting period, more than a million surveys completed by our plasma donors indicated 99% would be willing to donate again and 96% would be willing to refer a friend to donate.

During the reporting period, CSL initiated five voluntary safety-related product recalls. Three separate recalls in Australia were related to a red blood cell typing diagnostic test. In December 2017, CSL Behring recalled Hepatitis B Immunoglobulin-VF 400 IU lot from the New Zealand market in response to a below specification result for potency recorded during a routine stability trial. In March 2018, CSL Behring voluntarily initiated a recall for three lots of KCENTRA® 1,000 IU on the United States (US) market due to an increased risk of breakage during transport and handling of the product.

In 2017/18, we investigated three reported cases of counterfeit product; however, none of them were definitively confirmed.

Over the reporting year, under the leadership of CSL's Global Clinical Safety and Pharmacovigilance (GCSP) function, multiple audits and inspections by regulatory agencies consistently confirmed the robustness of CSL's pharmacovigilance system for the monitoring of the safety of patients and clinical study participants.

4. Our therapies continued

Company-wide audits and recalls	15-16	16-17	17-18
Regulatory audits	281	343	374
Quality audit of suppliers	584	609	489
Safety-related recalls of finished product	3 ^{a,b,c}	4 ^{d,e,f,g}	5 ^{h,i,j,k,l}

^a In 2015, Seqirus in Australia recalled one batch of ABTECTCELL™ III 0.8% Cell 2 due to weak or negative test reactions for antigen E.

^b In 2015, Seqirus in Australia recalled one batch of AHG Control Cells 3% due to weak or no reactions during antiglobulin testing.

^c In 2016, Seqirus in Australia initiated a product recall for one batch of FLUVAX® due to a low number of packs including no product information leaflets (PIL). In agreement with the regulatory agency, no actual product was retrieved from the market; however, a healthcare professional notification was issued with the relevant PIL information.

^d In August 2016, CSL Behring conducted a recall of Bayer's HELIXATE® (CSL Behring is the distributor) due to substandard potency over shelf life.

^e In September 2016, CSL Behring via the Mexico Affiliate recalled three batches of ALBUMINAR® 25%, due to evidence of tampering and counterfeit activity.

^f In February 2017, CSL Behring conducted a recall of RESPREEZA® 1,000mg in France due to a labelling error on the folding box of the launch lot of 367 packs delivered to seven hospitals in France.

^g In June 2017, Seqirus initiated a recall for PHENOCELL™ B 0.8% and 3% and ABTECTCELL™ III 0.8% RhD. These products are an in vitro diagnostic medical device; one cell displayed a weakly D positive reaction only detectable by some test methods. Seqirus provided a customer recall correction letter to users (in agreement with the Therapeutic Goods Administration) outlining the interim correction, whilst the product remained on market.

^h In August 2017, Seqirus in Australia recalled four batches of EPICLONE™ Anti-N due to false positive results in N-negative cells.

ⁱ In November 2017, Seqirus in Australia recalled three batches of EPICLONE™ Anti-M due to weak or negative test results when testing M-positive red blood cells.

^j In November 2017, Seqirus in Australia conducted a recall for product correction (customer letter and revised Instructions for use) for one lot of EPICLONE Anti-M due to false positive reactions when used in column agglutination technology (CAT) testing platforms.

^k In December 2017, CSL Behring initiated a recall for Hepatitis B Immunoglobulin-VF 400 IU lot on the New Zealand market in response to a below specification result for potency recorded during a routine stability trial at the 78-week time point.

^l In March 2018, CSL Behring initiated a voluntary recall of three lots of KCENTRA 1,000 IU on the US market due to an increased risk of breakage during transport and handling of the product.

4.2 Safety of plasma therapies and vaccines

Oversight and management of pharmacovigilance and clinical safety affords our patients the opportunity to fully realise the benefits of our products.

In 2017/18, under the leadership of CSL's GCSP function, CSL's overall system to assure patient and clinical study participant safety has further deepened its capabilities and improved quality outputs. Compliance metrics have remained at high and increasing levels. In addition, GCSP continues to enhance our technology platform with emphasis on safety signal detection and evaluation, electronic transmission of Individual Case Safety Reports through E2B (R3) and required monitoring of Health Authority databases, such as EudraVigilance with the European Medicines Agency (EMA). GCSP has deepened the cooperation with regional counterparts, particularly in Japan, allowing for smooth product registration submissions and post-marketing patient safety monitoring in this region. We further improved efficiency by streamlining processes and controlled outsourcing, and ensured the appropriate structure, skills and processes for products in early

development to fully support our pipeline by monitoring the safety of clinical study participants from first-in-human studies and onwards.

Over the reporting period, CSL Behring pharmacovigilance quality assurance (PVQA) performed a total of 65 pharmacovigilance (PV) audits: 16 on internal systems and processes across our sites, including affiliates, and 49 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 our ability to reliably supply product.

For Seqirus, the focus this year was on assessment of the newly implemented outsourced PV system and processes implemented during establishment of the organisation. A number of internal audits led by the quality group confirmed compliance with good vigilance practice (GVP), while also identifying areas for improvement and optimisation. Compliance metrics have been maintained at desired target levels.

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

4.3 Plasma donation, donors and safety

CSL Plasma prides itself on holding true to our promise to provide exemplary customer service to all our donors. We recognise that donors are an integral part of helping to keep our promise to patients who depend on our life-saving therapies.

The safety of our donors, employees and the plasma we collect is of paramount importance. To ensure the continuous safety of the donors and the plasma supply, donors are carefully screened and tested for infectious diseases. Plasma and plasma products undergo rigorous safety controls and inspections throughout every step of the manufacturing process, from the collection of plasma to the final packaging of the finished product, to ensure that our plasma products are of the highest quality and safety.

The safety of the final product is assured through the four pillars of safety – donor selection, testing, pathogen inactivation and pharmacovigilance – which act in concert to prevent transmission of infection to our patients. The four pillars have proven to prevent clinically significant infectious disease transmission to patients throughout CSL Plasma's history.

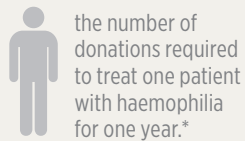
Post donation, donors are given the option to anonymously provide feedback on their donation experience, customer service and likelihood to donate again or refer a friend. Once the donor completes the survey, the information is then aggregated in our donor relationship management tool. The tool allows us to analyse the performance at each centre as well as regionally and nationally.

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

4. Our therapies continued

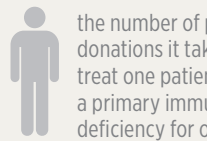
In the US, Germany, Hungary and China, CSL plasma donors are permitted to be compensated for the significant amount of time it takes to donate (around 1–1.5 hours), which demonstrates their commitment to the donation process and wanting to make a difference in a patient's life. Currently, commercially sourced plasma from the US supplies over half (UBS Global Research [UBS Evidence Lab], Global Plasma Pharmaceuticals, 9 June 2017) of the world's plasma requirements. This demand is driven by increased diagnosis for patients with rare bleeding disorders and the global demand to treat patients who suffer from bleeding disorders that require life-long treatments. As an example:

More than
1,200



the number of donations required to treat one patient with haemophilia for one year.*

More than
130



the number of plasma donations it takes to treat one patient with a primary immune deficiency for one year.*

625-880 mL
(21-30oz)



the amount of plasma that is generated in one donation.*

7-9
MONTHS



the length of time required to manufacture plasma protein therapies.*

1-3
HOURS



the amount of time it takes to donate plasma.*

60
DAYS



the length of time plasma units are held pending test results after a donation is made.*

While plasma replenishes more quickly than red blood-cells, and donors can give more at one session and more frequently, CSL Plasma facilities adhere to donation limits defined by applicable regulations. This process is monitored through our electronic donor management system and underpinned by our quality assurance processes. In addition, the plasma collection industry has processes in place (such as the Cross Donation Check System [CDCS]) that ensure a donor does not donate more frequently than is allowed under the applicable regulations.

CSL Plasma works with plasma donors from many socio-economic groups. All potential donors who voluntarily give of their time to donate are treated as valued participants in the process of providing safe and effective plasma products to patients in need.

As an example, the socio-demographic background of CSL Plasma donors in the US is very diverse. Based on self-reported survey data (1 July 2017 to 30 June 2018), CSL Plasma donors related their occupational status:

- 50% described themselves as working full-time;
- 25% 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;
- 10% as other (e.g., military, retired); and
- of the 90% who reported their occupational status, 10% described themselves as students.

Over the reporting period, 1,063,623 surveys were completed by our donors of whom 99.35% stated they would be willing to donate again and 96.82% stated they would be willing to refer a friend to donate at CSL Plasma.

Furthermore, over the same reporting period, CSL Plasma facilities were audited 113 times by regulators with no impact to our operating licences.

Find out more at
CSL.com

* The Plasma Protein Therapeutics Association.

4.4 Supplier management

In 2017/18, CSL furthered its efforts to leverage the value of critical supplier management across the business. To manage the supply chain with greater impact we have invested in additional staff to allow CSL to more effectively engage suppliers in risk reduction and productivity improvements. In manufacturing operations, the global sourcing team continued to closely monitor suppliers' risk profiles through the global risk management framework and modify mitigation actions where required. These include qualification of alternative suppliers, maintaining safety stock and rigorous supplier relationship and performance management. Importantly, this team will ensure our supply base of existing and new suppliers can keep pace with CSL's growth and ensure continuous supply to patients.

Relationships with CSL's critical suppliers continue to evolve in the areas of risk and innovation as we work together to support the growth of our business. Sourcing in collaboration with the supplier quality team ensures the required level of quality and performance is demonstrated consistently across the CSL business. The focus on consistency removes variation for suppliers, thus simplifying their efforts to support CSL and further reduces risks and inefficiencies in our operations. Our global security function is also turning its attention to our supply base as further support for ensuring continuity of supply. This new focus will become more prominent in the coming year.

In 2017/18, CSL conducted 489 quality audits of suppliers across CSL Behring, CSL Plasma and Seqirus. This level of effort reflects our continued focus on understanding our suppliers across our value chain.



SOCIAL MONITORING IN THE SUPPLY CHAIN

- In 2017, Seqirus joined CSL Behring's pilot program to assess suppliers across a number of environmental, social and governance (ESG) – related aspects including modern slavery. To this end, efforts to better understand, in detail, alignment of supplier practices with CSL's Code of Responsible Business Practice continues. Over the reporting period, we assessed the feasibility of a third party onboarding and risk-scoring tool to identify environmental and social aspects of our suppliers with mixed results. Assessing supplier performance against these aspects remains challenging and an area of focus for CSL. Furthermore, 20 Seqirus employees with authority to engage with and manage supplier performance undertook training in Protecting Human Rights in the Supply Chain.
- In July 2017, CSL published its third edition of the Code of Responsible Business Practice, which includes a commitment to forbid the solicitation, facilitation or any other use of slavery or human trafficking, and under no circumstance should any engagement with CSL deprive individuals of their freedom.
- Stakeholders, including employees, can anonymously (where permissible by law) bring instances of inappropriate conduct to our attention via CSL's Global Serious Complaints process. From 1 July 2017 to 30 June 2018, no instances related to human trafficking or slavery and forced labour were raised for the attention of management.

5. Our Marketplace and Community – operating responsibly

CSL's marketplace is diverse and complex, presenting many opportunities and challenges. Responsible conduct in the marketplace protects our reputation and sustains organisational growth.

Governance

CSL's Code of Responsible Business Practice (CRBP) underpins our approach to operating with the highest integrity in the marketplace. Market practices are governed by company-specific policies and procedures, internal compliance mechanisms and control systems are overseen by CSL's Audit and Risk Management Committee of the Board and the Global Compliance Committee (GCC), including the newly formed Business Integrity team.

Comprised of members of the Global Leadership Group (GLG) and other senior executives, CSL's GCC provides strategic direction for CSL's compliance activities as well as providing a means to monitor compliance globally. The GCC, with support from the global business integrity team, oversees and supports the creation, implementation and monitoring of global compliance structures and policies and procedures to ensure business is conducted in accordance with relevant laws and regulations. This includes setting annual requirements for global compliance-based training.



5.1 Performance

In 2017/18, through supplier payments, employee wages and benefits, shareholder returns, government taxes and community contributions, CSL distributed over US\$7.5 billion in direct value to economies in which we operate, an 8% increase on the previous year.

CSL remains active in public policy debates across key markets. In Australia, we established a policy coalition to respond to a federal government inquiry into impediments in business investment. In Europe and the United States (US), we continue our efforts to raise awareness and improve access to influenza vaccine, rare disease therapies and orphan drugs. Over the reporting period, CSL's non-partisan political contributions in Australia and the US totalled US\$17,311.

In 2017/18, there were no findings against CSL relating to a breach of any fair trading or competition laws. Furthermore, over the reporting period, no breaches were found by the US Food and Drug Administration (FDA), the European Medicines Agency (EMA) or Medicines Australia with respect to the marketing and promotion of our medicines.

Over the reporting year, CSL's strategic investment in activities targeting patient, biomedical and local communities totalled US\$39.5 million, comparable with the prior period. Our investments align with our strategic objectives and capabilities and drive a shared valued approach to community support.

CSL'S FINANCIAL/ECONOMIC PERFORMANCE*

Assessing economic performance at CSL is integral to the delivery of our strategy. The Commercial Operations Senior Leadership Team oversees the delivery of our marketplace strategy and is responsible for sales and marketing, the identification of new markets, retaining and developing key personnel and targeted patient support in the community. The CSL Board has strategic oversight and monitors performance through key subcommittees.

	15-16 US\$million	16-17 US\$million	17-18 US\$million
DIRECT ECONOMIC VALUE GENERATED			
Revenue	6,129	6,934	7,925
DIRECT ECONOMIC VALUE DISTRIBUTED			
Operating costs	3,678	4,162	4,354 [†]
Employee wages and benefits	1,346	1,574	1,878
Payments to providers of capital (shareholders)	649	690	779
Payments to government (tax)	425	483	489
Total	6,098	6,909	7,500
ECONOMIC VALUE RETAINED	31	25	425

* Prepared in accordance with GRI201-1 excluding item (i) taxes paid to government by country. Incorporates financial data for the CSL Group, including CSL Behring (incorporating Ruide) and Seqirus.

[†] In 2017/18, CSL contributed US\$39.5 million towards global community efforts.

5.2 Fair competition

CSL's GCC is responsible for providing strategic direction to CSL's fair competition compliance activities and monitoring the implementation and evolution of global fair competition compliance initiatives. We ensure fair competition across all geographies and business units by advocating a culture involving the strict exclusion of practices that would mislead consumers, contravene applicable trade practices or competition laws, or constitute unfair practices. CSL seeks to avoid many breaches of regulations or industry codes of conduct by recognising the importance of competing fairly in the global marketplace and ensuring equitable access to patient therapies and vaccines.

In 2017/18, there were no findings against CSL relating to a breach of any fair trading or competition laws.

5.3 Interactions with government

Governments play a critical role for the healthcare industry, specifically with the development of reimbursement frameworks and product access regimes across CSL's entire value chain. CSL recognises the importance of participating in political and public policy matters that directly impact business operations. Public policy initiatives are primarily focused in Australia, Asia, Europe and North America where appointed senior personnel are responsible for engaging with governments and other key stakeholders on public policy matters. CSL engages directly with governments and through active membership in industry groups, and contributes to public policy through engagement with patient organisations and public health agencies at a national and global level.



5. Our marketplace and community continued

EXAMPLES OF POLICY INITIATIVES ACROSS OUR REGIONS

<h4>Australia</h4>	<ul style="list-style-type: none"> CSL responded to the establishment of a federal government inquiry into “Impediments to Business Investment” by initiating a policy coalition with Cochlear, the Australian-based hearing implant manufacturer. Together, as Australia’s two most successful innovation-focused, advanced-manufacturing companies, we engaged in written and verbal advocacy focused on enhancing Australia’s international competitiveness and maximising the social and economic benefits flowing from innovation. We argued that the Australian Government should conceptualise and plan for a competitive Australia, counted within the top tier of innovative nations, known and respected for its welcoming business environment, and excellence in science, research and commercialisation. Our key points were that Australia needs an internationally competitive business environment including the taxation and regulatory regimes; that constant policy change, or change without consultation, undermines business confidence; that a globally mobile workforce is necessary to support Australian companies with a global export focus; and that it makes sense to support areas of competitive advantage including supporting research hubs and initiatives to keep Australian intellectual property onshore for longer.
<h4>Europe</h4>	<ul style="list-style-type: none"> As a member of Plasma Protein Therapeutics Association (PPTA) and EuropaBio, CSL Behring contributed to the European Commission consultation on European Union (EU) blood legislation with input into comprehensive trade association and company responses (August 2017) to reinforce our policy positions for the plasma sector. Key advocacy issues relate to the differentiation between blood for transfusion and plasma for manufacturing, impact of self-sufficiency, donor compensation and developing an environment to foster plasmapheresis to obtain plasma in Europe. Advancement is through direct advocacy with key European stakeholders such as Members of the European Parliament and representatives of the European Commission as well as with national competent authorities. CSL Behring likewise contributed to PPTA’s interaction with the World Health Organization (WHO) and the Council of Europe (Committee on Bioethics) with regard to initiatives on donor compensation ethics. Seqirus increased policy advocacy in Europe this year, focusing on issues related to influenza vaccine recommendations, coverage and effectiveness. The company participated in various industry consultations and advocacy on Brexit issues, particularly with regard to implications for the regulation of medicines and the availability of products. Through a grant to the International Longevity Centre, Seqirus sponsored a report on the costs of influenza and the benefits of vaccination. This was launched at the UK House of Lords with presentations and discussions with parliamentarians and stakeholders. Numerous meetings were held with Italian and Spanish regional governments on the burden of influenza, available products, and the need to increase immunisation rates, improve public health outcomes, and decrease costs especially for at-risk individuals over 65 years of age.
<h4>North America</h4>	<ul style="list-style-type: none"> CSL Behring actively engaged with the US Congress as it developed major tax reform. We supported efforts to adjust marginal tax levels and policy to further support investment in innovation and growth. The Orphan Drug Tax Credit was maintained, albeit at a reduced level, despite calls by some to eliminate it. Some proposals that could have been harmful to maintaining efficient international supply chains were modified. CSL Behring worked with affected parties, including patient groups and specialty pharmacies, to successfully advocate that an administration payment for subcutaneous therapy be moved forward to help assure full access to these important therapies. Seqirus was invited to testify on 23 January 2018 before the Senate Health Education Labor and Pensions (HELP) committee, at its legislative hearing on the Pandemic and All-Hazards Preparedness Act (PAHPA) reauthorization. The goal of the hearing, entitled “Facing 21st Century Public Health Threats: Our Nation’s Preparedness and Response Capabilities”, was to obtain stakeholder input on PAHPA reauthorisation. Seqirus testified, very successfully, representing the industry voice in this key legislative process, and reinforcing the need for a legislative and funding authorisation for pandemic influenza.

POLITICAL CONTRIBUTIONS

CSL undertakes financial contributions to political parties and candidates as part of engaging in the political process and ensures compliance with specific jurisdictional laws and regulations as relevant. In addition, political contributions are made in accordance with global and local authorisation levels. Contributions may be undertaken in support of upcoming elections (specifically in the US), towards attendance at political party conferences, roundtables and/or fundraising events (such as breakfast briefings, luncheons or dinners).

Over the reporting period, CSL contributed a total of US\$17,311* to political organisations in Australia and the US. In all other regions, CSL made no political contributions. CSL also provides for the administrative costs of a political action committee (PAC), whereby eligible employees in the US voluntarily contribute to the PAC to provide contributions to political candidates who support patient care and policies to enhance biopharmaceutical innovations. The PAC is run by an employee PAC Board and is fully compliant with US election laws and reporting requirements.

Country	Contribution
US	US\$4,500
Australia	A\$16,520

* When Australia's contributions are converted to US currency.

5.4 Anti-bribery and anti-corruption

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

We consider our overall risk relating to corruption to be low and are committed to ensuring full compliance in how we conduct our operations across all regions in which we operate and are seeking to enter.

In 2017, CSL published a third edition of our Code, setting the foundation for our expectations of employees and third parties. Furthermore, we updated and reissued to employees CSL's Board-level Anti-Bribery and Anti-Corruption Policy and the Global Serious Complaints Policy (formerly CSL's Whistleblower Policy).

In addition, over 2017/18, our operations conducted a biannual assessment of bribery and corruption risk within their businesses. This is achieved by means of a standardised questionnaire that is completed and the responses are then reviewed with the GCC. In 2017/18, these assessments did not identify any significant corruption risks. Additionally, during this time, for all closed matters, our global hotline process revealed no instances of bribery or corruption.



5. Our marketplace and community continued

5.4 Access to medicines

CSL supports access to medicines in a variety of ways. We are committed to pricing our products responsibly, which fosters access. We price products fairly to reflect their value to patients. In total, across our product portfolio, price increases have contributed a small portion of our overall revenue and we have had price decreases for some therapies in different regions. We also produce and communicate comprehensive data on the value of our therapies to inform decisions.

In 2017/18, CSL's investment for humanitarian access programs and product support initiatives – primarily in the US – totalled US\$7.5 million (a subset of CSL's community contributions). In the US, access programs support qualified patients

who are uninsured, underinsured or cannot afford their prescribed therapy.

Furthermore, across our key therapy areas, CSL's long-standing partnerships with patient groups and non-government organisations help to improve access to our therapies in developing countries (as shown right). In addition, CSL is active in supporting patient advocacy efforts for access to care globally.

Our investment in innovative products and reliable supply is also critical to achieving access to life-saving and life-enhancing medicines. Responsible pricing is key to sustaining this pipeline.

Find out more at
CSL.com

RESTARTING MANUFACTURING TO MEET INCREASED DEMAND

In May 2018, Seqirus Australia restarted production of 2018 Southern Hemisphere influenza vaccine for the Australian market at our Parkville site in response to higher than expected demand. Seqirus produced an additional 700,000 doses for the Australian public, working around the clock to deliver ahead of schedule. The additional vaccine was prioritised for at-risk groups under the National Immunisation Program.

WORKING COLLABORATIVELY TO MAKE AN IMPACT

Bleeding disorders



For more than 10 years, CSL Behring has supported the World Federation of Hemophilia (WFH) improve the diagnosis and treatment of bleeding disorders around the world.

In addition to its financial support for the organisation's work, CSL Behring is a program sponsor and donor to the WFH's Global Alliance for Progress (GAP) Program, a worldwide initiative seeking to save and improve the quality of life of people with bleeding disorders.

In 2017, CSL Behring donated more than 15 million international units of coagulation factor to the WFH, supporting patients in Afghanistan, Bangladesh, Belize, Cambodia, Cameroon, Côte d'Ivoire, Dominican Republic, El Salvador, Ethiopia, Ghana, Honduras, India, Jamaica, Lithuania, Madagascar, Malawi, Mali, Mauritania, Morocco, Niger, Nigeria, Philippines, Rwanda, Togo and Zambia.

Snakebite



In April 2018, a new multi-stakeholder partnership was launched in Papua New Guinea (PNG), the "PNG Snakebite Project", to help save lives from snakebite.

PNG has some of the highest rates of snakebite mortality in the world, caused mainly by taipan and death adder envenomation. The same snake species are found in Australia, where Seqirus antivenom has been in use for decades.

The partnership, a three-year project involving the PNG National Department of Health, the Australian High Commission, Seqirus and the Charles Campbell Toxinology Centre, at the University of Papua New Guinea, is intended to significantly improve access to antivenoms by combining a large product donation, healthcare worker training, plus a purpose-built cold-chain distribution and product management system.

Under the partnership, Seqirus will provide an annual donation of 600 vials of snake and marine creature antivenoms to PNG valued at more than A\$1 million annually.

Influenza



In 2017, Seqirus continued its support for the World Health Organization's (WHO) Pandemic Influenza Preparedness (PIP) Framework with a corporate contribution. The PIP framework is an international arrangement adopted by the World Health Assembly in May 2011 to improve global pandemic influenza preparedness and response. It aims to improve the sharing of influenza viruses with pandemic potential and the equitable access to products necessary to respond to pandemic influenza (e.g., vaccines, antiviral medicines and diagnostic products).

Seqirus has also agreed to donate 10% of influenza vaccine output in real time to WHO for deployment to developing countries in the event of a global pandemic emergency.

5.6 Responsible marketing of medicines

Responsible marketing of prescription medicines is vital to maintaining consumer trust in the pharmaceutical industry and ensuring patients receive the maximum benefits from our products and services. Government regulation and industry codes oversee the marketing of our medicines, vaccines and therapies across key regions where we operate.

CSL recognises that reputation in the marketplace and success as a reliable supplier of biopharmaceuticals relies on ensuring our medicines, vaccines and therapies are honestly represented in our interactions with healthcare professionals, consumers and other customers. Promotional Review Committees, comprising cross-functional members, operate across CSL business units to ensure compliance with all applicable local laws, regulations and accepted industry codes, such as Medicines Australia Code of Conduct (MA Code) and the European Federation of Pharmaceutical Industries and Associations Code for European Union member countries. The committees are responsible for ensuring information on

medicines, vaccines and therapy areas is balanced, supported by scientifically valid data and compliant with relevant laws and codes.

In February 2018, CSL Behring received an official request (untitled letter and not a warning/breach) from the US FDA to cease the dissemination of specific promotional materials for IDELVION®, our novel recombinant coagulation factor for the treatment of haemophilia B. The FDA requested that we modify the artwork used in our promotional material. Accordingly, CSL Behring updated the imagery associated with the campaign to reflect patient activities that are lower in impact and therefore not misleading relative to the efficacy of the product.

During 2017/18, neither Seqirus Australia nor CSL Behring Australia were found to be in breach of the Medicines Australia Code, where CSL is a signatory. For international operations, CSL (including CSL Behring and Seqirus) was not found to be in breach of any regulation of the US FDA or the EMA with respect to the promotion or marketing of medicines, vaccines and therapies.

5.7 Strategic community investment

CSL's approach to community contributions is guided by our Code of Responsible Business Practice and supplemented by our Global Community Contributions Policy. The policy applies to all CSL companies and employees and is intended to be implemented across the businesses 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.

CSL'S GLOBAL COMMUNITY CONTRIBUTIONS FRAMEWORK

SUPPORT FOR PATIENT COMMUNITIES

- | | |
|--|--|
| <ul style="list-style-type: none"> • Enhancing quality of life for patients in the conditions our therapies treat • Improving access to our biological medicines | <p>Aligns with CSL's Values of Patient Focus & Integrity.</p> <p>Supports CSL's <i>growth</i> strategic objective by improving patient outcomes.</p> |
|--|--|

SUPPORT FOR BIOMEDICAL COMMUNITIES

- | | |
|---|--|
| <ul style="list-style-type: none"> • Advancing knowledge in medical and scientific communities • Fostering the next generation of medical researchers | <p>Aligns with CSL's Values of Innovation & Collaboration.</p> <p>Supports CSL's <i>innovation</i> strategic objective by fuelling new breakthroughs, enhancing scientific knowledge and building capability and capacity.</p> |
|---|--|

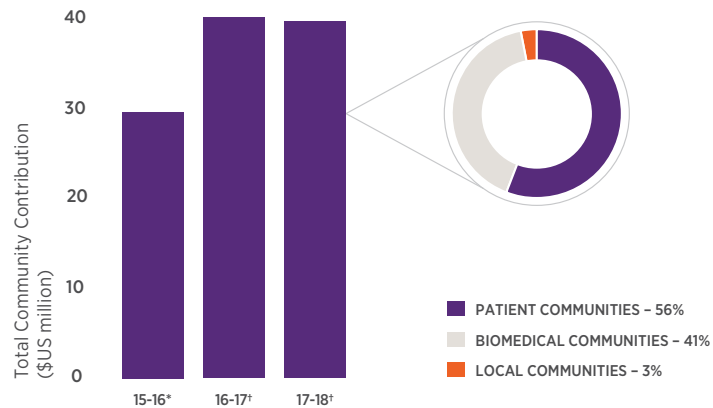
SUPPORT FOR LOCAL COMMUNITIES

- | | |
|---|---|
| <ul style="list-style-type: none"> • Supporting community efforts where we live and work • Supporting communities in times of emergency | <p>Aligns with CSL's Value of Superior Performance.</p> <p>Supports CSL's <i>workplace culture</i> strategic objective by creating an environment that employees feel proud to contribute to.</p> |
|---|---|

5. Our marketplace and community continued

In 2017/18, CSL contributed US\$39.5 million to patient, biomedical and local communities, consistent with the prior year. Our support for patient communities continues as a priority, with the majority of total funding directed towards programs that enhance patient quality of life and improved access to our medicines.

CSL'S GLOBAL COMMUNITY CONTRIBUTIONS



* Excludes operations acquired from the Novartis influenza vaccine business.

† Includes a limited number of patient organisation contributions undertaken by the Novartis influenza vaccine business.

SHARED VALUE IN THE COMMUNITY

Patient communities – improving diagnosis

In June 2018, CSL Behring and Thailand's Chulalongkorn University launched a partnership that will focus on advancing genetic testing for patients with primary immunodeficiency (PID) in Southeast Asia. Despite significant progress in the field and increasing PID awareness by Southeast Asian physicians over the past two years, access to diagnosis and treatment remains an unmet need. The genetic testing effort is the first in a series of six initiatives – known as Project SEA6 – is aimed at helping the region's PID patients gain earlier access to diagnosis and safe, effective treatment.

Biomedical communities – inspiring the next generation and advancing knowledge

In September 2017, CSL Behring committed US\$4.92 million to Penn State, Pennsylvania, US, over six years to create the multidisciplinary Center of Excellence in Biotechnology, and to revitalise the Shared Fermentation Facility, an engine for collaboration and innovation in biological training and research on the University Park campus. The facility, which opened in June 2018, will also help educate students to enter the dynamic and rapidly growing field of biotechnology and prepare them to develop the next generation of innovations. CSL Behring also collaborated with the school on the functional design of the facility and curriculum.

In support of public health across the world, in 2018, Seqirus provided a donation of €250,000 to the Global Initiative for Sharing of Influenza Data (GISAID) to support open and rapid sharing of genetic data for influenza viruses. GISAID is a non-profit organisation and public-private partnership dedicated to strengthening the world's defence against deadly influenza threats.

Local communities – in times of emergency

Hurricane Harvey, a Category 4 storm, struck the east coast of the US in August 2017, causing an estimated US\$125 billion in damages. With operations and employees in affected areas, such as Greater Houston, Texas, CSL committed US\$150,000 in support of relief efforts and matched in full a further US\$25,195 raised by employees. A total of US\$200,391 was donated to United Way of Greater Houston to support families and individuals affected by the second costliest hurricane to hit the US. In addition, Seqirus donated 22,500 doses of influenza vaccine to help displaced residents fight the onset of influenza.

Assurance Statement



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Independent Limited Assurance Statement in relation to CSL Limited's ('CSL') 2018 Corporate Responsibility Report

Our Conclusion:

Ernst & Young ('EY', 'we') was engaged by CSL to undertake limited assurance as defined by Australian Audit Standards, here after referred to as a 'review', over the materiality process and a number of selected disclosures included in CSL's Corporate Responsibility Report ('the Report') for the year ended 30 June 2018. Based on our review, nothing came to our attention that caused us to believe that:

- CSL has not applied and disclosed its materiality process and material topics in accordance with the principle of materiality as defined in the Global Report Initiative (GRI) Standards
- The selected disclosures presented below, have not been prepared and presented fairly, in all material respects, in accordance with the criteria detailed below.

What our review covered:

We reviewed CSL's materiality process including CSL's approach to identifying material topics and the accuracy, completeness and disclosure of these material topics in the Report. We also reviewed the selected disclosures, listed below, as disclosed in the Report, for the year ended 30 June 2018.

Selected Disclosures		Page reference:
Our People (Retention & OHS)	Lost Time Injury Frequency Rate (LTIFR)	21
	Medical Treatment Injury Frequency Rate (MTIFR)	
	Days Lost Frequency Rate (DLFR)	
	Employee Opinion Survey	16
Product Safety and Quality	Regulatory Audits	30
	Quality audits of suppliers	
	Safety Recalls of finished product	
Financial Performance	Economic value generated	35
	Economic value distributed	
Access to Healthcare - Fair Pricing & Affordability	Humanitarian access	38
Products & Services Innovation	R&D investment 2017-18	23

Criteria applied by CSL

In preparing its materiality process and material topics CSL applied the GRI Standards principle of materiality. In preparing the selected disclosures, CSL applied:

- Specific criteria from the GRI Standards
- CSL's publicly disclosed criteria as detailed in footnotes in the Report

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a limited assurance conclusion on CSL's materiality process, identified material topics and selected disclosures included in the Report.

We were also responsible for maintaining our independence and confirm that we have met the requirements of the APES 110 Code of Ethics for Professional Accountants including independence and have the required competencies and experience to conduct this assurance engagement.

A member firm of Ernst & Young Global Limited
Liable by license by a scheme approved under Professional Standards Legislation

CSL's Responsibility

CSL's management was responsible for selecting the Criteria, and fairly presenting the materiality process, identified material topics and selected disclosures in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review

We conducted this review in accordance with the 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 27 March 2018.

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 including:

- reviewing evidence of CSL's materiality process and identified material topics to support application and disclosure in line with the GRI Standards principle of materiality
- conducting checks such as media and peer review to support accuracy and completeness of material topics
- conducting interviews with key personnel at corporate and selected sites to understand CSL's process for collecting, collating and reporting the selected disclosures during the reporting period
- checking that the Criteria has been reasonably applied in preparing the selected disclosures
- undertaking data analytics to check the reasonableness of the data supporting disclosures
- checking regulatory body websites to confirm accuracy and completeness of safety related recall reporting
- obtaining audit closure reports to confirm existence of quality audits of suppliers and regulatory audits
- comparing classification of safety incidents against the CSL Standard Operating Procedures to confirm accuracy and consistency across the business
- inquiring of site personnel to identify risks of underreporting and quality controls to address these risks
- performing recalculations of performance metrics to confirm quantities stated were replicable
- checking aggregation of site-based selected disclosures and transcription to the Report
- checking the appropriateness of the presentation relating to the selected disclosures.

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

Limited Assurance

Procedures performed in a limited assurance 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 limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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 checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, 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
Melbourne, Australia
8 October 2018

Terence Jeyaretnam FIEAust
Partner

Key Performance Data Summary[^]

Economic Contribution		2015/16	2016/17	2017/18	
Economic value generated	US\$million	6,129	6,934	7,925*	For more see page 35.
Economic value distributed	US\$million	6,098	6,909	7,500*	
Innovation		2015/16	2016/17	2017/18	
R&D investment	US\$million	614	645	702	For more see page 23.
Safety and Quality		2015/16	2016/17	2017/18	
Regulatory audits	Number	273	343	374	For more see page 30.
Quality audits of suppliers	Number	574	609	489	
Safety related recalls of finished product	Number	3	4	5	
Our People		2015/16	2016/17	2017/18	
Total headcount	Number	17,021	19,637	22,220*	For more see page 16.
Lost time injury frequency rate (LTIFR)	Per million hours worked	1.04	1.56	1.15	
Medical treatment injury frequency rate (MTIFR)	Per million hours worked	4.98	4.13	3.41	
Days lost frequency rate (DLFR)	Per million hours worked	15.69	33.27	15.68	
Fatalities (including contractors)	Number	0	0	0	
Employee engagement	Percentage	Not applicable	73	75	
Community		2015/16[#]	2016/17[#]	2017/18[#]	
Total contribution	US\$million	29.6	40.0	39.5	For more see page 40. * 2015/16 does not include data from the acquired Novartis influenza vaccine business. 2016/17 and 2017/18 includes some data from the acquired Novartis influenza vaccine.
Environment		2015/16	2016/17	2017/18	
Energy consumption	Petajoules	2.87	3.17	3.31	More at CSL.com (Corporate Responsibility)
Greenhouse gas emissions	Metric kilotonnes	277	300	310	
Water consumption	Gigalitres	3.14	3.43	3.64	
Waste	Metric kilotonnes	44.07	33.07	54.03	
Waste recycling rate	Percentage	52	51	43	

[^] Does not include Ruide, unless otherwise stated

[#] Includes Ruide

Medical Glossary

Acute myocardial infarction is a heart attack.

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).

Anti-D immunoglobulin, also called Rh (D) immunoglobulin, is an injection of anti-rhesus antibodies given to a woman whose blood group is Rhesus negative, if there is a chance that she has been exposed to Rhesus positive blood either during pregnancy or blood transfusion.

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

C1-esterase inhibitor is a protein found in the fluid part of blood that controls C1, the first component of the complement system. The complement system is a group of proteins that move freely through the bloodstream. These proteins work with the immune system and play a role in the development of inflammation.

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.

Common variable immune deficiency is one of the most frequently diagnosed primary immunodeficiencies, especially in adults, characterised by low levels of immunoglobulins and antibodies, which causes an increased susceptibility to infection.

Fibrinogen is a coagulation factor found in human plasma that is crucial for blood clot formation.

Fractionation is the process of separating plasma into its component parts, such as clotting factors, albumin and immunoglobulin, and purifying them.

G-CSF is a glycoprotein that stimulates the bone marrow to produce granulocytes and stem cells and release them into the bloodstream.

Haemolytic disease is a disease that disrupts the integrity of red blood cells causing the release of haemoglobin.

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

1. Haemophilia A (classic haemophilia, factor VIII deficiency), an X linked disorder due to deficiency of coagulation factor VIII.
2. Haemophilia B (factor IX deficiency, Christmas disease), also X linked, due to deficiency of coagulation factor IX.

Haemostasis (haemostatic) is the stopping of blood flow. 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.

Hereditary emphysema is a physiological condition that results in excessive amounts of white blood cells (neutrophils) entering the lungs, causing inflammation and chronic lung disease.

Medical Glossary continued

Human papilloma virus (HPV) is a diverse group of DNA-based viruses that infect the skin and mucous membranes of humans and a variety of animals. Some HPV types cause benign skin warts, or papillomas, for which the virus family is named. Others can lead to the development of cervical dyskaryosis, which may in turn lead to cancer of the cervix.

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).

Influenza, commonly known as flu, is an infectious disease of birds and mammals caused by a 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.

Perioperative bleeding is bleeding during an operation.

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

Primary immunodeficiency (PID) 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.

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.

Thrombosis is the formation of a blood clot inside a blood vessel, obstructing the flow of blood through the circulatory system.

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.

Warfarin is an anticoagulant used to prevent heart attacks, strokes and blood clots.

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FURTHER INFORMATION

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